KFW

Responsibility for the future

How KfW is strengthening Germany as an economic centre



#KfWstrengthens

Dear readers,

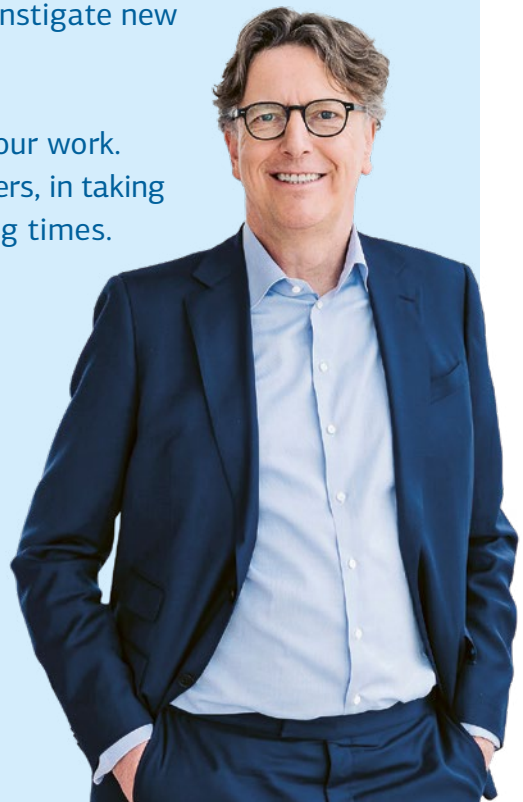
As the promotional and development bank of the German Federal Government and the federal states, KfW has been a cornerstone of economic progress and social development since 1948. Today, its central task is to strengthen the competitiveness of the economy in Germany and Europe, and to shape the sustainable transformation.

However, this can only be achieved with a huge amount of investment, which cannot come from the public sector alone. In fact, the vast majority of it has to come from private capital. Because of this, KfW – as a bank committed to responsibility – takes on an additional role: we are not only sought-after as an implementer, but also to give advice in shaping framework conditions, facilitate need-based solutions and instigate new initiatives.

In this customer magazine, we give you an inside view of our work. We look forward to supporting you, our customers and partners, in taking responsibility and seizing opportunities, even in challenging times.

Best regards,
Stefan Wintels

Chief Executive Officer of KfW Group



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Support for SMEs

KfW is a strong and reliable partner for the German economy.

→ We are paving the way for a nationally and internationally competitive future (including through our investment subsidiary DEG*) by coming alongside companies in all development phases. KfW supports SMEs in the challenges of digitalisation and sustainable transformation. This is how we help shape the future for the generations to come.

One example: the family-owned company Fritz Winter Eisengießerei GmbH & Co. KG, founded in 1951, has built Europe's largest crucible furnace plant at its site in Stadtallendorf, Hesse. As a result of this investment, the company's CO_2 emissions have been reduced by about a quarter – which corresponds to around 43,000 tonnes per year.

*DEG: Deutsche Investitions- und Entwicklungsgesellschaft mbH

Discover the full story now: www.kfw.de/SMEpromotion

"The commissioning of this plant is an important step towards decarbonisation. It was also made possible by KfW's fantastic support."



Ralf von Hörsten, Chair of the Management Board, Fritz Winter Eisengießerei GmbH & Co. KG

