



»»» Invest in the everlasting.
Funding Highlights in 2021 and
Outlook for 2022

KFW

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Record Funding Year 2021

General overview and highlight transactions

»»» KfW's funding highlights in 2021



EUR 82 bn

About 25% above last year's level

[Slide 5](#)

15 currencies

Via 211 transactions underpin KfW's global approach in DCM

[Slide 5](#)

61%

Of total funding volume via 9 highly liquid benchmark transactions (plus 12 taps) in EUR and USD

EUR Benchmarks

Dominate (EUR 38bn) amid ultra low yields. Super large order books and inaugural 15ys transaction

[Slide 6](#)

USD Global Bonds

KfW's excellent access to USD-market allowed to issue four bonds with USD 5bn each

[Slide 7](#)

Green Bonds

EUR 16.2bn in total. EUR 4bn 8ys Green Bond was the largest issued by a non-sovereign SSA issuer

[Slide 10](#)

Taylor-made Placements*

Volume significantly increased to EUR 6.0bn. Transactions were made in 7 different currencies.

*including Uridashi transactions [Slide 15](#)

Emerging Markets

Remarkable very fine placements in CNY, HKD and ZAR. Significant increase of MTNs vs previous year.

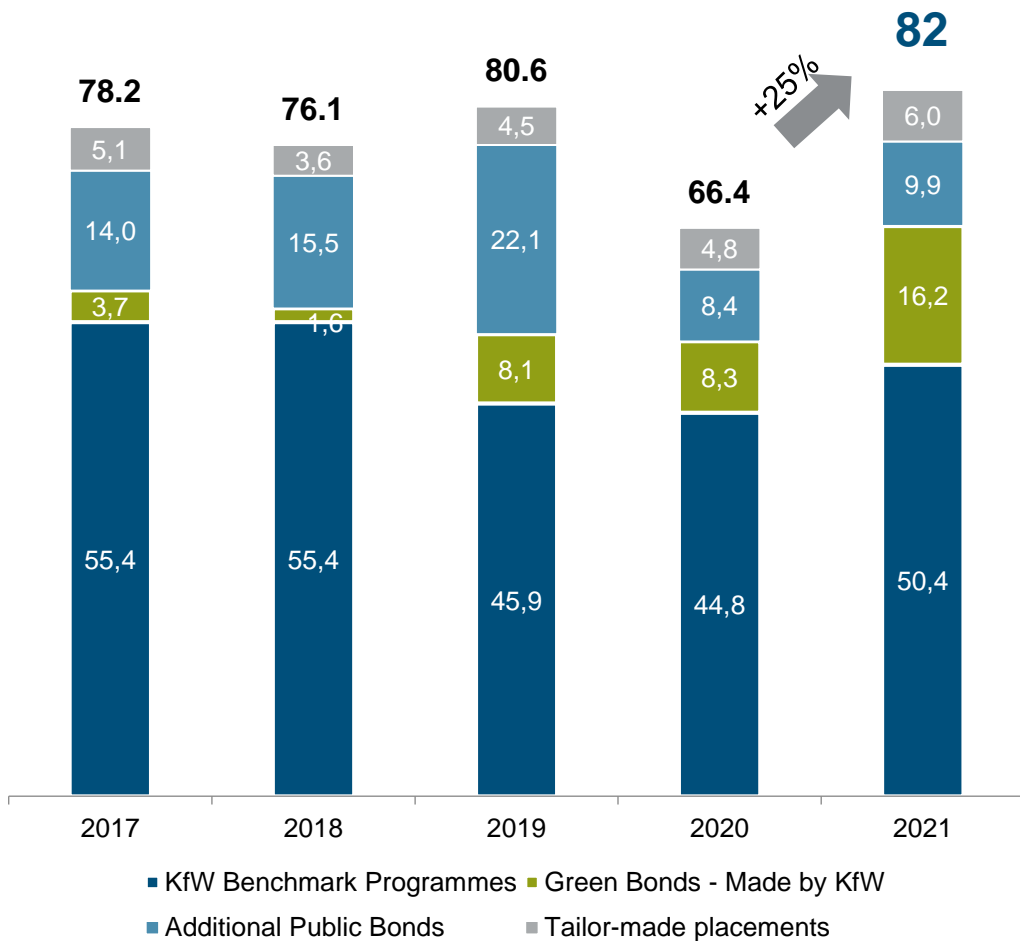
New Reference Rates

Inaugural SOFR-linked and SONIA-linked FRNs in 2021.

