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3. IBB figures & ratios
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### German Development Banks

- **2 German Development banks are directly guaranteed by the Federal Government:** KfW & Rentenbank

- **17 local development banks are guaranteed by their respective state (German: Land) within the federal republic of Germany, 10 of which issue bonds and 3 of them offer EurexRepo GC Pooling® ECB Basket eligible public benchmarks**

<table>
<thead>
<tr>
<th>Development Bank</th>
<th>Guarantee by state</th>
<th>Moody’s</th>
<th>S&amp;P</th>
<th>Fitch</th>
<th>EurexRepo GC Pooling® Basket</th>
<th>Public Benchmarks</th>
<th>Exchange Listed</th>
<th>Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>NRW.Bank</td>
<td>Nordrhein-Westfalen</td>
<td>Aa1</td>
<td>AA-</td>
<td>AAA</td>
<td>ECB + Extended</td>
<td>Yes</td>
<td>Regulated Market</td>
<td>Public entity</td>
</tr>
<tr>
<td>L-Bank</td>
<td>Baden-Württemberg</td>
<td>Aaa</td>
<td>AAA</td>
<td>AAA</td>
<td>ECB + Extended</td>
<td>Yes</td>
<td>Regulated Market</td>
<td>Public entity</td>
</tr>
<tr>
<td>IBB</td>
<td>Berlin</td>
<td>-</td>
<td>AAA</td>
<td>-</td>
<td>ECB + Extended</td>
<td>Yes</td>
<td>Regulated Market</td>
<td>Public entity</td>
</tr>
<tr>
<td>LfA Bayern</td>
<td>Bayern</td>
<td>Aaa</td>
<td>-</td>
<td>-</td>
<td>ECB + Extended</td>
<td>No</td>
<td>Regulated Market</td>
<td>Public entity</td>
</tr>
<tr>
<td>BayernLaBo</td>
<td>Bayern</td>
<td>Aaa</td>
<td>-</td>
<td>-</td>
<td>Extended</td>
<td>Yes</td>
<td>Regulated Market</td>
<td>Part of Landesbank</td>
</tr>
<tr>
<td>WI-Bank</td>
<td>Hessen</td>
<td>-</td>
<td>AA+</td>
<td>-</td>
<td>Extended</td>
<td>Yes</td>
<td>Regulated Market</td>
<td>Part of Landesbank</td>
</tr>
<tr>
<td>IB-SH</td>
<td>Schleswig-Holstein</td>
<td>-</td>
<td>-</td>
<td>AAA</td>
<td>Extended</td>
<td>Yes</td>
<td>German Freiverkehr</td>
<td>Public entity</td>
</tr>
<tr>
<td>SAB</td>
<td>Sachsen</td>
<td>-</td>
<td>AAA</td>
<td>-</td>
<td>Extended</td>
<td>No</td>
<td>German Freiverkehr</td>
<td>Public entity</td>
</tr>
<tr>
<td>IFB Hamburg</td>
<td>Hamburg</td>
<td>-</td>
<td>AAA</td>
<td>-</td>
<td>Extended</td>
<td>No</td>
<td>German Freiverkehr</td>
<td>Public entity</td>
</tr>
<tr>
<td>ILB</td>
<td>Brandenburg</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>No</td>
<td>German Freiverkehr</td>
<td>Public entity</td>
</tr>
</tbody>
</table>

Sources: Bloomberg, EurexRepo
German development banks offer public benchmarks with excellent liquidity in the electronic repo market using the EurexRepo GC Pooling® ECB Basket

- Price transparency with benchmarks
- Good repo liquidity
- Spread tightening potential for IBB compared to established peers with longlasting roadshow presence

Sources: Bloomberg 27.12.19, EurexRepo
For comparison - European agency issuers with government guarantee

For comparison: Spread curves of several European public issuers

- IBB pays premium as smaller and currently less known issuer
- 4 of 6 current IBB issues of 500+ MM were issued in 2019
- Creation of liquid curve will be continued in 2020

Sources: Bloomberg 27.12.19, EurexRepo
1. German development banks

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5. IBB funding activities
A strong partner for more than 90 years

- Wohnungsfürsorgegesellschaft Berlin mbH
- Wohnungsbaub-Kreditanstalt
- Investitionsbank Berlin (department of Landesbank Berlin)
- Integration of LBB into Bankgesellschaft Berlin
- Establishment of Investitionsbank Berlin as a business development bank
- Establishment of IBB as an institution under public law

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**Performing for Berlin**

- **Vision**
  - "Performing for Berlin"

- **Mission**
  - Business promotion - IBB supports companies with funding in order to promote economic growth in the German capital, securing existing jobs and creating new ones.
  - Homes & energy efficiency - IBB supports the integrated development of Berlin as a business centre and helps the regional government to achieve its’ climate protection goals.
  - Added value - IBB generates sufficient revenues to accomplish its’ business development tasks on a long term basis.

