Client Information of Investitionsbank Berlin for Eligible Counterparties
As the terms of the revised European Markets in Financial Instruments Directive 2014/65/EU ("MiFID II") are implemented by the german legislator in the German Securities Trading Law (Wertpapierhandelsgesetz, neue Fassung ab 03. Januar 2018, WpHG), the German version of this information shall prevail.

With this document, Investitionsbank Berlin (IBB) provides information about itself as an investment firm, its investment services, about the process of client categorisation, about financial instruments it has manufactured and their target markets, about its distribution strategy, about contract conditions, about costs, about conflicts of interests and about money laundering processes.

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1 Information about Investitionsbank Berlin (IBB)

1.1 Name and address of IBB
Investitionsbank Berlin
Bundesallee 210
10719 Berlin

1.2 Legal foundations of IBB
IBB is the development bank of the Federal Land of Berlin, Germany. According to the Law Establishing Investitionsbank Berlin as an Independent Legal Entity (Investitionsbank Gesetz –IBBG) as of 25th May 2004, IBB supports the Federal Land of Berlin in the performance of its public tasks. IBB is a public-law institution and is one hundred percent owned by the Federal Land of Berlin. IBB is registered in the commercial register of the Local Court Charlottenburg, Amtsgerichtsplatz 1, 14057 Berlin (Federal Republic of Germany), under the registration number HR A 35566 B. According to Section 1 para. 1 of the German Banking Act (KWG), IBB is a credit institution and is also included in Deutsche Bundesbank’s list of German Banks (MFI - Monetary Financial Institutions). IBB works in accordance with German law and applies every directive or regulation of the European Union (EU).

The current organigram is available on the IBB website (www.ibb.de/media/dokumente/ueber-die-ibb/profil/organe/ibb_organigramm.pdf). Further information about IBB can be found on the website of the company database “Hoppenstedt” (www.hoppenstedt-banken.de).

The commercial register entry verifies the legal form and the ownership structure, which states that IBB is neither a US person nor a guaranteed subsidiary/affiliated subsidiary of a US person/organisation.

For data protection reasons, IBB cannot provide any copies of identification documents from members of the executive board or of members of the director's level.

1.3 Banking licence and financial supervisory authority
IBB is supervised by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht , BaFin), Graurheindorfer Str. 108, 53117 Bonn (Federal Republic of
Germany), and obtained by that authority a full banking licence with the number BAKNR 118997, which is published on the BaFin website (www.bafin.de).

1.4 Legal foundation of IBB on capital markets / trading transactions

The IBBG and the EU Memorandum of Understanding 2 (EU 2002/1286) allow IBB to conduct treasury management, whereby IBB shall be authorised to perform securities trading and to carry out deposit-taking and giro business on its own account only and only in as far as such trading or business is directly related to the performance of its public subsidy tasks. As a result, the product range in financial instruments is closely linked to market price-, liquidity- and spread-risks arising from its development activities, is limited to the currency EURO only and is restricted to interest-rate and liquidity products (no structured products, no embedded products).

In accordance with Art. 94 CRR (Section 2 para. 11 KWG, former version), IBB applies the derogation rule of small trading-book business.

The execution of frequent and significant trading activities is thus ruled out.

According to its product catalogue approved by the executive board, IBB conducts trading transactions in the following financial instruments pursuant to German Securities Trading Law (WpHG):

- Debt Securities: Bearer Bonds in EUR; Purchase/Sale/Own Issues (Section 2 para. 1 No. 3, para. 4 No. 1 WpHG)
- Derivative Transactions: Interest Rate Swap and Swaptions in EUR; Payer/Receiver/Novation/CCP/Purchase/Sale (Section 2 para. 3 No. 1 lit. b), para. 4 No. 1 WpHG)
- Money Market Instruments: Commercial Paper in EUR; Purchase/Sale (Section 2 para. 2 No. 2, para. 4 No. 1 WpHG)

In debt securities, IBB acts as a buyer, seller und issuer.

Entering into positions in derivative instruments by IBB is generally justified within the scope of comprehensive bank management for risk limitation or risk reduction of existing positions only, or for the purpose of optimising equity commitment (Section 3 constitution of IBB). It is thus in all transactions, whether new contracts as clearing-derivative, whether new contracts as non-clearing-derivative, whether new contracts via a trading venue, whether partial terminations for existing bilateral contracts, whether full termination for existing bilateral contracts, that IBB is always only the “buy-side” in the market requesting quotations. IBB never quotes itself a price for a derivative instrument and is hence not a manufacturer for a derivative instrument within the meaning of Section 80 para. 9 WpHG.
In money market instruments, IBB acts as a buyer or seller but not as an issuer.

