

»» Corporate Governance 2013

Corporate Governance Report

As a member of the KfW Group, KfW IPEX-Bank GmbH has committed itself to making its responsible and transparent actions understandable. Both the Management Board and the Board of Supervisory Directors of KfW IPEX-Bank GmbH recognise the principles of the Federal Government's Public Corporate Governance Code (PCGC) as applicable to KfW IPEX-Bank GmbH. A Declaration of Compliance with the recommendations of the PCGC was issued for the first time on 23 March 2011. Since then, any deviations have been disclosed and explained on an annual basis.

KfW IPEX-Bank GmbH has operated since 1 January 2008 as a legally independent, wholly-owned subsidiary of the KfW Group. Its rules and regulations (Articles of Association, Rules of Procedure for the Board of Supervisory Directors and Rules of Procedure for the Members of the Management Board) contain the principles of management and control by the bank's bodies.

Declaration of Compliance

The Management Board and the Board of Supervisory Directors of KfW IPEX-Bank GmbH hereby declare: "Since the last Declaration of Compliance submitted on 27 March 2013, the recommendations of the Federal Government's Public Corporate Governance Code, as adopted by the Federal Government on 1 July 2009, have been and will continue to be fulfilled, with the exception of the following recommendations".

D&O insurance deductible

Effective from 1 January 2013, KfW concluded new D&O insurance contracts in the form of a group insurance policy which also provides insurance cover for members of the Management Board and the Board of Supervisory Directors of KfW IPEX-Bank GmbH. Although previous contracts – contrary to Clause 3.3.2 of the PCGC – did not provide for a deductible, the new contracts contain an option to introduce such a deductible. The decision to exercise this option will be taken together with the Chairman and Deputy Chairman of the Board of Supervisory Directors of KfW. The deviation from Clause 3.3.2 of the PCGC will remain effective as long as such a decision is not taken.

Delegation to committees

The committees of the Board of Supervisory Directors of KfW IPEX-Bank GmbH, with the exception of the Loan Committee, perform only preparatory work for the Board of Supervisory Directors. The Loan Committee takes final loan decisions for financings that exceed certain predefined limits; this is contrary to Clause 5.1.8 of the PCGC. This procedure is necessary for practical and efficiency reasons. The delegation of loan decisions to a loan committee is usual practice at banks. It is used to accelerate the decision-making process and to consolidate technical expertise within the committee.

Loans to members of bodies

According to the Rules of Procedure for the Board of Supervisory Directors, KfW IPEX-Bank GmbH may not grant individual loans to members of the Board of Supervisory Directors. Although the employment contracts of the members of the Management Board do not include a prohibition clause in this regard, neither do they grant an explicit legal entitlement. To ensure equal treatment, this prohibition does not apply – in derogation of Clause 3.4 of the PCGC – to utilisation of promotional loans made available under KfW programmes. Due to standardisation of lending and the principle of on-lending through applicants' own banks, there is no risk of conflicts of interest with regard to programme loans.

Number of mandates held by members of the Board of Supervisory Directors

One member of the Board of Supervisory Directors appointed by the German Federal Government exercises more than the recommended maximum of three mandates in monitoring bodies, in deviation from Clause 5.2.1 Sentence 2 of the PCGC. There are organisational and professional reasons for this that relate to the Federal Government. The dutiful fulfilment of his or her tasks as a member of the company's Board of Supervisory Directors is not jeopardised as the member in question has sufficient time to exercise his or her mandate for KfW IPEX-Bank GmbH.

Allocation of responsibilities

The Management Board has adopted Rules of Procedure, after consulting with the Board of Supervisory Directors and with the shareholder's consent, which include regulations governing cooperation among the management. According to these rules the Management Board allocates responsibilities itself – without additional consent from the Board of Supervisory Directors, in deviation from Clause 4.2.2 of the PCGC, but with the shareholder's approval – in a schedule of responsibilities. This ensures that the Management Board has the flexibility it requires to make necessary changes so that responsibilities are divided up efficiently.

Cooperation between the Management Board and the Board of Supervisory Directors

The Board of Supervisory Directors and the Management Board work together closely for the benefit of KfW IPEX-Bank GmbH. The Management Board, particularly its Speaker, maintains regular contact with the Chairman of the Board of Supervisory Directors and discusses important matters concerning corporate management and corporate strategy with the Board of Supervisory Directors. The Chairman of the Board of Supervisory Directors informs the Board of Supervisory Directors of any issues of major significance and convenes an extraordinary meeting if necessary.