- **Strategy**
  - In order to ensure the long-term success of the bank, the business strategy is geared to sustainability while taking into account the regulatory framework and available resources.
## Exemplary types of IBB promotional activities

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Grant</th>
<th>Equity / loan by public fund</th>
<th>Loan with guarantee</th>
<th>Equity / loan on own IBB risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>IBB risk</td>
<td>No risk – IBB services fund distribution</td>
<td>No risk for IBB – IBB services trust</td>
<td>No credit risk due to guarantee (EU, local or federal gov.)</td>
<td>IBB acts as bank on own risk</td>
</tr>
<tr>
<td>Source of funds / refinancing</td>
<td>Paid by EU, federal or local government</td>
<td>Paid by EU, federal or local government</td>
<td>IBB funded (capital market, KfW, EIB, CEB)</td>
<td>IBB funded (capital market, KfW, EIB, CEB)</td>
</tr>
</tbody>
</table>

All instruments can be combined with free counseling, forgoing labor costs or forgoing additional margin to increase the promotional character in agreement with the Land Berlin. These additional non bank typical subsidies are shown as Business development share in the annual statement. Promotional products can also be a combination of above types.
Strategic business fields

Investitionsbank Berlin

Goals

• Providing monetary support for businesses, especially for SMEs and new businesses
• Supporting Berlin’s clusters
• Closing financing gaps with grants, equity, mezzanine loans, loans and consultancy services
• Fulfilling special tasks for Land Berlin, especially to promote infrastructure
**IBB as a bank for founders and SMEs in 2018**

<table>
<thead>
<tr>
<th>Total</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.7 €bn</td>
<td>3,892</td>
</tr>
<tr>
<td>initiated</td>
<td>newly created</td>
</tr>
<tr>
<td>investments</td>
<td>jobs</td>
</tr>
<tr>
<td>4.5 €bn</td>
<td></td>
</tr>
<tr>
<td>increase in</td>
<td></td>
</tr>
<tr>
<td>gross domestic</td>
<td></td>
</tr>
<tr>
<td>product</td>
<td></td>
</tr>
<tr>
<td>411.1 €m</td>
<td>8,039</td>
</tr>
<tr>
<td>financing</td>
<td>2,270 €m</td>
</tr>
<tr>
<td>volume</td>
<td></td>
</tr>
<tr>
<td>(without special transactions)</td>
<td></td>
</tr>
</tbody>
</table>
Shareholdings held by Investitionsbank Berlin

100%:
- IBB Beteiligungsgesellschaft mbH
  - VC Fonds Technologie Berlin
  - VC Fonds Kreativwirtschaft Berlin
- IBB Business Team GmbH

Shares on behalf of the Federal Land of Berlin:
- Medienboard Berlin-Brandenburg GmbH (50%)
- Berlin Partner für Wirtschaft und Technologie GmbH (31.5%)
- Berlin Tourismus & Kongress GmbH (25%)
<table>
<thead>
<tr>
<th>Figures IBB Beteiligungsgesellschaft mbH 2018</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>About 1.43 €bn</strong></th>
<th><strong>107.4 €m</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment volume with financing partners since 1997</td>
<td>Venture capital 2018 (with financing partners)</td>
</tr>
<tr>
<td><strong>16.9 €m</strong></td>
<td><strong>1 to 6</strong></td>
</tr>
<tr>
<td>Investment volume 2018</td>
<td>Ratio of IBB investment to private investment</td>
</tr>
<tr>
<td><strong>641 €m</strong></td>
<td><strong>3,258</strong></td>
</tr>
<tr>
<td>Sales at affiliated companies in 2018</td>
<td>Employees of affiliated companies</td>
</tr>
<tr>
<td><strong>53</strong></td>
<td><strong>69</strong></td>
</tr>
<tr>
<td>Financing rounds 2018</td>
<td>Start ups currently in the investment portfolio</td>
</tr>
</tbody>
</table>

VC Fonds Berlin | VC Fonds Kreativwirtschaft Berlin | VC Fonds Technologie Berlin

