



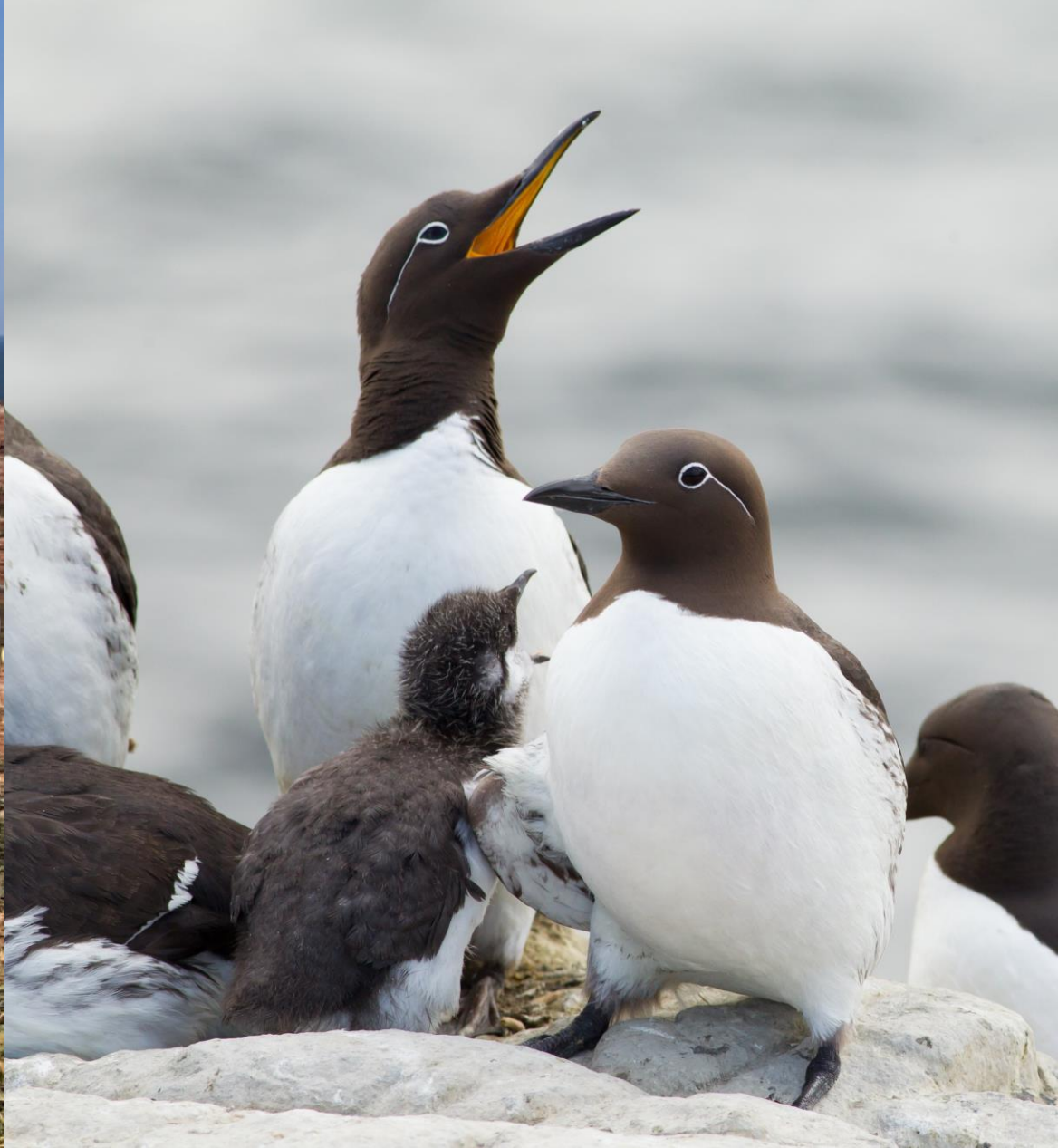
»»» The role of development banks in the
crisis and during transformative times

Dr Fritzi Köhler-Geib
Chief Economist at KfW Group

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Bank aus Verantwortung

KFW



»»» I would like to draw your attention to 3 questions ...