Against this background, IBB is only manufacturer for own issued bearer bonds in two variants:
- Fixed-income bearer bonds
- Floating-rate bearer bonds

1.5 Market identification of IBB

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1.6 Online information on IBB

Further information on IBB is available on the IBB website:

www.ibb.de/en/investor-relations/investor-relations.html

2 Information on services of IBB

2.1 Investment services and ancillary investment services

As IBB conducts trading activities in financial instruments solely for the purpose of managing its own market price-, liquidity- and spread-risks as proprietary transactions on its own behalf and for its own account and without providing any services to others, all such trades are made without any investment recommendation and without a commission order, without any investment advice or analytical work of IBB for others.

Due to its legal principles set out in the IBBG, IBB is not permitted to transact trading or business within the context of client orders or to provide investment services or ancillary investment services to clients. Therefore, IBB cannot and must not provide any of the investment services listed in Section 2 para. 8 No. 1 to 10 WpHG. IBB also does not provide any of the ancillary investment services listed in Section 2 para. 9 WpHG. IBB thus provides no investment services or ancillary investment services.

As proprietary transactions are not in itself investment services, IBB would not be an investment services provider from a legal point of view. However, in accordance with Section 2 para. 8 sentence 6 WpHG, IBB will nonetheless become an investment services provider because proprietary transactions are also considered as investment services for the intent of the WpHG. As IBB proprietary trad-
ing does regularly not involve the execution of client orders, in any case the status of becoming a systematic internaliser can be ruled out.

2.2 Client categories

2.2.1 Classification of IBB

As a fully licensed and supervised credit institution, IBB is to be classified as “Eligible Counterparty” according to Section 67 para. 2 lit. 1a) and 1b) in conjunction with para. 4 of the WpHG.

2.2.2 Classification of business clients / trading counterparties

IBB only conducts proprietary transactions in financial instruments within the meaning of Section 2 para. 8 sentence 6 WpHG. If a client relationship cannot be ruled out with legal certainty, IBB ensures that only transactions with legally nominated Eligible Counterparties within the meaning of Section 67 para. 2 No. 1 lit. a) and b) in conjunction with para. 4 WpHG are concluded (a = investment services provider, b = other authorized or supervised credit institutions).

2.2.3 Change of classification of business clients / trading counterparties

Trading or business transactions with counterparties other than those mentioned above are categorically ruled out. For this reason, IBB accepts the request of an Eligible Counterparty for downgrading to the level of a Professional Client or to a Retail Client, but only insofar as the counterparty is no longer accepted by IBB as a market and trading counterparty from the date of downgrading. The counterparty will be notified in writing of the termination of the trading and business relationship.

IBB does not allow a Professional Client to be upgraded to an Eligible Counterparty. The Professional Client will be informed thereof in writing.

IBB does not have any contact with Retail Customers/Private Investors in financial instruments and does not have any Retail Customers/Private Investors as counterparties in transactions in financial instruments either. If though a Retail Customer/Private Investor should request to establish a business relationship with IBB, as the case may be also in accordance with the request of being upgraded to a Professional Client, the request to establish a business relationship will not be accepted without any exemptions. The Retail Customer/Private Investor will be informed thereof in writing.

2.2.4 Bearer of debt securities

Bearer of debt instruments issued by IBB to Eligible Counterparties according to Section 67 para. 4, para. 2 No. 1 lit. a) and b) in conjunction with para. 4 WpHG may also be, by purchase of third parties or by assignment, Eligible Counterparties or Professional Clients of the broader specification according to Section 67 para. 2 and 4 WpHG. However, IBB does not enter into any trading activity with or
provides any investment advice to these, so it does not provide any investment services.

2.3 Information on contract details, execution venues and communication channels

As development bank of the Federal Land of Berlin, IBB focuses on regional development business and operates in securities trading and in the capital markets exclusively on its own account only and only in as far as such trading or business is directly related to the performance of its public subsidy tasks. IBB therefore only enters into individually negotiated, bilateral agreements or transactions in accordance with internationally accepted market standard documentations and does not conclude any trading deals based on "General Terms and Conditions" of counterparties. IBB therefore rejects any acceptance of standardised and general terms and conditions.