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Strategic business fields

Investitionsbank Berlin

Goals

- Promoting new construction and implementing the federal state’s housing policy goals
  - Promotion of new housing, modernisation and maintenance
- Supporting the Senate in achieving the climate protection goals of Land Berlin
  - Consultation regarding energy-saving measures
  - Financing of energy-saving measures
- Promoting and financing measures to improve accessibility/barrier reduction in housing for the elderly
- Cooperation with commercial banks
- Maintaining the existing volumes and creating revenues
We promote residentially used real estate in Berlin

- **Construction** of new affordable apartments
- **Construction** of energy-efficient new buildings
- **Purchase** of owner-used residential properties
- **Energy-efficient** refurbishment measures
- **Barrier-reducing** refurbishment measures
- **General** modernisation measures
- Purchase, refinancing of housing portfolios and property developers
IBB financing the growing city

1,037.2 €m
Total financing volume

353.0 €m
Promotional developer loans (+39 €m Y/Y)

9,001 €m
Real estate loan portfolio

For 24,218
Apartments were building permits granted

7,177
New apartments financed

227.1 €m
Syndicated Loans

Stand: 31.12.2018
Strategic business fields

Investitionsbank Berlin

Goals

- Comprehensive asset and liability management
- Interface to money and capital markets
- Short term liquidity management, capital market refinancing and managing of liquidity reserve portfolios
- Interest rate risk and market price risk management
- Managing sustainable long-term interest income to support business development activities
1. German development banks
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## IBB figures & ratios

<table>
<thead>
<tr>
<th></th>
<th>31 December 2017</th>
<th>31 December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In €m</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance-sheet sum</td>
<td>17,671.6</td>
<td>17,742.9</td>
</tr>
<tr>
<td>Equity</td>
<td>755.8</td>
<td>771.5</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>131.3</td>
<td>139.2</td>
</tr>
<tr>
<td>Total administrative expenditure</td>
<td>-78.4</td>
<td>-79.1</td>
</tr>
<tr>
<td>Risk provisioning/valuations</td>
<td>-13.5</td>
<td>-21.7</td>
</tr>
<tr>
<td>Economic performance</td>
<td>39.4</td>
<td>38.3</td>
</tr>
<tr>
<td>Support and grants for the Federal Land of Berlin/business development</td>
<td>-28.8</td>
<td>-20.0</td>
</tr>
<tr>
<td>New income for the year</td>
<td>10.6</td>
<td>18.3</td>
</tr>
<tr>
<td><strong>New business volume</strong></td>
<td>1,240.9</td>
<td>1,484.3</td>
</tr>
<tr>
<td>Core capital ratio</td>
<td>17.9 %</td>
<td>18.1 %</td>
</tr>
<tr>
<td>Total capital ratio</td>
<td>18.4 %</td>
<td>18.5 %</td>
</tr>
<tr>
<td>Leverage ratio</td>
<td>5.7 %</td>
<td>5.7 %</td>
</tr>
<tr>
<td>Liquidity Coverage ratio</td>
<td>133 %</td>
<td>171 %</td>
</tr>
<tr>
<td><strong>No. Of employees</strong></td>
<td>626</td>
<td>630</td>
</tr>
</tbody>
</table>

* without special financing
### Development of capital*, net income and total assets (local gaap, HGB)

<table>
<thead>
<tr>
<th>Year</th>
<th>Equity in €m EUR</th>
<th>Net income in €m EUR</th>
<th>Total assets in €bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>614</td>
<td>29.8</td>
<td>20.4</td>
</tr>
<tr>
<td>2010</td>
<td>635</td>
<td>22.1</td>
<td>20.1</td>
</tr>
<tr>
<td>2011</td>
<td>658</td>
<td>22.3</td>
<td>20.2</td>
</tr>
<tr>
<td>2012</td>
<td>697</td>
<td>39.5</td>
<td>19.9</td>
</tr>
<tr>
<td>2013</td>
<td>689</td>
<td>36.9</td>
<td>20.5</td>
</tr>
<tr>
<td>2014</td>
<td>678</td>
<td>25.9</td>
<td>20.1</td>
</tr>
<tr>
<td>2015</td>
<td>731</td>
<td>78.5**</td>
<td>19.1</td>
</tr>
<tr>
<td>2016</td>
<td>748</td>
<td>23.8</td>
<td>18.0</td>
</tr>
<tr>
<td>2017</td>
<td>756</td>
<td>10.6</td>
<td>17.7</td>
</tr>
<tr>
<td>2018</td>
<td>772</td>
<td>18.3</td>
<td>17.7</td>
</tr>
</tbody>
</table>

* Capital incl. Special-purpose reserve  
** Including special effect of 52.6 €m
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Owner and guarantor Land Berlin
Regulatory and legal conditions for IBB

Owner Land Berlin

• **Public-sector responsibility:** Land Berlin is Investitionsbank Berlin’s sole owner (institute under public law).