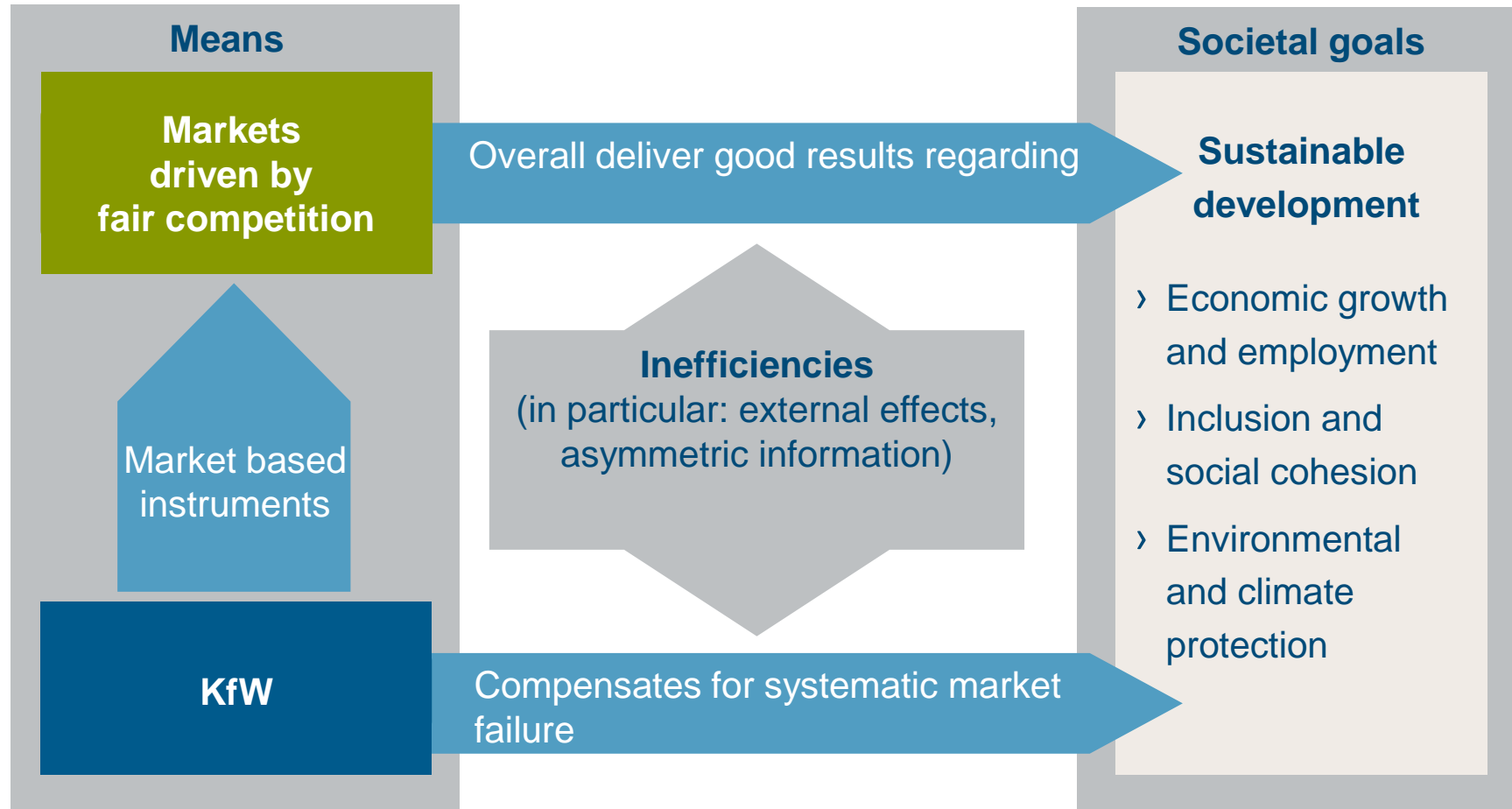
1 Why do we need development banks? The example of KfW.