IBB listing of the different basis of contracts, execution venues and communication channels:

- OTC as verbal conclusion of contract (telephone) without any additional particular terms of trading
- OTC as written conclusion of contract (email, Bloomberg chat) without any additional particular terms of trading
- MTF as electronic conclusion of contract with MTF contract agreement (Bloomberg MTF) without any additional particular terms of trading
- OTC (telephone, email or Bloomberg chat) or MTF in the case of debt securities issued by other issuers based on the relevant debt securities term-sheet without any additional particular terms of trading
- OTC (telephone, email or Bloomberg chat) or MTF in the case of securities issued by IBB by way of primary market issue based on the IBB debt securities term-sheet without any additional particular terms of trading, or with a multilateral negotiated order book agreement
- OTC (telephone, email or Bloomberg chat) or MTF in the case of derivatives based on bilateral negotiated national master agreements

Since according to Section 68 WpHG, certain provisions of Sections 63, 64 and 69 WpHG do not apply to trading or business relations with Eligible Counterparties, a prior consent is also not required for OTC transactions between Eligible Counterparties.

Furthermore, IBB in principle does not sign any agreement or acknowledgment for which the legal basis or relevance is located outside the EU. This applies in particular for cases where an agreement or an acknowledgment is demanded, although the legal act itself does not state it obligatory.
2.4 Legal reporting obligation of investment services provided

IBB is obliged to report to its counterparties in an appropriate manner on a durable medium about provided investment services. In particular, IBB is committed to report about completed transactions. An order execution for clients is conceivable only in the context of proprietary transactions with the character of third-party interest. IBB complies with the legal reporting obligation by sending a trade confirmation or by acknowledging an electronic counterparty confirmation.

2.5 Information on record-keeping and storage obligations

In accordance with the legal requirement of Section 83 WpHG, IBB records all telephone conversation and any electronic communication with personnel in the treasury department who are authorized to make investment decisions or trade executions (plus assistant to the treasury department) and stores them for at least five years.

3 Information for distribution counterparties

3.1 Information on financial instruments

3.1.1 Fixed-income bearer bonds of IBB

The aim of the fixed-income bearer bonds issued by IBB is to ensure the structured refinancing of the performance of its public subsidy tasks. The fixed-income bearer bonds are denominated in Euro. The interest coupon rate is fixed for the entire term. Periodic constant interest coupon payments are made. The total term, the interest coupon payment dates and interest rate conventions, the nominal amount and the issue price in percent of one hundred are individually agreed for each fixed-income bearer bond in accordance with the refinancing requirements of IBB. The bearer bonds will be redeemed at par. The fixed-income bearer bonds do not contain any structural, optional or derivative components.

For each fixed-income bearer bond, a global certificate with the agreed conditions will be physically issued and will be deposited with the Central Securities Depository (Clearstream Banking AG Frankfurt). The fixed-income bearer bond will be listed at the regulated market at Berlin Stock Exchange (Börse Berlin). The minimum denomination is EUR 100,000, -.

The fixed-income bearer bond is subject to market price risks and/or price risks in the connection with usual volatilities/changes of the interest rate and/or spread curve. The risk profile remains the same over the term as there are no structural, optional or derivative components inherent. The specific credit risk results from the probability of default of IBB in direct connection with the probability of default of the Federal Land of Berlin due to the institutional liability and the refinancing guarantee under Section 4 para. 1 and 2 IBBG, pursuant to the Federal Land of Berlin has to ensure the economic
basis of IBB for the duration of its existence at any time and is liable for any loans, bonds, debenture bonds, futures transactions, options and swaps subscribed to by Investitionsbank, as well as any other loans granted to Investitionsbank. In addition, the fiscal equalisation scheme of the Federal Republic of Germany according to Art. 107 Basic Constitutional Law (Grundgesetz, GG) ensures an implicit protection, under which a different financial strength of the single federal states has to be compensated adequately.

The guarantee of the Federal Land of Berlin results in a risk weighting of 0% for liabilities of IBB in Germany and some European countries (according to German Solvency Regulation, Solvabilitätsverordnung).

The listed securities have been classified by the ESCB in the asset classification "LCR-Kat-1" and can therefore be used across Europe as accepted collateral for the open-market operations of the ESCB.

The risk/reward profile is classified as risk class 1 because market and price fluctuations can only occur in the context of usual market changes, no structural, optional or derivative components are included and due to the state liability mechanism the yield is typically lower than those for comparable fixed-income bearer bonds and as a result contributing to a lower credit default risk.

In the case of issue/coupon payment/redemption of fixed-income bearer bonds, IBB does not charge any fees or commissions.

3.1.2 Floating-rate bearer bonds of IBB

The aim of the floating-rate bearer bonds issued by IBB is to ensure the structured refinancing of the performance of its public subsidy tasks. The floating-rate bearer bonds are denominated in Euro. The interest coupon rate is regularly adjusted to the current market level of interest rates and is linked to a reference benchmark (Euribor or Eonia, with or without basis points added or deducted). Periodic constant interest coupon payments are made. The total term, the reference benchmark and its periods (settlement and interest payment dates), the basis points added or deducted to the reference benchmark and the interest rate conventions, the nominal amount and the issue price in percent of one hundred are individually agreed for each floating-rate bearer bond in accordance with the refinancing requirements of IBB. The bearer bonds will be redeemed at par.

