



»» KfW Press Briefing
Capital Markets Outlook 2020

Frankfurt, 12 December 2019

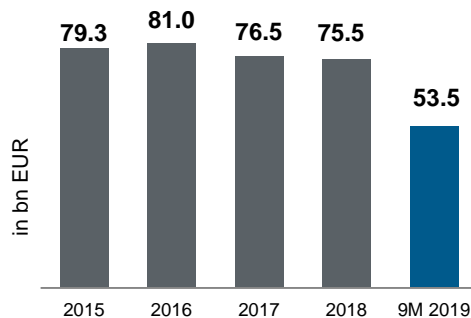
KFW

Business performance

75.5 bn EUR

Total promotional business volume 2018

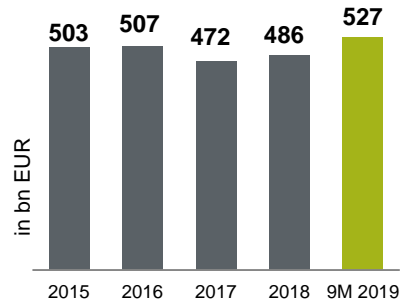
- About 60% domestic and 40% international business.
- In 2018/19 shift towards int'l business.



486 bn EUR

Total assets at end-2018

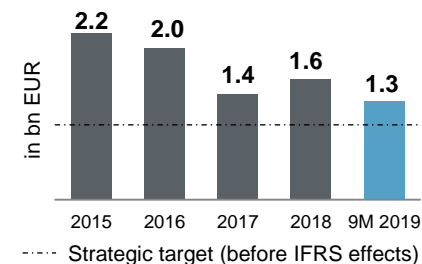
- Germany's 3rd largest credit institution in terms of total assets.



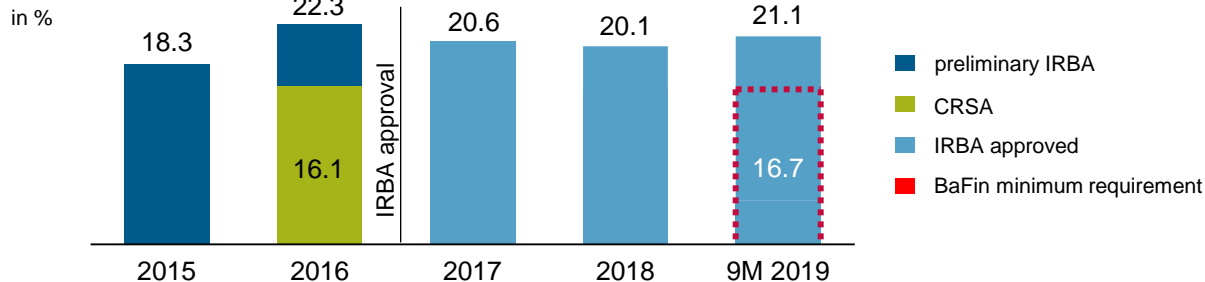
1.6 bn EUR

Consolidated profit 2018

- Better than expected, due to extremely low risk provisioning and positive valuation effects.



Capital Ratio (Tier 1)



- BaFin approval as advanced IRBA institution since 6/2017.
- The increase of KfW's Tier 1 capital ratio was mainly due to methodical adjustments of the evaluation procedure.

»»» Top notch financial ratings from leading rating agencies

Moody's, Scope Ratings and Standard&Poor's have assigned triple-A ratings to KfW

Solicited Ratings

MOODY'S

Largest public development bank with stable core operating performance and solid risk profile

Aaa Outlook stable
Short-term: P-1

KfW's strengths

Strong ownership support in the form of a direct guarantee from the German government.

Low liquidity risk, given the good market access & fallback options.

Conservative risk position, which benefits from on-lending.

Mandatory profit retention safeguards strong capitalization.

Last update: Aug 2019

SCOPE

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

AAA Outlook stable
Short-term: S-1+

KfW's strengths

Explicit and direct statutory guarantee and institutional liability from the Federal Republic of Germany.

KfW operates in a prudent manner & complies with capital and risk management requirements.

Access to capital markets is very good and sustainable.