2 Which role has KfW played in Germany during the COVID-19 crisis?

3 Looking ahead: Which role can KfW play in the twin transformation?

»»» Why do we need development banks? The example of KfW.

»»» KfW improves market results by compensating for market imperfections and failures and supports transformation



»»» KfW as a leading development bank is well equipped to accompany and promote the desired and necessary structural change

Climate change & environment



Digitalisation & innovation



Globalisation



Social change



Support in times of crisis



»»» Which role has KfW played in Germany during the COVID-19 crisis?

>>> KfW continues to offer broad-based support

Specific financing offers for enterprises, start-ups, non-profit organizations and students

As of 30 September 2021



**Loans as liquidity
aids for enterprises**

**KfW Special
Programme**

144.000 enterprises
supported with
EUR 52 billion



Equity for start-ups

**Corona Matching
Facility (KfW Capital)**

Global Loans to LFI

**EUR 1.6 billion for
about 2,300** start-ups
and small enterprises



**Financing of non-
profit organisations**

Global Loans to LFI

7 contracts
EUR 486 million



Support for students

**KfW Student Loan at
0% interest rate**

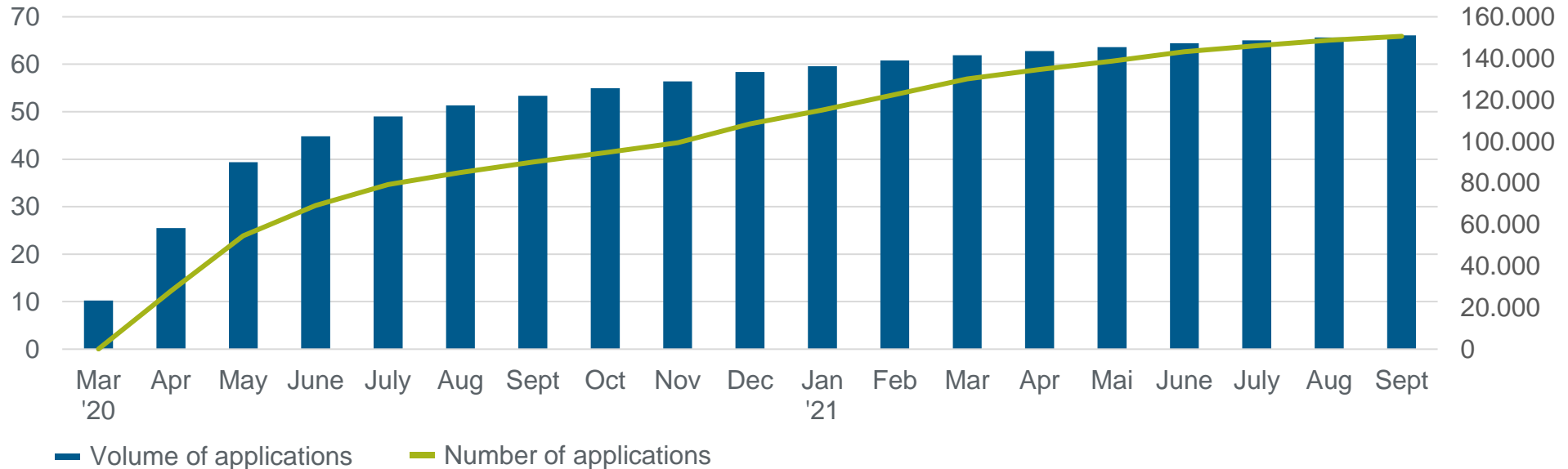
EUR 1.5 billion
benefitting
69,000 students