The floating-rate bearer bonds do not contain any structural, optional or derivative components. If the agreed reference benchmark interest rate has been established for a period with zero or a negative value, the payment obligation of IBB for this period does not apply.

For each floating-rate bearer bond, a global certificate with the agreed conditions will be physically issued and will be deposited with the Central Securities Depository (Clearstream Banking AG Frank-
The floating-rate bearer bond will be listed at the regulated market at Berlin Stock Exchange (Börse Berlin). The minimum denomination is EUR 100,000, -.

The floating-rate bearer bond is subject to market price risks and/or price risks in the context of usual volatilities/changes of the interest rate and/or spread curve. The risk profile remains the same over the term as there are no structural, optional or derivative components inherent. The specific credit risk results from the probability of default of IBB in direct connection with the probability of default of the Federal Land of Berlin due to the institutional liability and the refinancing guarantee under Section 4 para. 1 and 2 IBBG, pursuant to the Federal Land of Berlin has to ensure the economic basis of IBB for the duration of its existence at any time and is liable for any loans, bonds, debenture bonds, futures transactions, options and swaps subscribed to by Investitionsbank, as well as any other loans granted to Investitionsbank. In addition, the fiscal equalisation scheme of the Federal Republic of Germany according to Art. 107 Basic Constitutional Law (Grundgesetz, GG) ensures an implicit protection, under which a different financial strength of the single federal states has to be compensated adequately.

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In the case of issue/interest payment/redemption of floating-rate bearer bonds, IBB does not charge any fees or commissions.
3.2 Information on the terms of issue

3.2.1 Fixed-income bearer bonds of IBB

The following terms of issue shall be governed exclusively by German law. Only the current valid German version thereof is legally binding, of which a specimen is available on the IBB website: https://www.ibb.de/de/investor-relations/wertpapiere/wertpapiere.html

Hence this English translation of the terms of issue is provided for information purposes only.

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ISIN DE000

Global Note no.

with principal amount of

up to EUR \([\ast]\) 000,000

\([\ast]\) % bearer bonds series \([\ast]\)

\([\ast]\) year-round, maturing on \([\ast]\)

Investitionsbank Berlin in Berlin owes the bearer of this Global Note up to

\([\ast]\) million Euro.

This principal amount shall bear interest at the rate of \([\ast]\) % p.a. (day count fraction actual/actual according to ICMA Rule 251) from \([\ast]\) (including) ("Interest Commencement Date") to \([\ast]\) (excluding). Interest is paid in arrears on \([\ast]\) of each year and starting on \([\ast]\) ("Interest Dates").

If an Interest Date is not a business day (a day on which all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 – Target 2 - are open for settlement of payments in Euro), the relevant Interest Date is the next following business day, regardless of whether the business day lies in the same month or falls in the next month.

The bearer bonds are due for redemption at the principal amount on \([\ast]\) ("Maturity Date"). The terms of issue listed overleaf are valid for the bearer bonds.

This Global Note is designated exclusively for custody by Clearstream Banking AG, Frankfurt am Main.

Berlin, in \([\ast]\)

Investitionsbank Berlin

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DE000

Terms of Issue

§ 1 (Form and Principal Amount)

1. The issue of Investitionsbank Berlin in Berlin ("Issuer") at the aggregate principal amount specified on the front side of this global note ("Global Note") is divided into pari passu partial debentures with a denomination of EUR 100,000 each (the "Bonds").

2. The Bonds together with interest claims are represented in the Global Note without interest vouchers. The delivery of actual securities or interest vouchers on individual Bonds is excluded for the entire term of an issue. The Global Note shall bear the personal signature of two authorised representatives of the Issuer.

3. The Global Note will be submitted to and kept in custody by Clearstream Banking AG, Frankfurt am Main ("Clearstream") until all obligations of the Issuer under the Bonds have been satisfied.

4. The holders of the Bonds (the "Creditors") are entitled to co-ownership share in the Global Note that may be transferred in accordance with the general Terms and Conditions of Clearstream.

§ 2 (Interest)

1. The Bonds shall bear annual interest on their aggregate principal amount from the stated Interest Commencement Date to the stated Maturity Date shown on the Global Note at the interest rate stated on the Global Note.

2. An Interest Period refers to the period from the first Interest Commencement Date (including) to the first Interest Date (excluding) respectively any Interest Date (including) to the respective following Interest Date (excluding) ("Interest Period").