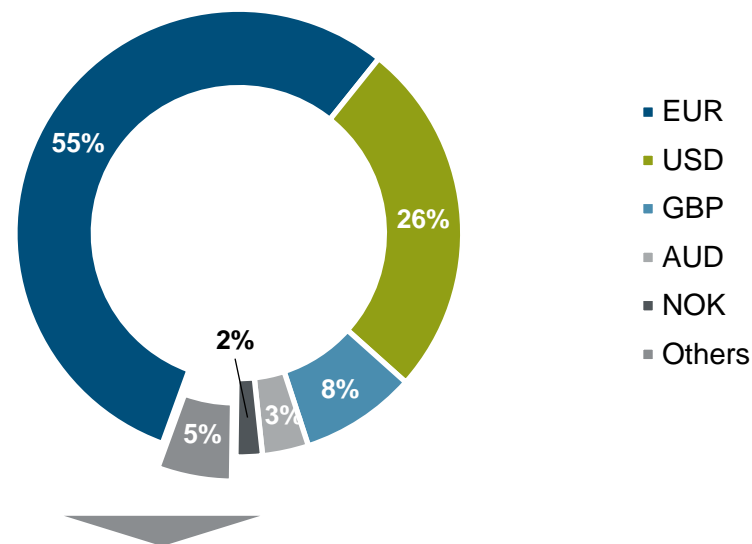
Strong presence in debt capital markets in 2021

Funding volume 2021

(in EUR billions)



Funding volume 2021 by currency



Further currencies (in EUR)

- JPY (377m)
- CAD (646m)
- CNY (1,190m)
- HKD (406m)
- HUF (16m)
- MXN (74m)
- NZD (242m)
- PLN (195m)
- SEK (196m)
- ZAR (1,072m)

>>> KfW EUR-Benchmark-Programme

Overview and Highlights 2021



- Established in 2001, KfW’s EUR benchmark programme is the backbone of KfW’s funding strategy. Since then, KfW has issued more than 90 EUR benchmark bonds with an accumulated issuance volume of more than EUR 400bn.
- KfW is strongly committed to liquidity and regular issuance across all benchmark maturities each year. In 2021, KfW issued one benchmark bond with tenors of 3ys, 5ys, 7ys and 10ys and one inaugural benchmark bond with a tenor of 15ys. Secondary market liquidity is closely monitored.
- KfW’s EUR benchmark programme has become a true “benchmark” in the market for many other issuers as well.
- All new lines achieved a strong and oversubscribed order book, priced at the tighter end of guidance and showed good performance in secondary markets.
- In 2021, KfW placed five new euro-denominated benchmark bonds with investors totaling EUR 33bn notional.

Notional amount	bn EUR	Settlement	Tenor in yrs	Coupon in %	Lead Managers
KfW-EUR-Benchmark I/2021	5.0	Jan 12, 2021	10	0.00	BofA Securities, Deutsche Bank, HSBC, J.P. Morgan
KfW-EUR-Benchmark II/2021	5.0	Mar 09, 2021	5	0.00	Barclays, BNP Paribas, Commerzbank, Goldman Sachs
KfW-EUR-Benchmark III/2021	3.0	May 20, 2021	15	0.375	BofA Securities, CACIB, LBBW, Morgan Stanley
KfW-EUR-Benchmark IV/2021	5.0	Aug 25, 2021	7	0.00	BNP Paribas, Goldman Sachs, HSBC, UniCredit
KfW-EUR-Benchmark V/2021	3.0	Oct 26, 2021	3	0,00	Barclays, Deutsche Bank, J.P. Morgan, Nomura
12 Re-openings	12.0	various	various	various	various
	33.0				