99.3 %

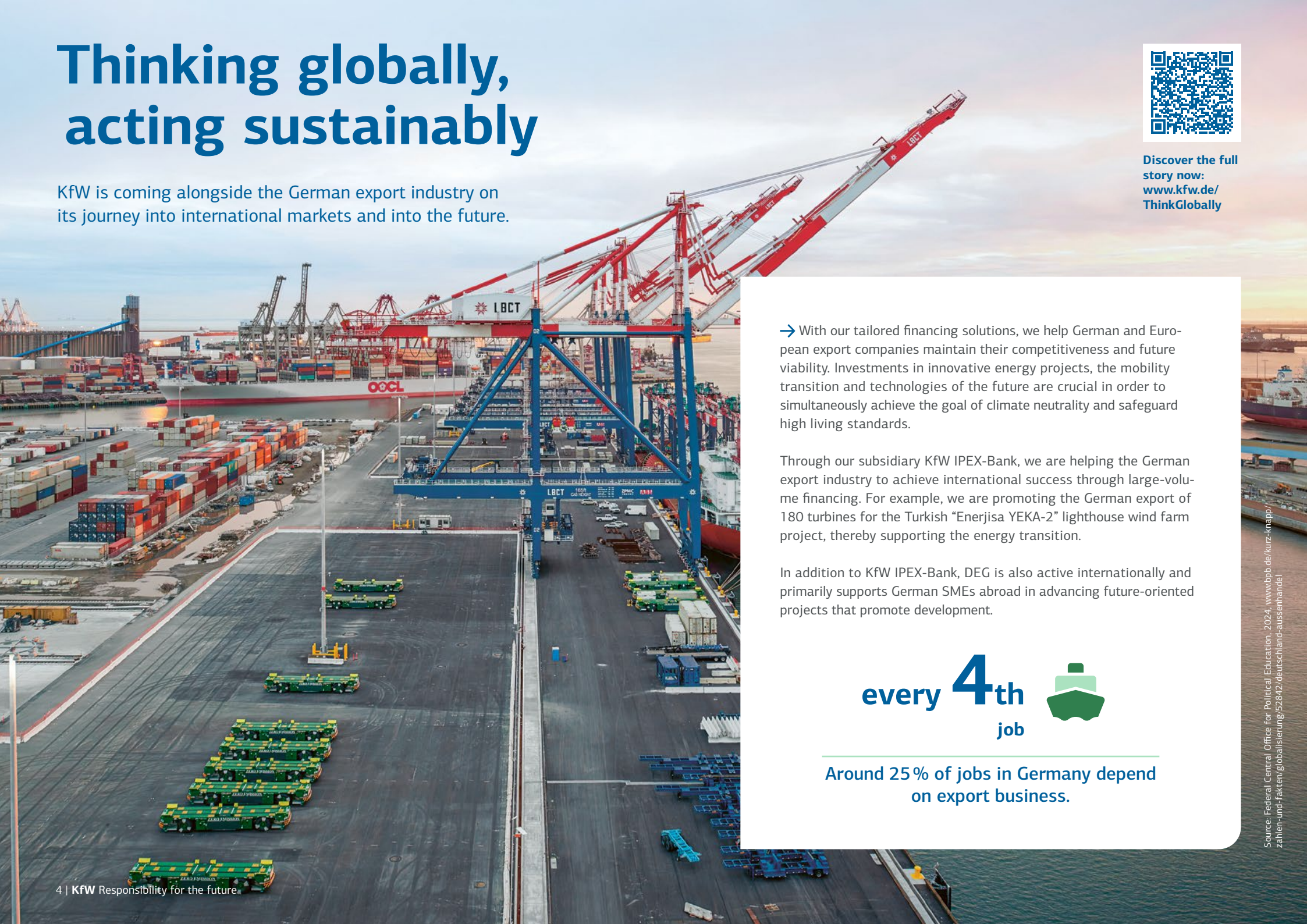
of German companies are in the small and medium-sized enterprise category. A total of 55 % of all workers who are subject to social security contributions are employed by SMEs.

Source: Federal Statistical Office, small and medium-sized enterprises, 2024

Thinking globally, acting sustainably

KfW is coming alongside the German export industry on its journey into international markets and into the future.

Discover the full story now: www.kfw.de/ThinkGlobally



→ With our tailored financing solutions, we help German and European export companies maintain their competitiveness and future viability. Investments in innovative energy projects, the mobility transition and technologies of the future are crucial in order to simultaneously achieve the goal of climate neutrality and safeguard high living standards.

Through our subsidiary KfW IPEX-Bank, we are helping the German export industry to achieve international success through large-volume financing. For example, we are promoting the German export of 180 turbines for the Turkish “Enerjisa YEKA-2” lighthouse wind farm project, thereby supporting the energy transition.

In addition to KfW IPEX-Bank, DEG is also active internationally and primarily supports German SMEs abroad in advancing future-oriented projects that promote development.

every 4th job

Around 25 % of jobs in Germany depend on export business.