3. If Interest is calculated for less than one year, the calculation is based on the actual number of days elapsed for the Interest Period divided by the actual number of days of an interest-year (365 or 366) in accordance with detailed terms of ICMA-Rule 251 (actual/actual)*.
§ 3 (Maturity, Early Redemption)

(1) The Bonds shall be redeemed at the principal amount on the Maturity Date.

(2) The Bonds are both for the Issuer and for the Creditors non-callable. The Issuer may at any time purchase Bonds in the open market or otherwise at any price. The Bonds purchased by the Issuer may, at the option of the Issuer, be held, resold or submitted to Clearstream for the purpose of cancellation. If these purchases are made through a public offer, this offer must be made to all Creditors.

§ 4 (Payments)

(1) All amounts payable in accordance with the terms of issue shall be paid in Euro on the payment day (thus the Interest Dates and the Maturity Date) from the Issuer to Clearstream for credits to the accounts of the respective depositary banks for forwarding the payment to the Creditors. The Issuer is discharged from its payment obligations to the Creditors by payment to, or to the order of Clearstream.

(2) Any payments of principal and interest in respect of the Bonds shall be made after deduction or withholding of present or future taxes or other charges, if such deductions or withholdings are required by law.

§ 5 (Eligible Trustee Assets, Security Assets)

The Bonds are eligible as trustee assets according to Section 1807 para. 1 No. 3 of the German Civil Code (BGB) and eligible for the investment of security assets pursuant to Section 125 of the Act on the Supervision of Private Insurance Enterprises (VAG).

§ 6 (Status)

The Federal State of Berlin shall be liable for all obligations of the Issuer according to the legal regulations.

§ 7 (Notifications)

All notifications concerning Bonds are published in the German Electronic Federal Gazette ("elektronischer Bundesanzeiger").

§ 8 (Further Issues of Bonds, Increase)

The Issuer reserves the right to issue from time to time, without the consent of the Creditors, further Bonds having the same terms and conditions as the Bonds in all respects, so that the same shall be consolidated to form a single series of Bonds and increase the aggregate principal amount of the Bonds ("Increase"). The term "Bonds" includes in case of such an Increase also such additional Bonds issued.

§ 9 (Applicable Law, Place of Jurisdiction)

(1) The Bonds, as to form and content, as well as the rights and duties of the Creditors and the Issuer shall be governed exclusively by German law.

(2) The place of jurisdiction for all disputes arising from the matters governed by these terms of issue is Berlin.

§ 10 (Miscellaneous)

(1) The terms printed on the front side of the Global Note shall apply. Definitions that are not determined in these terms of issue have the meaning that arises from their use in connection with the terms of issue.

(2) Any amendments of the whole terms of issue are in accordance with legal regulations.
3.2.2 Floating-rate bearer bonds of IBB

The following terms of issue shall be governed exclusively by German law. Only the current valid German version thereof is legally binding, of which a specimen is available on the IBB website: https://www.ibb.de/de/investor-relations/wertpapiere/wertpapiere.html

Hence this English translation of the terms of issue is provided for information purposes only.

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[•] % bearer bonds series [•]
[•] year-round, maturing on [•]

Investitionsbank Berlin in Berlin owes the bearer of this Global Note up to

[•] million Euro.

This principal amount shall bear interest from [•] (including) “(Interest Commencement Date”) to (excluding) at the [•]-Month-EURIBOR (“Reference-Rate”) [plus/minus • basispoints] (day count fraction act/360 modified following adjusted).

The Reference-Rate EURIBOR (in percent per annum) is the average interest rate at which Eurozone banks offer to lend unsecured funds to other banks. This Reference-Rate is published on the Determination Date ("Interest Determination Date") around 11:00 a.m. (local Brussels time) on the Reuters Page EURIBOR01 (or any other page where this publication or the information service has been transmitted to). Interest Determination Date is in each case the second business day (a day on which all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 – Target 2 - are open for settlement of payments in Euro) prior to the begin of the interest payment period.

If there will be no publication of such a Reference-Rate on the respective Interest Determination Date, Investitionsbank Berlin is entitled to determine as relevant Reference-Rate an interest rate for deposits on the basis of prevailing market practice for equivalent periods.

Interest is paid [•] in arrears on [•]/[•]/[•] and on [•] of each year and starting on [•] ("Interest Dates"). The bearer bonds are due for redemption at the principal amount on [•] ("Maturity Date").

The terms of issue listed overleaf are valid for the bearer bonds.

This Global Note is designated exclusively for custody by Clearstream Banking AG, Frankfurt am Main.

Berlin, in [•]

Investitionsbank Berlin

Terms of Issue

§ 1 (Form and Principal Amount)

(1) The issue of Investitionsbank Berlin in Berlin ("Issuer") at the aggregate principal amount specified on the front side of this global note ("Global Note") is divided into pari passu partial debentures with a denomination of EUR 100.000 each (the "Bonds").