»»» KfW USD-Global-Programme

Overview and Highlights 2021



- Established in 2002, KfW’s USD Global Programme strategically complements the KfW benchmark programmes. Until now, KfW has issued over 90 USD global bonds with an issuance volume of more than USD 380bn.
- KfW is strongly committed to liquidity and regular issuance across all benchmark maturities and closely monitors secondary market liquidity.
- KfW’s USD Global programme has become a true “benchmark” in the market for many other issuers as well.
- In 2021, KfW has issued four global benchmark bonds amounting to USD 20bn notional. This is especially remarkable in an environment with very competitive funding levels in the EUR market.
- In 2021, all new lines were oversubscribed with excellent investor diversification, priced at the tighter end of guidance and showed good performance in secondary markets.

Notional amount	bn USD	Settlement	Tenor in yrs	Coupon in %	Lead Managers
KfW-USD-Benchmark I/2021	5.0	Jan 20, 2021	5	0.625	BMO, Citi, Morgan Stanley
KfW-USD-Benchmark II/2021	5.0	Mar 03, 2021	3	0.250	Deutsche Bank, RBC Capital Markets, TD Securities
KfW-USD-Benchmark III/2021	5.0	Apr 15, 2021	2	0.250	Barclays, Citi, TD Securities
KfW-USD-Benchmark IV/2021	5.0	Jul 14, 2021	3	0.500	JP Morgan, Nomura, RBC Capital Markets
	20.0				

»»» Green Bonds – Made by KfW

Increased Green Bond funding volume in 2021
and updated Green Bond Framework

»»» Green Bonds – Made by KfW

Highlights of KfW's footprint in the Green Bond market

High Quality

Aligned with ICMA Green Bond Principles & SPO from CICERO

[Slide 13](#)

Liquidity

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

Variety

[Slide 10](#)

KfW Green Bonds are available in 13 currencies - in benchmark size, other public bonds and tailor-made MTNs.

Credibility

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

Use of Proceeds

KfW Green Bonds finance projects that serve climate protection.

Contribution to SDGs

7: Affordable & Clean Energy, 11: Sustainable Cities & Communities, 13: Climate Action.



Among Market Leaders

€45bn of „Green Bonds – Made by KfW“ since 2014 make KfW one of the largest issuers globally.

[Slide 11](#)

Green Indices

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

Green Bond Investor

Since 2015 runs a dedicated Green Bond investment portfolio of EUR 2 - 2.5bn mandated by the Federal Ministry of Environment.

Thought Leader

As member (since 2015) of the ICMA 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).



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Green Bonds – Made by KfW

Green Bonds: Funding highlights in record year 2021

Green Bond funding volume doubled in 2021 compared to previous year

Funding Volume

New Green Bond issuances amounted to

EUR 16bn



This corresponds to **20%** of total funding volume in 2021

Broad diversification

Green Bond issuances broadly diversified including

13 currencies

with **EUR, USD, NOK** and **AUD** being the currencies with the highest issuance volumes.

Transactions

Continuous issuance activity throughout the year counting

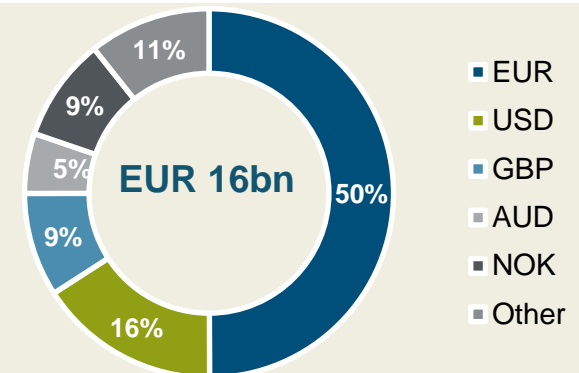
37 transactions

including **22** initial issuances and **15** taps.