During the reporting year, the Management Board informed the Board of Supervisory Directors about all relevant matters regarding KfW IPEX-Bank GmbH, particularly any questions concerning the bank's net assets, financial position and results of operations, risk assessment, risk management and risk controlling. In addition, they discussed the bank's overall business development and strategic direction.

Management Board

The members of the Management Board manage the activities of KfW IPEX-Bank GmbH with the appropriate due care and diligence of a prudent businessperson pursuant to the laws, Articles of Association and Rules of Procedure for the Members of the Management Board, as well as the decisions of the general shareholders' meeting and of the Board of Supervisory Directors.

In the reporting year, the responsibilities of the members of the Management Board were as follows:

- Mr Harald D. Zenke (up to 30 April 2013): Speaker of the Management Board and Director of Products and Corporate Affairs
- Ms Christiane Laibach: Director of Risk and Finance
- Mr Christian K. Murach: Director of Markets II/Transport Sectors and Treasury
- Mr Markus Scheer: Director of Markets I/Industry Sectors

Mr Klaus R. Michalak was appointed as Managing Director of KfW IPEX-Bank GmbH with effect from 1 May 2013 and has been Director of Products and Corporate Affairs since this date. The position of Speaker of the Management Board has since been dormant. The duties of the Speaker of the Management Board are now – where possible – performed by the Management Board as a whole or by Mr Christian K. Murach, if necessary.

The members of the Management Board are obliged to act in the best interests of KfW IPEX-Bank GmbH, may not consider personal interests in their decisions, and are subject to a comprehensive non-competition clause during their employment with KfW IPEX-Bank GmbH. The members of the Management Board must immediately disclose any conflicts of interest to the shareholder. No such situation occurred during the reporting year.

Board of Supervisory Directors

The company has a mandatory Board of Supervisory Directors in accordance with Section 1 (1) N° 3 of the German One-Third Participation Act (*Drittelbeteiligungsgesetz – DrittelbG*). The Board of Supervisory Directors advises and monitors the Management Board in the management of the bank.

In accordance with the Articles of Association of KfW IPEX-Bank GmbH in their current version, the Board of Supervisory Directors consists of nine members: Two representatives from KfW, two representatives from the Federal Government - one each from the Federal Ministry of Finance and the Federal Ministry of Economic Affairs and Energy - and two representatives from industry as well as three employee representatives. In accordance with the Rules of Procedure for the Board of Supervisory Directors, the

latter is to be chaired by a representative of the Executive Board of KfW. As the current Chairman is Dr Norbert Kloppenburg, this requirement is met. Three women were on the Board of Supervisory Directors in the reporting year.

Anyone with five or more monitoring mandates from companies under the supervision of the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin*) may not serve as a member of the Board of Supervisory Directors. Members of the Board of Supervisory Directors should not serve in a consulting or supervisory role for any significant competitors of the company. The members of the Board of Supervisory Directors complied with these recommendations during the reporting period. The recommendation that members of the Board of Supervisory Directors proposed by the Federal Government should in general not exercise more than three mandates in governing bodies was, however, not complied with. This concerns one of the members proposed by the Federal Government. Conflicts of interest should be disclosed to the Board of Supervisory Directors. When a loan to a governing and/or related body was submitted for approval, this requirement was met by not having the member concerned take part in the vote. No other cases apart from this occurred during the reporting period.

No member of the Board of Supervisory Directors participated in fewer than half of the board meetings during the reporting year.

Committees of the Board of Supervisory Directors

The Board of Supervisory Directors has established three committees to fulfil its consulting and monitoring responsibilities in a more efficient manner.

The **Executive Committee** is responsible for all personnel-related matters and the bank's management policies, as well as – insofar as necessary – preparation for the meetings of the Board of Supervisory Directors.

The **Loan Committee** is responsible for loan-related issues.

The **Audit Committee** is responsible for questions regarding accounting and risk management, as well as preparatory work for the issuance of the audit mandate and the establishment of audit priorities as part of the annual audit of the bank's financial statements. It discusses the quarterly reports and annual financial statements in preparation for meetings of the full Board of Supervisory Directors.

