

Report of the Supervisory Board

In compliance with the tasks imposed on it by the law, the Statutes and the Public Corporate Governance Code, the Supervisory Board monitored the proper conduct of the business and obtained regular reports on the latest business developments and the risk situation in the fiscal year 2019. It discussed and approved all transactions requiring its approval in accordance with legal or statutory provisions and addressed important matters of business policy in detail.

Especially against the background of legal changes and procedural adjustments, it further developed NRW.BANK's rules and regulations and made recommendations to the Board of Guarantors in this regard. It also dealt with the evaluation of the Managing Board and the Supervisory Board of NRW.BANK. In addition, the Supervisory Board repeatedly addressed digitisation issues as well as their effects on the Bank and the measures taken in this regard.

The Executive and Nomination Committee prepared the meetings of the Supervisory Board and the Board of Guarantors. It furthermore decided on the budget for NRW.BANK's corporate citizenship activities.

The Remuneration Committee primarily supervised the appropriateness of the remuneration systems for the Managing Board and the employees of NRW.BANK.

The Risk Committee mainly assisted the Supervisory Board in monitoring the Bank's risk situation and monitored the effectiveness of the risk management system.

The Promotional Committee primarily addressed various aspects of the promotional policy and the promotional business.

In accordance with regulatory requirements and the provisions in the Statutes, the Supervisory Board addressed the business, promotional and risk strategy for the years 2020 to 2023, which had previously been discussed by the Promotional Committee and the Risk Committee.

The principles of the business, promotional and risk policies were submitted for approval to the Board of Guarantors, which is the competent body under the Bank's Statutes. At its meeting on December 2, 2019, the Board of Guarantors acted on the proposed resolution.

The Audit Committee mainly supervised the accounting process, the performance of the audit as well as the independence of the auditor. It also approved the permissible non-audit services.

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft carried out the audit of the financial statements for 2019 and the management report and issued an unqualified audit opinion.

The Supervisory Board and the from among its members formed Audit Committee discussed in detail the financial statements of NRW.BANK and the report of the external auditors on the results of their audits.

At its meeting on March 16, 2020, the Supervisory Board approved the financial statements and the management report established by the Managing Board and proposed that the Board of Guarantors approve the financial statements for the year 2019. The Non-Financial Report 2019 was subjected to a voluntary review to obtain limited assurance by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft and deemed lawful and appropriate in light of the result of the audit. As in the previous years, no consolidated financial statements were prepared for the year 2019, as the Bank is not obliged to do so under commercial law.

The Supervisory Board held four meetings in the fiscal year. Another 15 meetings were held by the Committees composed of the members of the Supervisory Board; the Executive and Nomination Committee held four meetings, the Risk Committee held four meetings, the

Audit Committee held two meetings, the Promotional Committee held four meetings and the Remuneration Committee held one meeting. In addition, the Remuneration Committee passed one resolution by written vote.

Governmental control over NRW.BANK continues to be exercised by the Ministry of the Interior of the State of North Rhine-Westphalia, with respect to public housing promotion in cooperation with the Ministry responsible for housing. The purpose of this control was to ensure the lawfulness of the activities of NRW.BANK. As a result of the amendment of the Capital Requirements Directive (CRD), which became effective on June 27, 2019, direct supervisory responsibility for NRW.BANK was transferred from the European Central Bank (ECB) to the national supervisory authorities, the German Federal Financial Supervisory Authority (BaFin) and Deutsche Bundesbank.

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