>>> The heart of KfW support is the KfW Special Programme

... which provides loans to enterprises and start-ups and benefits mostly SMEs

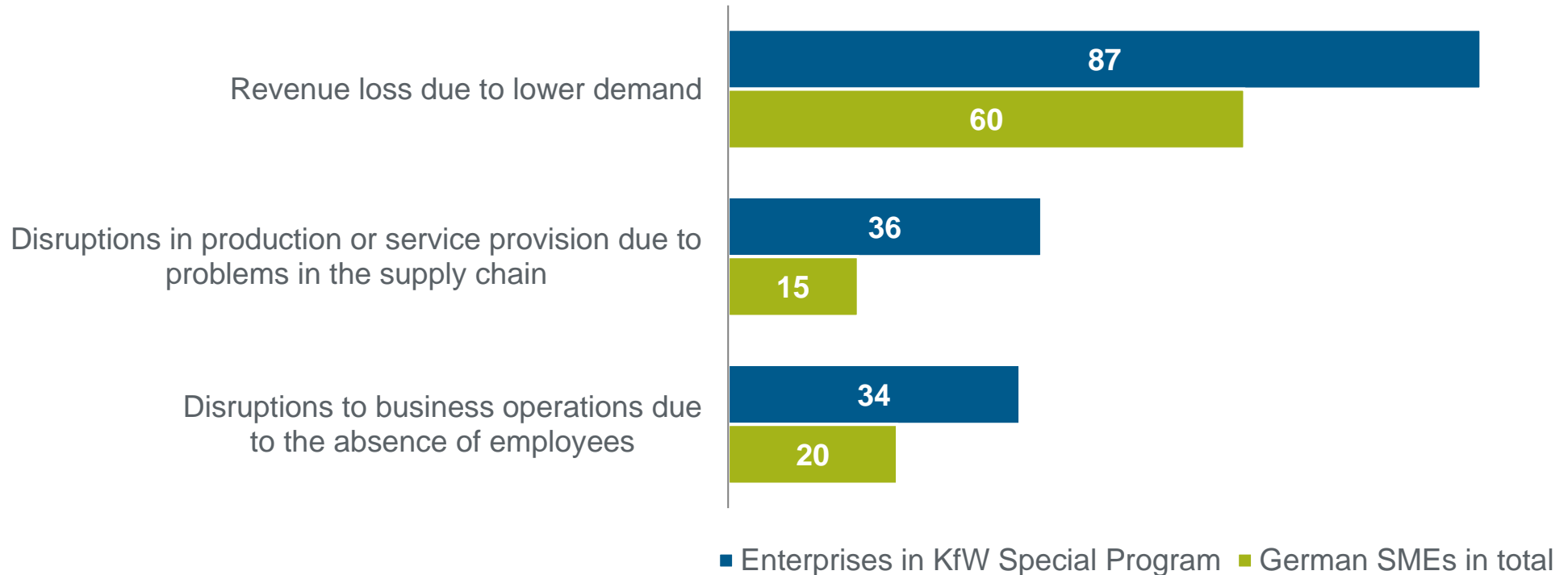
Volume of applications
(cumulated, in EUR billion)

Number of applications
(cumulated)



»»» The KfW Special Programme supports enterprises which are most heavily affected by the crisis