(2) The Bonds together with interest claims are represented in the Global Note without interest vouchers. The delivery of actual securities or interest vouchers on individual Bonds is excluded for the entire term of an issue. The Global Note shall bear the personal signature of two authorised representatives of the Issuer.

(3) The Global Note will be submitted to and kept in custody by Clearstream Banking AG, Frankfurt am Main ("Clearstream") until all obligations of the Issuer under the Bonds have been satisfied.

(4) The holders of the Bonds (the "Creditors") are entitled to co-ownership share in the Global Note that may be transferred in accordance with the general Terms and Conditions of Clearstream.
§ 2
(Interest)

(1) The Bonds shall bear annual interest on their aggregate principal amount from the stated Interest Commencement Date to the stated Maturity Date shown on the Global Note at the interest rate stated on the Global Note.
(2) An Interest Period refers to the period from the first Interest Commencement Date (including) to the first Interest Date (excluding) respectively any Interest Date (including) to the respective following Interest Date (excluding) ("Interest Period").
(3) Interest for each interest period is due for payment in arrears on the first following business day ("following"), unless the first following business day is in the next calendar month, in which case that date will be the first preceding day that is a business day ("modified following"). If the day count fraction method "modified following" causes a shorter interest period than 30 days per month, the interest period will be adjusted according to the day count fraction method "act/360 modified following adjusted" and the year basis calculated with 360 days regardless of the effective number of the days.

§ 3
(Maturity, Early Redemption)

(1) The Bonds shall be redeemed at the principal amount on the Maturity Date.
(2) The Bonds are both for the Issuer and for the Creditors non-callable. The Issuer may at any time purchase Bonds in the open market or otherwise at any price. The Bonds purchased by the Issuer may, at the option of the Issuer, be held, resold or submitted to Clearstream for the purpose of cancellation. If these purchases are made through a public offer, this offer must be made to all Creditors.

§ 4
(Payments)

(1) All amounts payable in accordance with the terms of issue shall be paid in Euro on the payment day (thus the Interest Dates and the Maturity Date) from the Issuer to Clearstream for credits to the accounts of the respective depositary banks for forwarding the payment to the Creditors. The Issuer is discharged from its payment obligations to the Creditors by payment to, or to the order of Clearstream.
(2) Any payments of principal and interest in respect of the Bonds shall be made after deduction or withholding of present or future taxes or other charges, if such deductions or withholdings are required by law.

§ 5
(Eligible Trustee Assets, Security Assets)

The Bonds are eligible as trustee assets according to Section 1807 para. 1 No. 3 of the German Civil Code (BGB) and eligible for the investment of security assets pursuant to Section 125 of the Act on the Supervision of Private Insurance Enterprises (VAG).

§ 6
(Status)

The Federal State of Berlin shall be liable for all obligations of the Issuer according to the legal regulations.

§ 7
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All notifications concerning Bonds are published in the German Electronic Federal Gazette ("elektronischer Bundesanzeiger").

§ 8
(Further Issues of Bonds, Increase)

The Issuer reserves the right to issue from time to time, without the consent of the Creditors, further Bonds having the same terms and conditions as the Bonds in all respects, so that the same shall be consolidated to form a single series of Bonds and increase the aggregate principal amount of the Bonds ("Increase"). The term "Bonds" includes in case of such an Increase also such additional Bonds issued.

§ 9
(Applicable Law, Place of Jurisdiction)

(1) The Bonds, as to form and content, as well as the rights and duties of the Creditors and the Issuer shall be governed exclusively by German law.
(2) The place of jurisdiction for all disputes arising from the matters governed by these terms of issue is Berlin.

§ 10
(Miscellaneous)

(1) The terms printed on the front side of the Global Note shall apply. Definitions that are not determined in these terms of issue have the meaning that arises from their use in connection with the terms of issue.
(2) Any amendments of the whole terms of issue are in accordance with legal regulations.
3.3 Information on target markets

- Fixed-income bearer bonds of IBB

The fixed-income bearer bonds issued by IBB as own issues are addressed to the following customer groups which pursue the objective of asset investment:

- Eligible Counterparties and Professional Clients who meet the requirements of Section 67 para. 2 in conjunction with para. 4 WpHG and are specified in there

- those customers who have been classified as Professional Clients by their securities services company according to Section 67 para. 6 WpHG.