The chairs of the committees report to the Board of Supervisory Directors on a regular basis. The Board of Supervisory Directors has the right to change or rescind the competencies delegated to the committees at any time.

The Board of Supervisory Directors provides information about its work and that of its committees during the reporting year in its report. An overview of the members of the Board of Supervisory Directors and its committees is available on the website of KfW IPEX-Bank GmbH.

Shareholder

KfW IPEX-Beteiligungsholding GmbH owns 100% of the share capital of KfW IPEX-Bank GmbH. The general shareholders' meeting is responsible for all matters for which another governing body does not hold sole responsibility, either by law or by the Articles of Association. It is responsible in particular for the approval of the annual financial statements and the appropriation of the annual profit or retained earnings, for the determination of the amount available for payment of performance-based, variable compensation within the company, for the appointment and removal of members of the Board of Supervisory Directors or of the Management Board, for the formal approval of their work at the end of each financial year, and for the appointment of the auditor.

Supervision

Since its spin-off, KfW IPEX-Bank GmbH has been fully subject to the provisions of the German Banking Act (*Kreditwesengesetz – KWG*). With effect from 1 January 2008, BaFin granted the bank a licence to act as an IRBA (Internal Ratings-Based Approach) bank for rating corporates, banks, sovereigns and specialist financings (elementary approach). The bank uses the standard approach to calculate the regulatory capital requirements associated with operational risks. Due to the special status of KfW (legal supervision: Federal Ministry of Finance), there is a financial holding group below KfW IPEX-Beteiligungsholding GmbH that is important from a bank supervision standpoint. This holding group consists of KfW IPEX-Bank GmbH (the parent company) together with Railpool GmbH & Co. KG and MD Capital Beteiligungsgesellschaft mbH (subsidiary companies).

Protection of deposits

With effect from 1 January 2008, BaFin assigned KfW IPEX-Bank GmbH to the statutory compensation scheme of the Association of German Public Banks GmbH (*Bundesverband Öffentlicher Banken Deutschland GmbH – VÖB*). The bank is also a member of the VÖB's voluntary deposit guarantee fund.

Transparency

KfW IPEX-Bank GmbH provides all important information about itself and its annual financial statements on its website. The Corporate Communication department also regularly provides information regarding the latest developments at the bank. Annual Corporate Governance Reports including the Declaration of Compliance with the PCGC are always available on the website of KfW IPEX-Bank GmbH.

Risk management

Risk management and risk controlling are key responsibilities of overall bank management at KfW IPEX-Bank GmbH. Using the risk strategy, the Management Board defines the framework for the bank's business activities regarding risk tolerance and the capacity to bear risk. This ensures that KfW IPEX-Bank GmbH can fulfil its special responsibilities with an appropriate risk profile in a sustained, long-term manner. The bank's overall risk situation is analysed comprehensively in monthly risk reports to the Management Board. The Board of Supervisory Directors is regularly – at least once per quarter – given detailed information on the bank's risk situation.

Compliance

The success of KfW IPEX-Bank GmbH depends to a high degree on the trust of its shareholder, customers, business partners, employees and the general public in terms of its performance and especially also its integrity. This trust is based not least on implementation of and adherence to the relevant legal and regulatory as well as internal provisions in addition to other applicable laws and regulations. The compliance organisation of KfW IPEX-Bank GmbH includes, in particular, measures for assuring adherence to data protection requirements, ensuring securities compliance, and preventing money laundering, financing of terrorism and other criminal activities. There are corresponding binding rules and procedures that influence the day-to-day implementation of such values and the associated corporate culture; these are continually updated to reflect the current legal and regulatory framework as well as market requirements. A central compliance desk for monitoring compliance with the Minimum Requirements for Risk Management (*Mindestanforderungen an das Risikomanagement – MaRisk*) was added to the bank's Compliance department with effect from 1 January 2014. Training sessions on compliance and money laundering are held on a regular basis for KfW IPEX-Bank GmbH employees.

Accounting and annual audit

On 27 March 2013, the shareholder of KfW IPEX-Bank GmbH appointed KPMG AG Wirtschaftsprüfungsgesellschaft as auditor of the financial statements for the 2013 financial year. The Board of Supervisory Directors then issued the audit mandate to KPMG on 15 August 2013 and in September determined the priorities for the audit together with the auditor. The bank and the auditor agreed that the Chairman of the Audit Committee would be informed without delay of any potential grounds for bias or disqualification arising during the audit that were not immediately rectified. It was furthermore agreed that the auditor would immediately inform the Audit Committee Chairman about any qualifying remarks or potential misstatements in the Declaration of Compliance with the PCGC. A declaration of auditor independence was obtained.