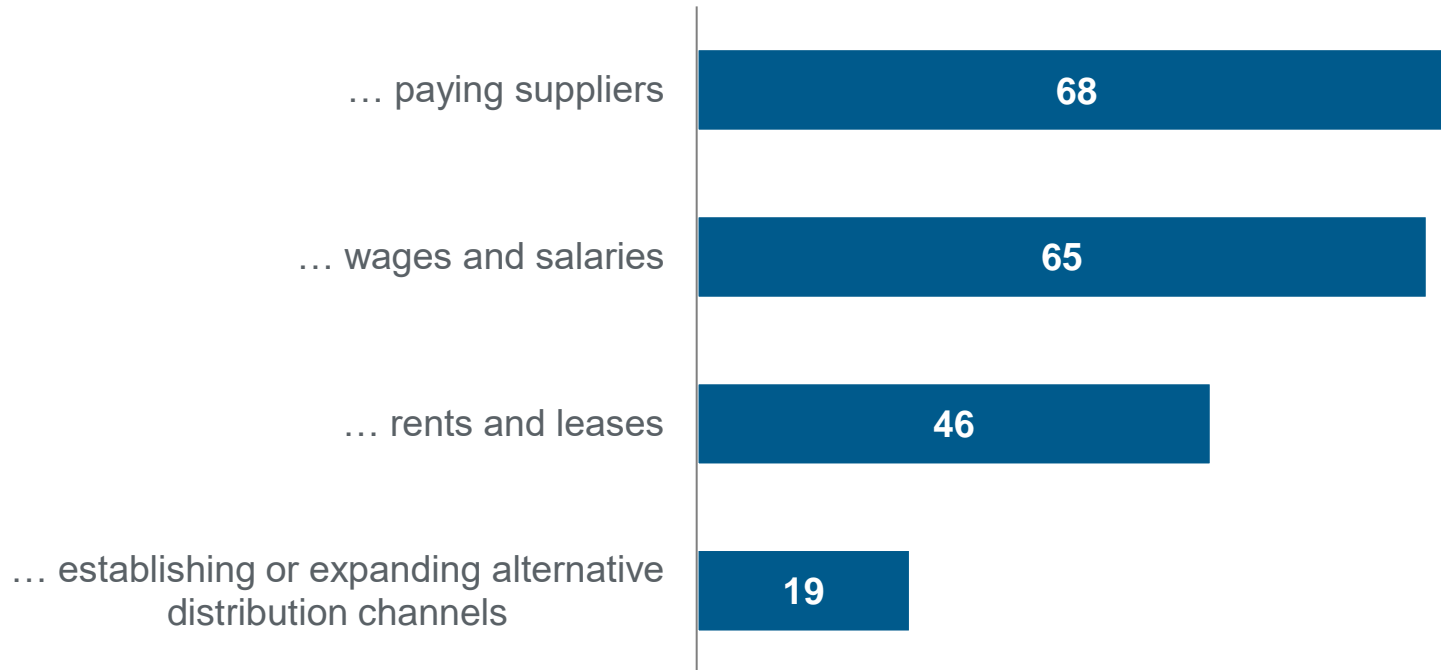
Share of enterprises affected by the coronavirus crisis (in per cent)



Based on survey evidence for loans committed in April and May, 2020

»»» The KfW loans have an impact by helping enterprises in financial distress to cover their most important payment obligations ... and are for many enterprises without alternatives

Share of enterprises (in per cent) using the KfW loan for ...



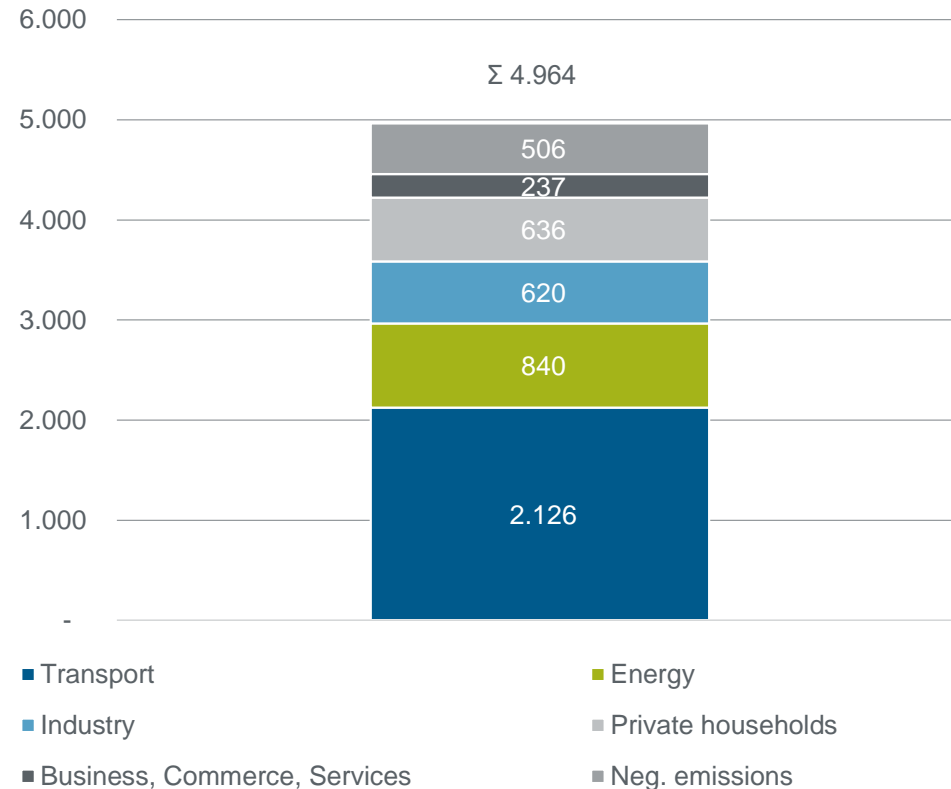
Based on survey evidence for loans committed in April and May, 2020