KfW is the largest German issuer of Green Bonds and the second largest globally

Highlight Transactions

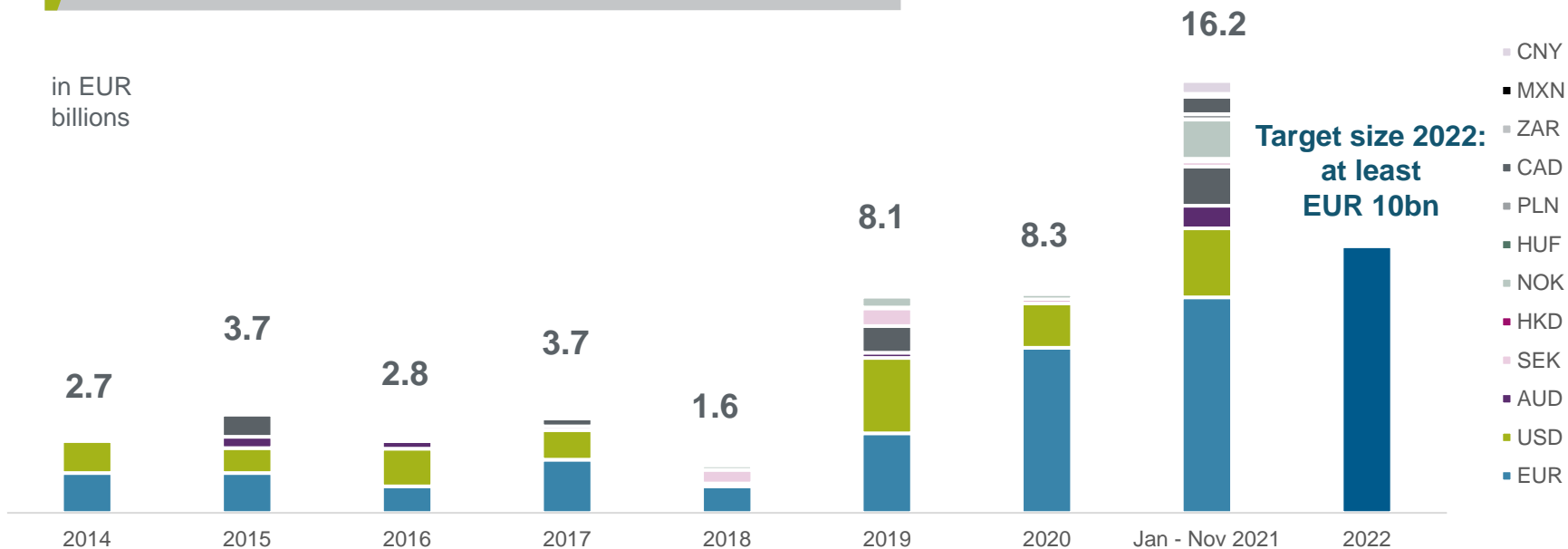
- EUR 4bn 8ys Green Bond was largest Green Bond ever issued by a non-sovereign SSA
- Largest USD Green Bond issuance worldwide (USD 3bn, 5ys)
- Largest green GBP line (ex UK treasuries) (GBP 1.9 bn, 7 ys)
- Largest green NOK line (NOK 20 bn, 3ys)
- Largest Kangaroo Green Bond worldwide (AUD 1.75bn, 3ys)
- Syndicated CNY Green Bond (CNY 2.25 bn, 3ys)



Green Bonds – Made by KfW

Long track record and increasing diversification in terms of currencies

KfW Green Bonds issued by Nov 30, 2021:
EUR 47.1bn



€14.5bn
KfW Green Bonds
issued under
1st Framework

€32.7bn
KfW Green Bonds
issued under
2nd Framework

2022:
3rd update of Green
Bond Framework in
place

»»» KfW's Green Bond Framework

Updated Green Bond Framework adding Clean Transportation as further project category

Relevant from
January 2022

New Green Bond Framework* 3rd update

Renewable Energy



Project examples

- Wind energy (onshore and offshore)
- Photovoltaic panels
- Hydropower or Biogas energy
- Electricity and heat generated from solid biomass, biogas or geothermal
- Grids and plants for the storage of heat or power, feed-in by renewable energy



Energy Efficiency



Project examples

- Acquisition and construction of new commercial and municipal buildings, including passive houses
- Energy-efficient renovation of existing buildings
- Single measures to save energy and reduce CO₂ emissions of buildings



Clean Transportation



Project examples

- Climate friendly vehicles for passenger transport and light commercial vehicles
- Climate friendly vehicles for freight transport
- Devices for active mobility (e.g. e-bikes).
- Infrastructure for climate friendly transport (e.g. charging stations, bike lanes, etc.)