Efficiency review of the Board of Supervisory Directors

The Board of Supervisory Directors reviews the efficiency of its work every two years. It performed its latest self-assessment in the fourth quarter of 2013 on the basis of structured questionnaires. All members of the Board of Supervisory Directors took part. The overall outcome of the review was rated as "good". The Board of Supervisory Directors' self-evaluation does not indicate an urgent or acute need for measures to be taken as regards the composition, organisation or procedures of the Board of Supervisory Directors.

Compensation report

The compensation report describes the basic structure of the remuneration plan for members of the Management Board and Board of Supervisory Directors; it also discloses the remuneration of the individual members. The compensation report is an integral part of the notes to the financial statements.

Compensation for the Management Board

The compensation system for the Management Board of KfW IPEX-Bank GmbH is intended to remunerate the members of the Management Board according to their roles and areas of responsibility and to take account of individual achievements and the bank's performance. Management Board contracts are drawn up based on the 1992 version of the principles for the appointment of executive board members at German federal credit institutions (*Grundsätze für die Anstellung der Vorstandsmitglieder bei den Kreditinstituten des Bundes*). The contracts take PCGC requirements into account.

Components of compensation

The remuneration of the Management Board consists of a fixed, annual base salary and a variable, performance-based bonus. All contracts are in accordance with Section 25 a (5) of the German Banking Act (KWG) in conjunction with the German Compensation Regulation for Institutions (*Institutsvergütungsverordnung*) (as at 31 December 2013). The establishment of the variable, performance-based bonus component is based upon an agreement regarding targets that is concluded between the Management Board and - after consultation with the Board of Supervisory Directors - with the shareholder at the beginning of each year. This agreement includes financial, quantitative and qualitative targets for the entire bank, and individual personal targets

for each member of the Management Board. 50% of the performance-based bonus, calculated according to achievement of targets, is paid out immediately. The remaining 50% is reserved as a provisional claim and paid into a so-called "bonus account". It is paid out in equal instalments over the following three years, provided that the bank does not materially miss its financial targets. Reductions in provisional claims, up to and including complete elimination, are possible depending upon the bank's financial performance.

The overview below shows the total compensation paid to individual members of the Management Board, divided into fixed and variable compensation components and other compensation, as well as additions to pension provisions.

Responsibilities

The shareholder regularly consults on and reviews the compensation system for the Management Board, including its contractual elements. It approves the compensation system after consulting with the Board of Supervisory Directors. The most recent review of its appropriateness took place in March 2013.

Contractual fringe benefits

Other compensation primarily includes contractual fringe benefits. The members of the Management Board of KfW IPEX-Bank GmbH

Summary of total compensation to members of the Management Board and of the Board of Supervisory Directors

	2013 EUR in thousands	2012 EUR in thousands	Change EUR in thousands
Members of the Management Board	1,925	1,867	58
Members of the Board of Supervisory Directors	235	180	55
Total	2,160	2,047	113

Annual compensation to members of the Management Board and additions to pension provisions during 2013 and 2012 in EUR thousands¹⁾

	Salary		Variable compensation		Other compensation ²⁾		Total		„Bonus account“		Additions to pension provisions	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	EUR in thousands		EUR in thousands		EUR in thousands		EUR in thousands		EUR in thousands		EUR in thousands	
Harald D. Zenke ³⁾ (Speaker of the Management Board)	378	353	156	59	40	8	574	419	-	59	-	264
Christiane Laibach ⁴⁾	430	353	-	60	14	10	444	422	125	75	87	168
Christian K. Murach	393	412	-	60	20	19	413	490	125	75	128	263
Markus Scheer ⁵⁾	393	412	-	60	100	18	494	490	125	75	148	132
Total	1,594	1,529	156	239	175	55	1,925	1,822	375	284	362	827

¹⁾ Rounding differences may occur in the table for computational reasons.