»»» Looking ahead: Which role can KfW play in the twin transformation?

>>> The transformation to climate neutrality requires climate-friendly investments of EUR 5 trillion in Germany

Necessary climate protection investments by economic sector

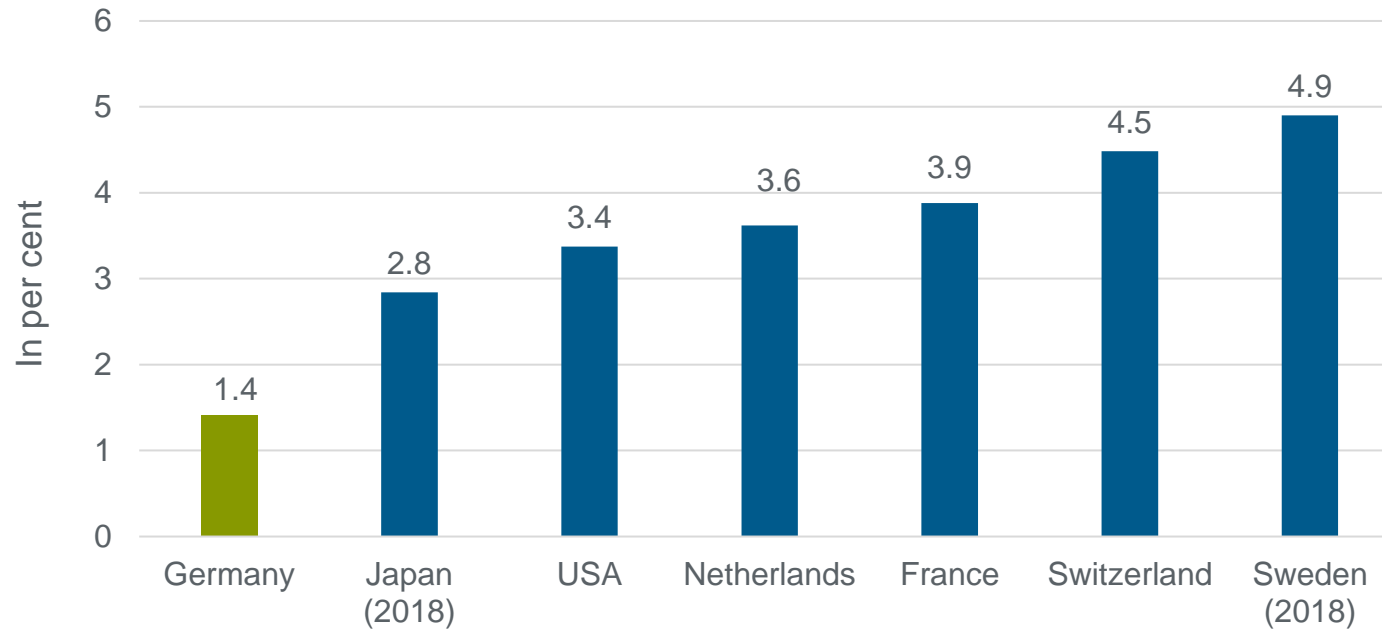
(in EUR billions)



»»» Annual IT investment volume would have to double or triple in order to catch up to other major economies