The minimum denomination is EUR 100,000, -. The investment horizon is based on the predetermined duration by IBB of the issued bearer bond and may be short, medium or long term (from less than 1 year to 30 years). Due to the minimum denomination, the asset classification "LCR-Kat-1" and the client category, it is a product for investors with extended knowledge and experience with financial products. The potential investor could bear a financial loss, nevertheless, the risk of loss is limited, the product falls into the risk class 1 (on a scale from 1 = security-minded to 7 = very prepared to take risks).

The direct purchase (primary market) of these own issues of IBB is only possible for Eligible Counterparties pursuant to Section 67 para. 2 No. 1 lit. a) and b) in conjunction with para. 4 WpHG if they have been classified as such by IBB in written manner.

Other Eligible Counterparties and Professional Clients may only acquire them from a third party via a secondary market deal and not directly from IBB. The responsibility for the classification of these customers in the secondary market within the meaning of Section 67 WpHG and Section 2 para. 1 WpDVerOV (Wertpapierdienstleistungs-Verhaltens- und -Organisationsverordnung) and the fulfillment of the resulting obligations lies solely with the investment services company that executes this deal for or with the client pursuant to Section 63 para. 2 no. 2 WpHG. If IBB issues own issues via an order book of a consortium, the members of the consortium are exclusively Eligible Counterparties pursuant to Section 67 para. 2 No. 1 lit. a) and b) in conjunction with para. 4 WpHG. Thus, the responsibility for the selection of final clients for the initial orderbook or for sales in the secondary market and therewith the observance of the target market lies solely with every individual member of the consortium. The allocation principles regarding investor’s characteristics and behaviour will be agreed in writing between IBB and the consortium for each single issue pursuant to Section 11 para. 6 WpDVerOV. Following the final investor’s registration by the consortium in the order book, IBB may in cooperation with the consortium discuss and agree on the final allocation.

The product is not suitable for Retail Customers/Private Investors.
• Floating-rate bearer bonds of IBB

The floating-rate bearer bonds issued by IBB as own issues are addressed to the following customer groups which pursue the objective of asset investment:

- Eligible Counterparties and Professional Clients who meet the requirements of Section 67 para. 2 in conjunction with para. 4 WpHG and are specified in there
- those customers who have been classified as Professional Clients by their securities services company according to Section 67 para. 6 WpHG.

The minimum denomination is EUR 100,000, -. The investment horizon is based on the predetermined duration by IBB of the issued bearer bond and may be short, medium or long term (from less than 1 year to 30 years). Due to the minimum denomination, the asset classification "LCR-Kat-1" and the client category, it is a product for investors with extended knowledge and experience with financial products. The potential investor could bear a financial loss, nevertheless, the risk of loss is limited, the product falls into the risk class 1 (on a scale from 1 = security-minded to 7 = very prepared to take risks).

The direct purchase (primary market) of these own issues of IBB is only possible for Eligible Counterparties pursuant to Section 67 para. 2 No. 1 lit. a) and b) in conjunction with para. 4 WpHG if they have been classified as such by IBB in written manner.

Other Eligible Counterparties and Professional Clients may only acquire them from a third party via a secondary market deal and not directly from IBB. The responsibility for the classification of these customers in the secondary market within the meaning of Section 67 WpHG and Section 2 para. 1 WpDVerOV (Wertpapierdienstleistungs-Verhaltens- und -Organisationsverordnung) and the fulfillment of the resulting obligations lies solely with the investment services company that executes this deal for or with the client pursuant to Section 63 para. 2 no. 2 WpHG. If IBB issues own issues via an order book of a consortium, the members of the consortium are exclusively Eligible Counterparties pursuant to Section 67 para. 2 No. 1 lit. a) and b) in conjunction with para. 4 WpHG. Thus, the responsibility for the selection of final clients for the initial orderbook or for sales in the secondary market and therewith the observance of the target market lies solely with every individual member of the consortium. The allocation principles regarding investor’s characteristics and behaviour will be agreed in writing between IBB and the consortium for each single issue pursuant to Section 11 para. 6 WpDVerOV. Following the final investor’s registration by the consortium in the order book, IBB may in cooperation with the consortium discuss and agree on the final allocation.

The product is not suitable for Retail Customers/Private Investors.
3.4 Information on distribution strategy

The determination of the target market for bearer bonds issued by IBB as own issues are addressed to the following customer groups which pursue the objective of asset investment:

- Eligible Counterparties and Professional Clients who meet the requirements of Section 67 para. 2 in conjunction with para. 4 WpHG and are specified in there
- those customers who have been classified as Professional Clients by their securities services company according to Section 67 para. 6 WpHG.

Retail Customers and Private Investors are not part of the target market. The direct purchase (primary market) of these own issues of IBB is only possible for Eligible Counterparties pursuant to Section 67 para. 2 No. 1 lit. a) and b) in conjunction with para. 4 WpHG if they have been classified as such by IBB in written manner.