²⁾ This compensation is presented in analogy with the figures given in the notes in accordance with Section 285 (9) of the German Commercial Code (HGB) excluding employer benefits according to the German Social Insurance Act (*Sozialversicherungsgesetz*). The previous year's figures were adjusted accordingly in the interests of improved comparability. These totalled EUR 38 thousand in 2013 (previous year: EUR 45 thousand).

³⁾ Left KfW IPEX-Bank GmbH on 30 April 2013.

⁴⁾ A new contract was concluded during the 2013 financial year.

⁵⁾ Other compensation includes a service anniversary bonus.

are entitled to a company car for both business and private use. Costs incurred as a result of private usage of a company car are borne by the members of the Management Board in accordance with currently valid tax legislation. The costs of a second household, incurred as the result of a business need for a second residence, are reimbursed according to tax legislation.

The members of the Management Board are insured under a group accident insurance policy. They are covered by two insurance policies for the risks associated with their activities on the bank's management bodies. The first provides liability insurance for monetary damages (D&O insurance) and the second offers supplemental legal protection for monetary damages. Both policies are group insurance policies. A deductible has not been agreed at present. As part of their activities, the members of the Management Board of KfW IPEX-Bank GmbH are also included in special criminal law protection insurance for employees that was established as a group insurance policy.

Other remuneration does not include compensation received for the exercise of corporate mandates and incidental functions held or performed by a member of the Management Board outside the Group with the approval of the competent bodies of KfW IPEX-Bank GmbH. The entire amount of such remuneration is classed as personal income of members of the Management Board. In 2013, the members of the Management Board did not receive compensation for exercising group mandates.

The members of the Management Board are entitled, as are all other members of the bank's staff, to participate in deferred compensation, a supplemental company pension plan involving deferred compensation payments deducted from salary, insofar as such a plan is generally offered.

In addition, contractual fringe benefits include the costs of security measures for residential property occupied by members of the Management Board; these costs are not reported under Other compensation but instead under Non-personnel expenses. Contractual fringe benefits also comprise employer benefits as per the German Code of Social Law (*Sozialgesetzbuch – SGB*); these are not reported under Other compensation.

Contractual fringe benefits that cannot be granted tax-free are subject to taxation as non-cash benefits for members of the Management Board.

There were no outstanding loans to members of the Management Board at year-end.

Retirement pension payments and other benefits in the case of premature retirement

According to Section 5 (1) of the Articles of Association of KfW IPEX-Bank GmbH, the appointment of a member of the Management Board is not to extend beyond statutory retirement age. Board members who turn 65 years of age and/or reach statutory retirement age and whose contract for serving on the Management Board has expired are entitled to retirement pension payments and may, at their request, retire early

when they turn 63 years of age. Members of the Management Board are also entitled to retirement pension payments if their employment ends due to ongoing disability.

Pension commitments for Management Board members as well as for their surviving dependents are based on the 1992 version of the principles for the appointment of executive board members at German federal credit institutions. The PCGC is taken into account when contracts of employment are drawn up for members of the Management Board.

A severance cap has been included in the employment contracts of members of the Management Board in accordance with PCGC recommendations. This cap limits payments to a member of the Management Board following premature termination of employment without good cause as per Section 626 of the German Civil Code (*Bürgerliches Gesetzbuch – BGB*) to two years' annual salary or the compensation including fringe benefits for the remainder of the contract, whichever is lower.

In principle the maximum retirement pension entitlement equals 70% of the pensionable compensation, which is derived on an actuarial basis from the most recent gross base salary. The retirement pension entitlement is 70% of the maximum pension entitlement for initial appointments and increases by 3% with every year of service completed over a period of ten years until the maximum pension entitlement is reached.

If the employment contract of a member of the Management Board is terminated or not extended for good cause pursuant to Section 626 of the German Civil Code (BGB), the retirement pension entitlements will expire according to the legal principles established for employment contracts.

No retirement pension payments were made to former members of the Management Board during the 2013 financial year.

Provisions for pension obligations for former members of the Management Board and their dependents totalled EUR 5,991 thousand at the end of the 2013 financial year (previous year: EUR 5,593 thousand).

Compensation for the Board of Supervisory Directors

The members of the Board of Supervisory Directors receive annual compensation at a level determined by the general shareholders' meeting. As per the shareholder resolution of 14 April 2010, the compensation scheme of 2008 and 2009 was continued in 2010 and for the following years. According to its provisions, the annual compensation for a member of the Board of Supervisory Directors is EUR 22,000; the annual compensation for the Chairman is EUR 28,600.