Investment in IT technologies in 2019

based on GDP



Transformation requires intelligent financing

Classic capital market financing (stocks, corporate bonds)

Internal funding

Research and Development



Grants, tax incentives for R&D

Innovation promotional loans

Equity capital, especially VC

Promotion of demonstration projects

Market launch



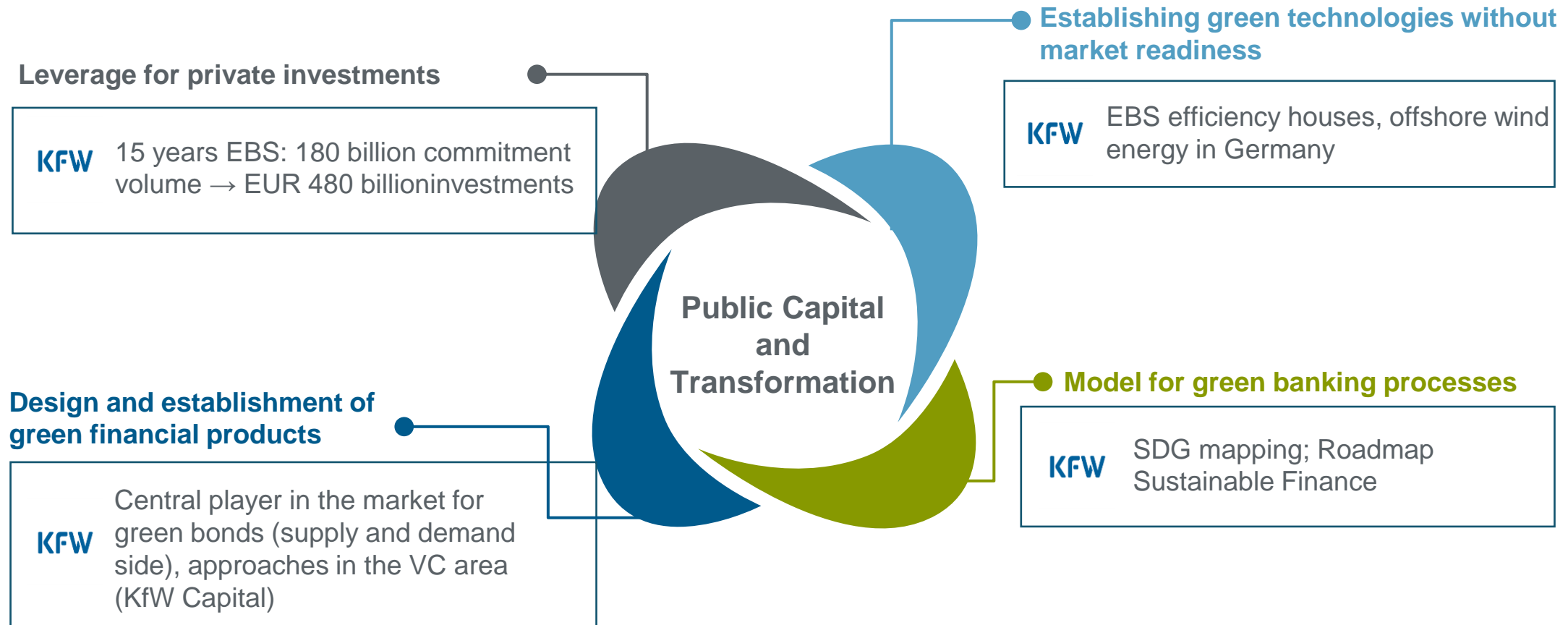
Diffusion



Investment loans

Promotional loans

>>> Development banks provide important impulses for the real economy and the financial market in the transformation



>>> Sources

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Slice 5: KfW Research

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Slice 8: KfW Bankengruppe

Slice 9: KfW Bankengruppe

Slice 10: KfW Research / KfW Customer Analytics

Slice 11: KfW Research / KfW Customer Analytics

Slice 13: KfW Research / prognos

Slice 14: OECD / KfW Research

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