UPDATED

NEW

* Applicable KfW loan programmes: "Renewable Energies – Standard," (no. 270); "Federal Funding for Efficient Buildings' (BEG)" (no. 261-264), "Sustainable Mobility for Municipalities" (no. 267) and „Sustainable Mobility for Corporates" (no. 268, 269)

Independent expert opinion by CICERO

External analysis by renowned research institution

Second Party Opinion



CICERO
Shades of
Green

CICERO (Center for Int'l Climate and Environmental Research Oslo/Norway) is an experienced, non-profit research centre recognized as „best external assessment provider“.¹

- Dark green:** Allocated to projects and solutions that correspond to the long-term vision of a low carbon and climate resilient future
- Medium green:** Allocated to projects and solutions that represent steps towards the long-term vision but are not quite there yet.
- Light green:** Allocated to projects and solutions that are climate friendly but do not represent or contribute to the long-term vision.

KfW Framework 2022: Renewable Energy & Energy Efficiency & Clean Transportation

- ✓ In line with Green Bond Principles
- ✓ Shades of Green: **medium green**
- ✓ Governance: **excellent**

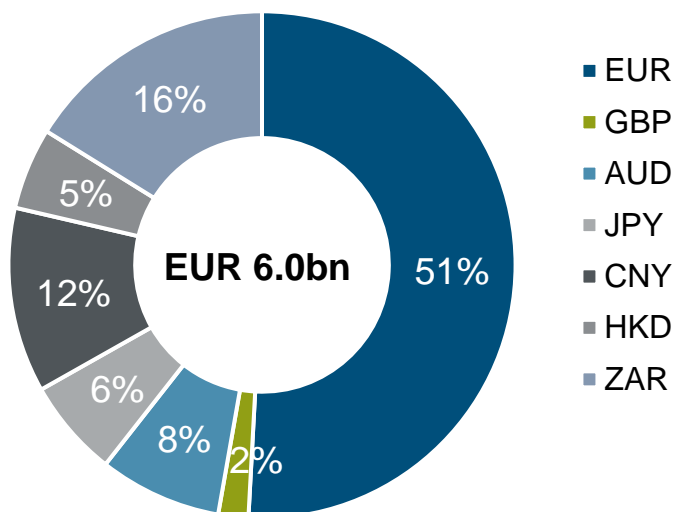
¹Environmental Finance Bond Awards 2020

»»» Further Highlight Transactions and Outlook for 2022

»»» Tailer-made placements (including Uridashis)

Significant increase of private placement funding compared to previous year

Tailer-made placements by currency*



Targets

- Customized products for investor needs
- Flexible approach
- Broad investor diversification in various currencies and structures

Key figures 2021

- EUR 6bn
- 126 transactions
- 7 different currencies

Current product development

- Demand for CNY, HKD and ZAR bonds remains on a high level.
- Strong increase in number of total inquiries
- Strong demand for EUR Callables
- KfW satisfies investors' preferences for yield enhancing products in combination with an AAA credit quality

* Excluding green private placement transactions.

»»» Outlook 2022

- ✓ **Total funding volume expected in a range of ca. EUR 80 to 85bn in 2022**
- ✓ **At least EUR 10bn funding by Green Bonds – depending on the demand for green loan programmes**
- ✓ **Continued wide range of bond formats and currencies planned for 2022**
- ✓ **Vast majority of funding coming from EUR & USD benchmark bonds with initial volumes of EUR 3 to 5bn, tap of selected outstanding EUR benchmark bonds up to a volume of EUR 7bn planned**

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