Last update: Aug 2019

STANDARD & POOR'S

Germany's Flagship Development Bank

AAA Outlook stable
Short-term: A-1+

KfW's strengths

Timely and sufficient extraordinary support from German government.

Integral link with the government.

Explicit guarantee from the Federal Republic & institutional liability.

Low-risk assets, comprising predominately secured loans.

Last update: Aug 2019

Unsolicited Ratings

FitchRatings

KfW's strength

Direct and unlimited statutory guarantee and maintenance obligation drives ratings.

Solid asset quality benefits from on-lending.

Strong funding based on 'safe-haven'-status.

AAA Outlook stable Last update: Jul 2019



Creditreform

KfW's strength

Maintenance obligation of the German government.

High asset quality & low default rates.

Stable annual net income.

Diversified, low-interest funding.

AAA Outlook stable Last update: Aug 2018

Top credit standing is recognized by the three mandated rating agencies and by further unsolicited agencies

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.

Top ESG ratings confirm KfW's holistic sustainability approach

Renown international rating agencies assign KfW to be among top-performers in ESG



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.

Last update: July 24, 2019



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.

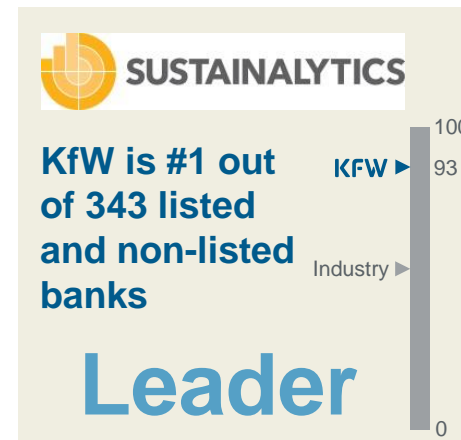
Last update: Oct 16, 2018



KfW's strengths

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

Last update: Sep 4, 2018



KfW's strengths

KfW is rated as leader in sustainability aspects within its peer group and all banks worldwide.

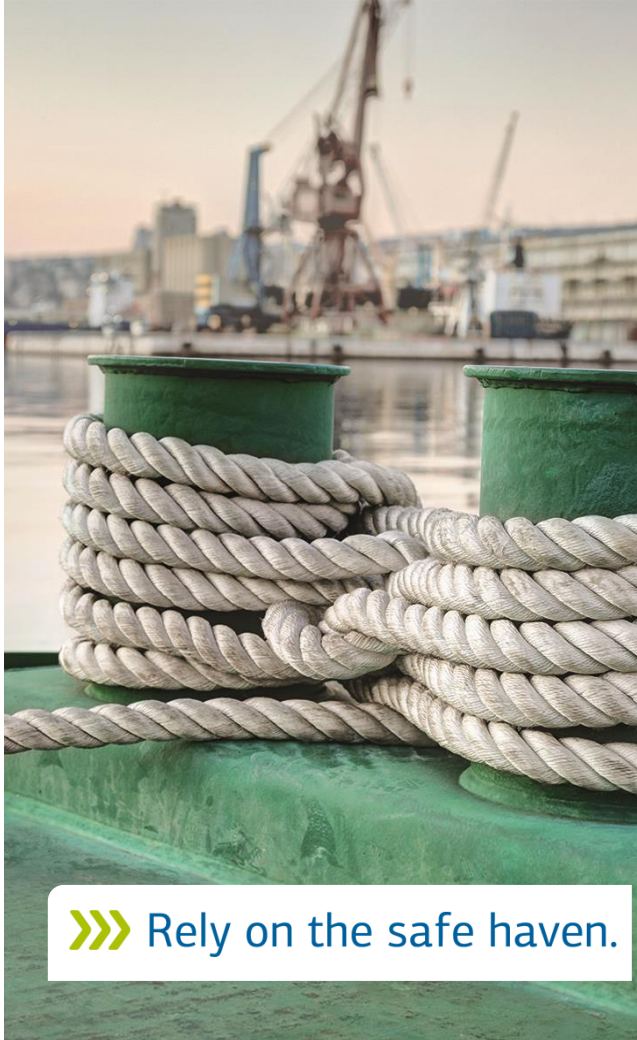
KfW continues with strong sustainability performance and even outperforms its excellent results from last year in all three ESG categories.