Source: Federal Central Office for Political Education, 2024, www.bpb.de/kurz-knapp/zahlen-und-fakten/globalisierung/52842/deutschland-aussenhandel



International partnerships for a sustainable future

Discover the full story now: www.kfw.de/GlobalPartnerships

Development cooperation is an important component of Germany's geostrategic positioning. Read on for answers to some key questions.

→ Do we need development cooperation at all?
Our activities in developing countries and emerging economies support German and European foreign and security policy. By promoting projects in emerging economies, we are consolidating our economic relationships and building lasting partnerships.

Why do we transfer money to those countries?
This funding is not an end in itself. The projects open up prospects for people in the partner countries, foster resilience and peace, and contribute to solving global tasks such as climate change mitigation. The majority of the funding consists of loans from KfW and is not financed from tax funds.

Do these activities also benefit German companies?
Yes, every euro spent in development cooperation increases German exports of goods by 36 cents.
This amounts to around EUR 8 billion every year and in turn helps secure nearly 139,000 jobs.

139,000
jobs

are secured in Germany thanks to development cooperation.

Source: www.kfw.de/Über-die-KfW/Newsroom/Aktuelles/Pressemitteilungen-Details_827136.html

Promoting innovation, shaping a digital future

Technology is changing rapidly. KfW is supporting companies as they step into new worlds.

→ Keeping up with the digital transformation is essential for businesses as it opens doors to sustainable economic success. At KfW, we are partnering with companies as they get to grips with these changes. One such company is Bergzeit, an outdoor shop that over its 25-year history has transformed from a small tour site into an industry leader.

Discover the full story now: www.kfw.de/PromotingInnovation



35 %

The percentage of medium-sized enterprises in Germany that have recently carried out digitalisation projects. That's 1.3 million businesses.

Source: KfW-Digitalisierungsbericht Mittelstand, KfW Research, 2025



"We applied for a KfW loan because promoting innovative and sustainable projects is important to us. With the funds, we built 13 e-charging stations at the company building and a second logistics hall with an automated shuttle warehouse, which is operated on a fully digital basis. As a result, we were able to see our desired growth take shape."

Teresa Schuster,
COO, Deputy Managing Director, Bergzeit GmbH

Venture capital to meet the challenges of our time

KfW provides targeted support to boost Germany's competitiveness and innovative strength.

→ From life sciences to food tech to climate tech – new (business) ideas are essential for securing prosperity and growth in Germany and Europe. Start-ups and young technology companies play a central role in this, as they develop innovative solutions to the major questions of our time across all sectors. Easy access to venture capital (VC) is crucial for them to fully tap into their innovative strengths.

As a VC investor, KfW Capital is the specialist institute for venture capital in Germany and strengthens the VC ecosystem through VC investments regardless of economic conditions. KfW Capital also acts as an investment adviser for the EUR 1 billion Growth Fund.

An example of innovative strength: KfW Capital holds a stake in Cherry Ventures, a successful VC fund in Berlin, which in turn is invested in The Exploration Company, among others. The start-up is developing the Nyx capsule, a reusable spacecraft, which aims to make space travel more accessible and more sustainable.

EUR 2.5 billion

The amount invested by KfW Capital so far in 132 German and European VC funds. For every euro contributed, the funds support start-ups in Germany with another four euros.

As of: 31 December 2024

Discover the full story now: www.kfw.de/WIN

Energy-efficient housing for young and old

The energy and heating transition is one of the major challenges of our time. And KfW is helping to tackle it head on.

→ KfW is promoting investments that are further advancing the energy and heating transition – for example, with promotional programmes that support the construction of climate-friendly buildings and the energy-efficient refurbishment of existing buildings.

One example: In Hamburg, thousands of households have been supplied with district heating from the Wedel coal-fired power plant. In addition, a new supply tunnel has been built under the River Elbe, tapping into a new climate-neutral heat source in the form of heat energy from the “Harbour Energy Park”, particularly exhaust heat. The energy will in future be distributed throughout the Hamburg metropolitan area – a giant step for the environment.

Discover the full story now: www.kfw.de/LivingSpace

645,571

private housing units

In 2024, KfW financed the purchase, construction, refurbishment and age-appropriate conversion of housing in Germany with a total of EUR 20.8 billion.

Source: KfW Promotion Report 2024

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