• **Guarantee:** Pursuant to section 4 of the law of IBB (IBBG), Land Berlin guarantees IBB’s liabilities and this results in IBB’s „risk weight 0%“ status for its liabilities.

• Guarantor Liability: For IBB liabilities issued prior to 1 September 2004, the Land Berlin additionally bears guarantor's liability.

Regulatory and legal conditions

• The IBB law, the memorandum and the articles of association form the legal framework.

• Non-trading-book institute

• Classification as a capital market-oriented company (section 315a of the German Commercial Code); IFRS consolidated financial statements
Berlin – Location advantages

- International expertise in key technology fields
- Strong networks linking science and business
- Outstanding location for research and science
- Diverse start-up scene and entrepreneurial landscape
- High international attraction
- Stable political environment with a clear cluster strategy
- Available spaces, excellent infrastructure
- Highly qualified workforce

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Berlin – Key facts 2018

- Area of 892 sq. km, Germany's largest city in terms of space
- Population: 3.7 m (2018: +36,128 inhabitants)
- 55% of the population is below the age of 45
- Gross domestic product: 147.1 €bn (+3.1% compared to the previous year)
- Hotel stays: 13.5 m (+4.1% compared to the previous year)
- Berlin as the capital city of start-ups : almost 44,000 business registrations (-2.0% compared to the previous year)
- International location for congresses and exhibitions
- Moody's/Fitch long-term rating for the Federal Land of Berlin: Aa1 (stable) or AAA (stable)
Berlin economy performs well – topping the German average for 5 years now

The Berlin economy made a turnaround and is growing faster than Germany on average. In 2018, Berlin once again proved to be the strongest growth location within German federal states.

Gross domestic product in Berlin and Germany
Change vs. previous year in %

Source: local statistic office, own calculations IBB

Gross domestic product 2018
Change vs. previous year in %

Source: local statistic offices of federal states, own calculations IBB
In Berlin, jobs are created at an above average rate. This attracts many well educated people from all over the world and ensures a steady reduction of the high unemployment Berlin faced after reunification.
Tax income on state level / German equalization mechanism 2020 onwards

- All states (Länder) share the revenues of the most important taxes (corporate, income and value added tax) with the central government (Bund)
- States with lower revenues receive a higher proportion of the value added tax (Art. 107 German constitution „Grundgesetz“)
- Bund provides additional funds to equalize tax income per capita
- Special burdens can be equalized with further additional funds from Bund (i.e. reunification, high indebtedness in Saarland and Bremen)
- Development of citizens per state is key for finances

Source: German ministry of finance
Growth and a strict budgetary discipline have yielded solid surpluses and a strong reduction of the debt ratio

Since 2012, the Land Berlin has generated budget surpluses and uses the financial leeway to repay debt and invest in the growing city. Berlin is well prepared for the debt brake of 2020 (legal limit on deficit).
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IBB’s funding facts 1/2

• IBB is **excluded from any insolvency procedures as stated by law**. IBB’s issues are therefore exempt of the recent changes in the German insolvency laws (§46f KWG). IBB’s bond issues are not structurally subordinated. This applies both to old issues and to new issues after July 21, 2018.

• All of IBB’s liabilities benefit from an unconditional and irrevocable **guarantee by the federal state of Berlin**. As a result they feature a **0% risk weight** under Basel standard approach (also CRR 116 No. 4).

• IBB’s liabilities benefit from a spread risk factor of 0% under solvency II for insurance companies.

• All issued bonds are **Level 1 assets** independent of issue size for the Liquidity Coverage Ratio.

• IBB’s credit worthiness is regularly examined by **Fitch Ratings** and awarded with a **rating of AAA stable**, the same as it’s guarantor Land Berlin. In addition to it’s Fitch rating, the federal state Land Berlin is rated Aa1 stable by Moody’s.
• All bond issues are listed at the regulated market
• All bonds become **ECB eligible** for refinancing operations with the listing
• IBB bonds are bought by the Deutsche Bundesbank under the **Public Sector Purchase Program** (PSPP)
• IBB bonds can be used for repos at the CCP Eurex Clearing in the following baskets:
  • **EurexRepo GC Pooling® ECB Basket** and EurexRepo GC Pooling® ECB EXTended Basket
  • EurexRepo Special Basket and German Corporate GC Basket
• Bloomberg Indices: Global Aggregate, Euro Aggregate, Pan-European Government-Related
Capital market funding in 2020

• Planned issuance volume of **2.5 to 3.0 €bn in 2020**. All issuance activity is Euro denominated with maturities between 1 and 30 years.