Last update: April 29, 2019

KfW has set a new **strategic objective** of achieving **top sustainability rankings among its peers.**

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.

Wide selection of products addressing investor needs



➤➤➤ Rely on the safe haven.

KfW Benchmark Programmes

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

Format: EMTN, Global

€ \$

Green Bonds – Made by KfW

- Liquid green bonds, diversified SRI investor base
- Focus: € and \$
- Regular offerings and taps
- Private placements possible

Format: EMTN, Global, Kangaroo, US-MTN

€ \$ £ A\$ NOK SEK HK\$...



Additional Public Bonds

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

Format: EMTN, Global, Kangaroo, Kauri

€ \$ £ A\$ NZ\$ C\$ SEK NOK

Tailor-made Placements

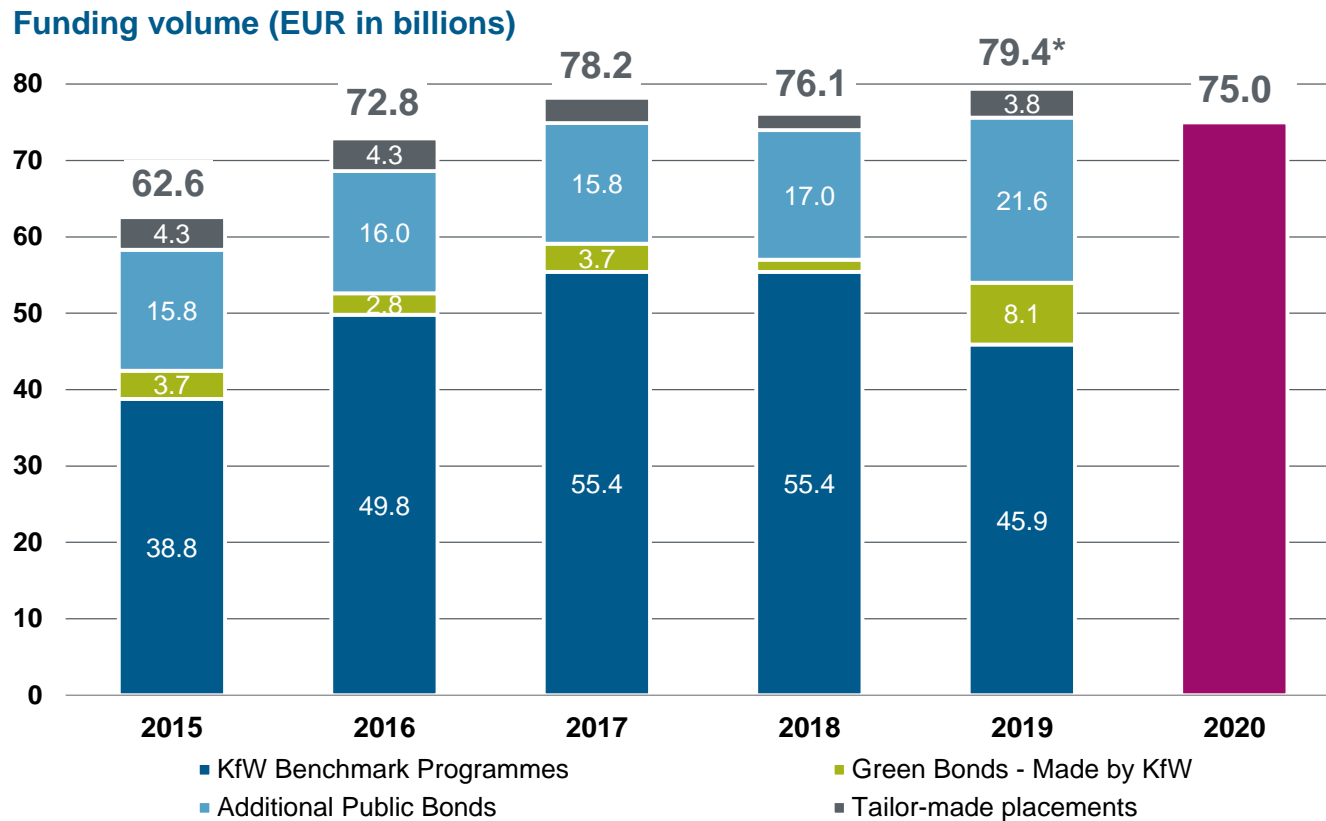
- Customized products for investor needs
- Flexible in currency, structure and maturity
- Uridashi transactions

Format: EMTN, US-MTN, NSV, SSD

€ \$ ¥ HK\$ Mex\$ CN¥ ZAR ...