Compensation is earned on a pro rata basis when service is rendered for less than one year.

In addition, the members of the Board of Supervisory Directors receive a net fee of EUR 1,000 for each meeting of the Board of Supervisory Directors or of one of its committees that they attend. Furthermore, members of the Board of Supervisory Directors are

entitled to reimbursement for travel expenses and other miscellaneous expenses that they incur within reasonable amounts.

The representatives from KfW on the Board of Supervisory Directors of KfW IPEX-Bank GmbH have waived this compensation and the meeting attendance fees since 1 July 2011 in accordance with a fundamental and permanent decision by the Executive Board of KfW to waive such remuneration for mandates exercised within the Group.

Details regarding the remuneration of the Board of Supervisory Directors during the 2013 and 2012 financial years are listed in the following tables; travel expenses and other miscellaneous expenses were reimbursed based upon receipts and are not included in this table. The indicated amounts are net values and were all paid.

Remuneration of members of the Board of Supervisory Directors for 2013 in EUR

Member	Dates of membership 2013	Annual compensation	Attendance fees ¹⁾	Total
Dr Kloppenburg	1 Jan.–31 Dec.	–	–	–
Mr Loewen	1 Jan.–31 Dec.	–	–	–
State Secretary Dr Beus ²⁾	1 Jan.–31 Dec.	22,000	13,000	35,000
State Secretary Herkes ²⁾	1 Jan.–31 Dec.	22,000	10,000	32,000
Dr Rupp	1 Jan.–31 Dec.	22,000	13,000	35,000
Ms Kollmann	1 Jan.–31 Dec.	22,000	14,000	36,000
Dr Marschhausen	1 Jan.–31 Dec.	22,000	14,000	36,000
Mr Goretzki	1 Jan.–31 Dec.	22,000	9,000	31,000
Mr Jacobs	1 Jan.–31 Dec.	22,000	8,000	30,000
Total		154,000	81,000	235,000

¹⁾ Lump sum of EUR 1,000 net per meeting attended

²⁾ This amount is subject to the German Incidental Services Earnings Regulation (*Bundesnebenverordnungsverordnung*).

Remuneration of members of the Board of Supervisory Directors for 2012 in EUR

Member	Dates of membership 2012	Annual compensation	Attendance fees ¹⁾	Total
Dr Kloppenburg	1 Jan.–31 Dec.	–	–	–
Mr Loewen	1 Jan.–31 Dec.	–	–	–
State Secretary Dr Beus ²⁾	1 Jan.–31 Dec.	22,000	12,000	34,000
State Secretary Homann ²⁾	1 Jan.–29 Feb.	3,667	–	3,667
State Secretary Herkes ²⁾	16 Mar.–31 Dec.	18,334	5,000	23,334
Dr Rupp	1 Jan.–31 Dec.	22,000	12,000	34,000
Mr Stupperich	1 Jan.–8 May	9,167	6,000	15,167
Ms Kollmann	15 May–31 Dec.	14,667	4,000	18,667
Dr Marschhausen	13 June–31 Dec.	12,834	4,000	16,834
Mr Goretzki	13 June–31 Dec.	12,834	5,000	17,834
Mr Jacobs	13 June–31 Dec.	12,834	4,000	16,834
Total		128,337	52,000	180,337

¹⁾ Lump sum of EUR 1,000 net per meeting attended

²⁾ This amount is subject to the German Incidental Services Earnings Regulation (*Bundesnebenverordnungsverordnung*).

There are no pension obligations in respect of members of the Board of Supervisory Directors.

Members of the Board of Supervisory Directors did not receive any remuneration for services provided personally during the reporting year.

No direct loans were extended to members of the Board of Supervisory Directors during the reporting year.

The members of the Board of Supervisory Directors are covered by two insurance policies for the risks associated with their activities on the Board of Supervisory Directors. The first provides liability insurance for monetary damages (D&O insurance) and the second offers supplemental legal protection for monetary damages. Both policies are group insurance policies of KfW. A deductible has not been agreed at present. As part of their activities, the members of the Board of Supervisory Directors of KfW IPEX-Bank GmbH are also included in special criminal law protection insurance for employees that was established by KfW as a group insurance policy.

Frankfurt, 21 March 2014

Management Board

Board of Supervisory Directors