• Funding activities will be concentrated on bonds with **issue sizes of 250 €m to 500 €m** up to 10 years (German stand alone documentation, no EMTN or other program). For longer maturities private placements are planned.

• Issues can be via private placement, German style “nasse Stücke” and also public deals with order book.

• All issued debt is senior and is explicitly guaranteed by the federal state of Berlin. Issuance comes in the form of bonds or German style IOUs (Schuldscheine and Namensschuldverschreibungen). IBB issues only plain vanilla fixed or floating coupons and does not offer structured products.

• Market quotes are provided by the issuing syndicate or IBB for smaller issues.
In 2019 IBB successfully issued its first public benchmark transaction since 2014.

The publicity of the first transaction together with an international roadshow (Austria, Switzerland, Luxemburg, Netherlands, United Kingdom) supported demand at the second public deal later that year.

Both transactions were priced with a small new issue premium close the secondary BID of similar bonds and performed well in the secondary market.
Investor driven issuance
(German nasse Stücke & Private Placements)

- Smaller market maker balance sheets and aggressive ECB buying have reduced secondary market offers.
- IBB wishes to provide long term investors a continuous investment opportunity in 2 or 3 large liquid bonds without creating upward pressure to its secondary market curve.
- To provide this, IBB issues bonds of 250 to 500 MM EUR with listing, rating and secondary market quotes by market makers. The bonds are continuously offered at a spread close to secondary ask of similar. This results in a slow and continuous placement. So far, all bonds were fully placed after 3 to 12 months to a variety of investors.
- Currently available offers are visible to everyone on Bloomberg page IBBB02.
- This way IBB wishes to service investors with a need for large liquid bonds who wish to choose the timing of their purchase (due to the rate environment, flows, adherence to benchmarks...)
- For investors, who need a different maturity or look for the German IOU formats SSD or NSV, private placements can be offered.
Existing funding

- 8.8 €bn of IBBs liabilities are capital market instruments (as of Dec 31st, 2019), most of which are bonds and a smaller part German style IOUs. Bonds are also the main source of new issuance.

- 49 bond issues with a volume of 7.1 €bn are listed at the regulated market of the Berlin stock exchange (as of Dec 31st, 2019). 2 of those bonds were in placement (nasse Stücke) with a volume of 0.4 €bn being on offer.

- Additionally IBB has funded about 1.6 €bn with capital market like loans from other promotional banks. Further funding by other development banks is used for pass through loans.
Diversified funding mix

IBB’s funding is based on three major sources:

Funding sources as of Dec 31, 2018 in €m

- Liabilities to customers: 5.795
- Liabilities to banks: 5.965
- Securitised liabilities: 4.258

- IBB’s funding mix is based on diversified funding sources with a large set of counterparties.

- The funding is based on bond issuance, the public sector, financial corporates and banks.
Break down of liabilities to customers and credit institutions in €m

Liabilities to customers
(about 5,8 €m. as of Dec 31, 2018)

- Namensschuldschuldverschreibungen: 34
- Schuldscheindarlehen: 1,665
- Federal State Land Berlin: 86
- Deposits: 2,494
- Other: 1,516

Liabilities to credit institutions
(about 4,3 €m. as of Dec 31, 2018)

- Namensschuldschuldverschreibungen: 68
- Schuldscheindarlehen: 378
- Development banks (KfW and CEB): 184
- Deposits: 2,163
- Other: 1,466
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1. German Development Banks
2. Investitionsbank Berlin
3. IBB figures & ratios
4. Guarantor Land Berlin
5. IBB funding activities
Bloomberg and Reuters pages, settlement information

Bloomberg: IBBB <Go>

Internet: http://www.ibb.de

Clearstream Deutschland: 1230

Euroclear Luxemburg: 11509

BIC CODE: IBBB DE BB

IBAN: DE77 1011 0400 0010 1104 00

LEI: 5299 00 OBCZMX3TFA06 73

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Disclaimer

The information contained in this presentation has been thoroughly researched. Nevertheless, it does not claim to be complete and the information contained therein may be subject to changes. We shall not be liable for any information provided herein.

The presentation is for information purposes only and constitutes neither an offer nor an invitation to buy or sell securities. It must not be viewed as personal or general advice on the basis of which investment decisions can be made.
Thank you for your kind attention!

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