Strong presence in debt capital markets

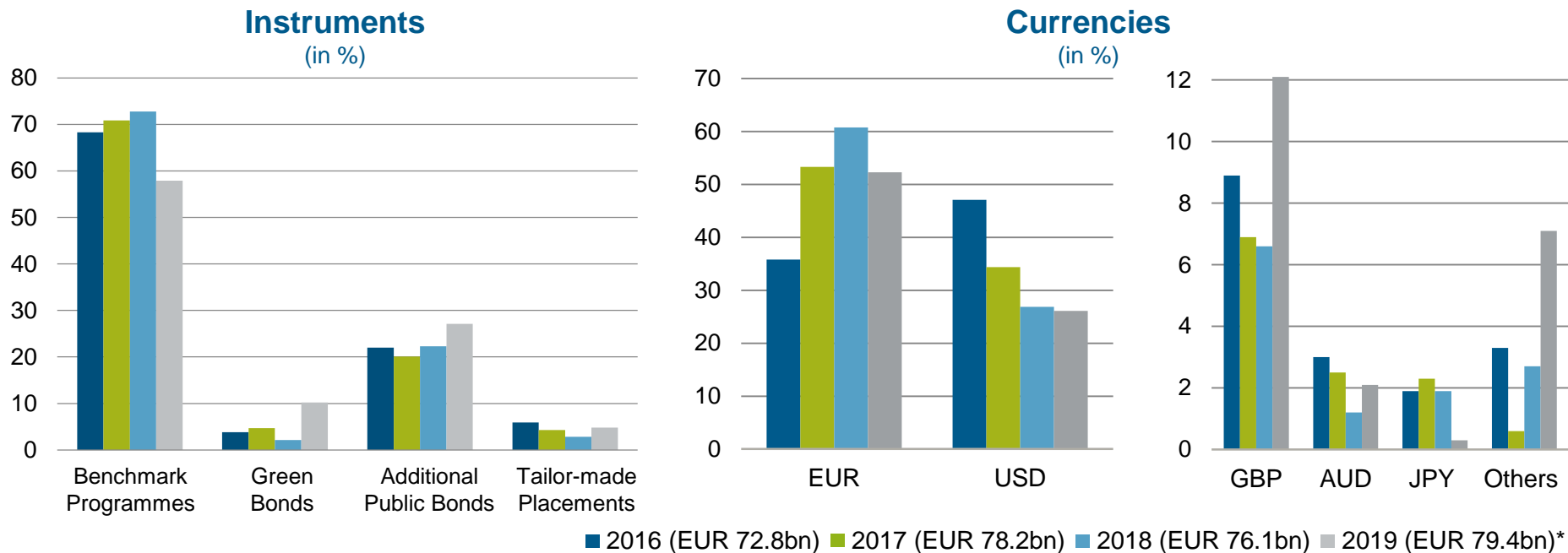
Relying on debt capital markets KfW is one of the largest issuers of bonds and notes



*as of Nov 30, 2019

>>> KfW's funding by currencies and instruments

Benchmark bonds are key – core currencies euro and US dollar



KfW Benchmark Programmes
 10 Benchmarks bonds.
 5x EUR + 5x USD.
 Record-breaking EUR order book.
 Biggest issuer of USD benchmarks.