The distribution takes place without exemption in the interbank primary market in proprietary trading with no investment advice whatsoever, since IBB issues its bearer bonds on the basis of its own refinancing planning, its current refinancing requirements, the known or new arising liquidity inflows and outflows exclusively with the aim of ensuring its own structured refinancing to perform its public subsidy tasks. The issue takes place in large-volume individual issues (minimum size EUR 5 million) and with a minimum denomination of EUR 100,000.-.

Since IBB does not carry out any sales activities beyond its own refinancing needs and does not provide asset management for others, it does not offer any investment strategy for others. IBB does not work with contractually committed agents.

4 Inducements, costs and charges

IBB does not pay or receive any inducements and does not receive or grant any monetary or non-monetary benefits in connection with financial instruments, neither transaction-based nor inventory-based. This does not apply to fees, that in the context of a new issue IBB has contractually agreed to with a consortium for issuing/placing this new issue and that IBB bears itself. IBB does not pay or receive any inducements in connection with the receipt of analyses/research.

IBB also does not use any received analyses/research for others and does not create any financial market or financial instrument analyses/research for others by itself. All information provided to IBB by third parties serve solely for the purpose of IBB’s own information and does not constitute an offer, recommendation or request to buy, hold or sell and does not constitute a medium by which a related financial instrument is offered or sold. The information is created regardless of IBB’s own investment objectives, its financial situation or its particular needs. This includes especially free information pro-
vided to a wider public on general market analyses, macroeconomic analyses or branch and sector analyses without specific investment proposals.

Therefore, IBB has no analysis budget and consistently did not implement analysis accounting.

For transactions in financial instruments, IBB does not charge any fees or commissions, IBB will only agree upon an interest rate, p.r.n. a transaction-related buying price or selling price and in the case of derivative transactions an upfront fee if needed to compensate non-current market conditions. The issuance of IBB’s own issues for the primary market buyer contains only the interest rate and the issue price, no fees. All costs and fees incurring to IBB in connection with a market trade and the settlement of transactions, such as trading platform fees, listing fees, brokerage, payment transaction fees etc. are entirely beared by IBB itself. Thus, IBB does not fall within the scope of Article 13 of the Delegated Directive (EU) 2017/593.

5 Conflicts of interests

As IBB trading activities in financial instruments are solely for the purpose of managing its own market price-, liquidity- and spread-risks as proprietary transactions on its own behalf and for its own account and without providing any services to others, all such trades are made without any investment recommendation and without a commission order, without a consultancy or analytical work of IBB for others.

The manufacturing of financial instruments is subject to a regulated process and financial instruments cannot be put into test operations without the approval of the executive board.

IBB does not pay or receive any inducements, does not have an analysis budget and consistently did not implement analysis accounting.

The opportunity of personal transactions of IBB employees within the IBB is not available.

The compliance function is a separate department within IBB and reports directly to the board.

Within the compliance department is a dedicated capital market compliance division, which is responsible for the mandatory supervisory duties, audits and reporting obligations according to WpHG and the Delegated Regulation (EU) 2017/565.

6 Money laundering

IBB has implemented Anti-Money Laundering (AML) policies and procedures to comply with all AML laws and regulations, Counter-Terrorism Financing (CTF) and EU/FATF-Sanctions-Lists (EU-SL). AML, CTF and EU-SL procedures include:
• designation of an experienced AML manager supervising the application of all laws, principles and regulations of AML/CTF and EU-SL.

• a risk based approach on determination and operational treatment of AML/CTF risks.

• a risk based approach on Customer Due Diligence, customer identification and verification as well as procedures to comply with the Know Your Customer (KYC) principle, including procedures on
  o extended Customer Due Diligence with regard to customers representing a potential higher risk;
  o prohibition of doing any business in relation to “Shell Banks”.

• the implementation of monitoring procedures on customer accounts and activities.

• internal procedures to report suspicious transactions or incidents to state authorities.

• the implementation of monitoring procedures on customers and activities on EU-SL and applicable Embargo-Lists.

• a risk based AML training programme for all employees.

• appropriate communication, internal control, revision, surveillance and evidence of conformity, to ensure that all rules and regulations are truly understood and adhered to.

IBB adheres strictly to all Sanction-Lists applicable to credit institutions in the EU. According to our knowledge there are no vendors/suppliers to IBB which are domiciled in sanction listed countries pursuant to EU-SL. Specific information on countries IBB has invested funds in are subject to business policies and therefore are confidential. All AML information is given with regard to specifics of a state owned business development bank and can be reviewed in the "Wolfsberg Questionaire" on IBB website.
(www.ibb.de/Profil/Compliance.aspx).