

Report of the Supervisory Board

In accordance with the tasks imposed on it by law, the Statutes and the Public Corporate Governance Code, the Bank's Supervisory Board held five meetings in the fiscal year 2016. Another 23 meetings were held by the Committees composed of the members of the Supervisory Board, which break down into eight meetings – including three extraordinary meetings – and two written votes held by the Executive and Nomination Committee, two meetings held by the Remuneration Committee, four meetings held by the Risk Committee, four meetings held by the Promotional Committee and two meetings held by the Audit Committee. In addition, one joint extraordinary meeting was held by the Risk Committee and the Audit Committee.

The Supervisory Board monitored the proper conduct of the business and obtained regular reports on the latest business developments and the risk situation. 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. At the recommendation of the Executive and Nomination Committee, the Supervisory Board additionally appointed a new Chairman of the Managing Board as well as a new Managing Board member. As a result, the Managing Board is now composed of four members.

In accordance with regulatory requirements and the provisions in the Statutes, the Supervisory Board addressed the business, promotional and risk strategy for the years 2017 to 2020, 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 9, 2016, the Board of Guarantors approved the proposed strategy.

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft carried out the audit of the financial statements for 2016 and the management report and issued an unqualified audit opinion.

The Supervisory Board and the Audit Committee formed from among its members discussed in detail the financial statements of NRW.BANK and the report of the external auditors on the results of their audits. Following the final result of the audit, they raised no objections.

At its meeting on March 22, 2017, 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 2016. As in the previous years, no consolidated financial statements were prepared, as the Bank is not obliged to do so under commercial law.

Düsseldorf/Münster, March 2017



Garrelt Duin
Chairman of the Supervisory Board