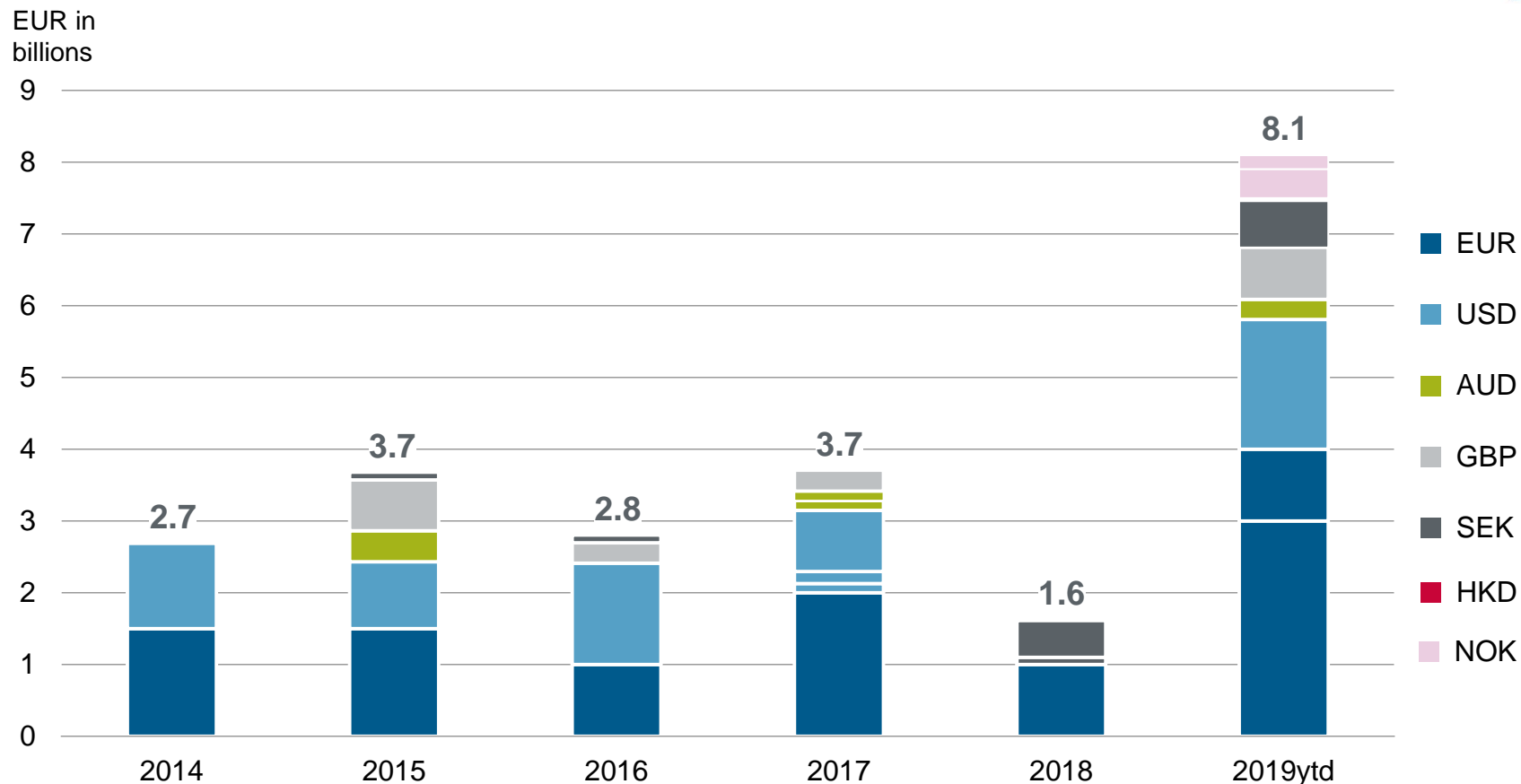
Green Bonds – Made by KfW
 New framework.
 11 green bond issuances in 7 different currencies.
 Largest green bond issuer 2019 - total issuance volume EUR 8.1bn.

Diversification
 #1 SSA issuer in GBP.
 NOK volume on all-time high.
 48% of total funding raised in 11 foreign currencies.

*as of Nov 30, 2019

Green Bonds – Made by KfW

Green Bond issuances



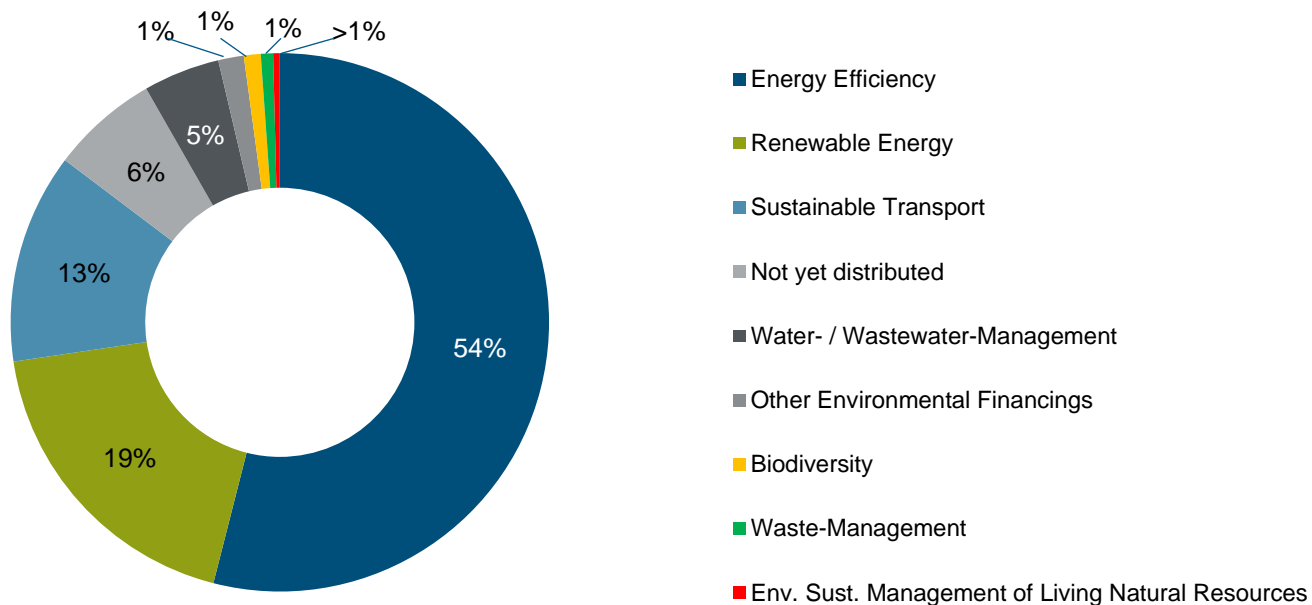
Volume of green bonds issued by November 30, 2019: **EUR 22.6bn**

EUR equivalent; based on ECB reference rate on the pricing date

KfW Green Bond Portfolio

Target volume in sight

Portfolio composition by sectors (in %)*



- KfW’s Green Bond portfolio has a target volume of EUR 2 bn.
- As of November 30, 2019, the portfolio volume amounted to EUR 1.6 bn due to 13 new investments with a total size of EUR 325 mn.
- Since the launch in 2015, KfW invested in Green Bonds from various issuers in 15 different countries in four currencies.

*as of Nov 30, 2019

Photo credits / references

Cover page:

Full-page image: KfW-Photo Archive / Stephan Sperl

Page 5:

Picture: Freunde des Hauses / Getty Images

Disclaimer

This document is provided for information purposes only. This document may not be reproduced either in full or in part, nor may it be passed on to another party. It constitutes neither an offer nor an invitation to subscribe or to purchase securities, nor is this document or the information contained herein meant to serve as a basis for any kind of obligation, contractual or otherwise. In all legal systems this document may only be distributed in compliance with the respective applicable law, and persons obtaining possession of this document should familiarise themselves with and adhere to the relevant applicable legal provisions. A breach of these restrictions may constitute a violation of US securities law regulations or of the law applicable in other legal systems. The information contained in this document is historical and speaks only as of its date. KfW disclaims any intention or obligation to update or revise the information contained in this document. By accessing this document you acknowledge acceptance of these terms.

Page 4:

The use by KfW of any MSCI ESG Research LLC Data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of KfW by MSCI or any of its affiliates. MSCI services and data are the property of MSCI or its information providers. MSCI and MSCI research names and logos are trademarks or service marks of MSCI or its affiliates.