



Investitionsbank des Landes Brandenburg

Investor presentation – An Introduction to ILB

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Who we are

- ILB has been the central development institute of the State of Brandenburg for over 30 years
- ILB has a public mission, operates in the interest of the public, and profit-making is not its main purpose
- The shareholders are the Federal State of Brandenburg and NRW.Bank with a 50% share each

Debt guaranteed by the Federal State of Brandenburg

- Institutional liability (Anstaltslast) and guarantor liability (Gewährträgerhaftung)
- Legally impossible for ILB to go bankrupt
- Fitch rating AAA
- Zero percent risk weighting / bail-in exempted
- LCR-Status: Level 1

ILB

Funding

- Regular bond issuer; at least one benchmark bond planned annually
- ILB also issues social bonds
- Yield pick-up compared to bonds issued by German federal states
- Funding volume of EUR 1-2bn per year

Basel III-Key Figures 2023

- CET 1: 17,7%
- Total Capital Ratio: 18,5%
- LCR: 356%
- NSFR: 117%

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The Federal State of Brandenburg

Our guarantor and our partner

Metropolitan region at the heart of Europe

The State of Brandenburg is one of the most dynamic industrial hubs and home to many service-oriented businesses at the heart of Europe.

2.5 million
residents
(as of: 31/12/2020)



1.117 million
employees 2020

29,654 km²
surface area



EUR 73.9 billion
GDP



92,243
VAT-liable companies

(as of: 2018, tax-liable companies with deliveries and services over EUR 17,500)

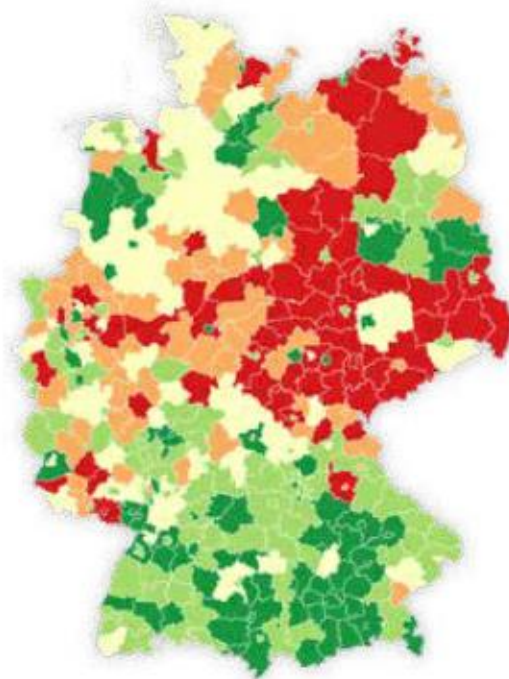
The Federal State of Brandenburg

Best prospects for the future

Prognos Regional Sector Forecast 2030

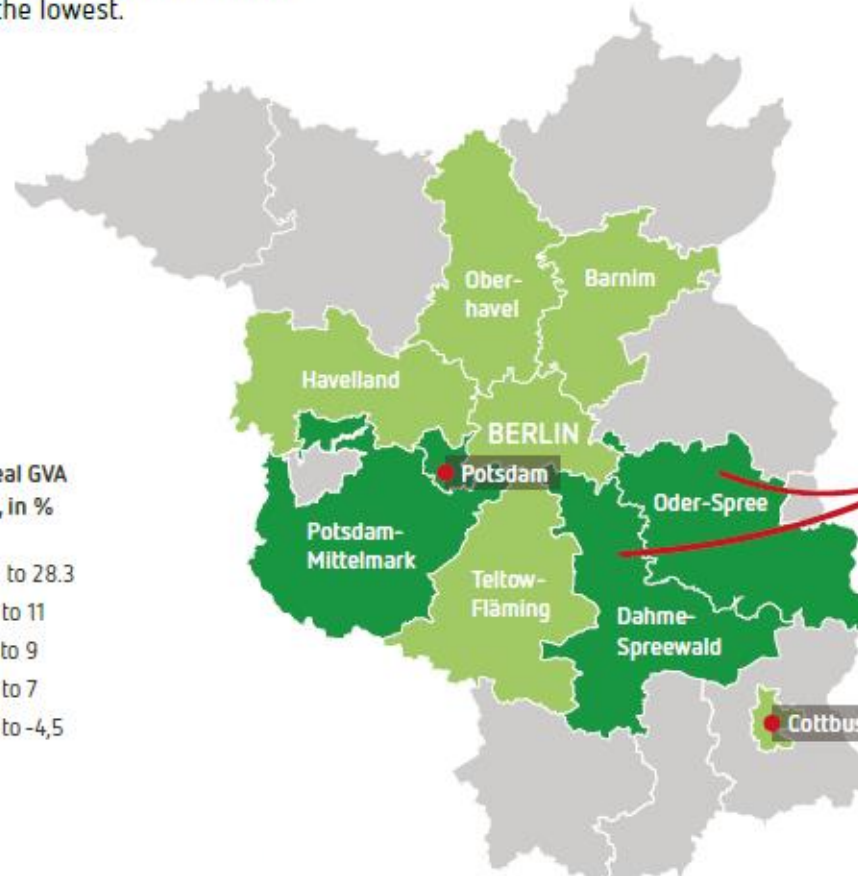
Change in real GVA 2019–2030, in %

The map of Germany shows the forecast changes in the 401 German districts and urban districts from 2019 to 2030. The green districts and urban districts record the highest growth rates; the red record the lowest.



Change in real GVA
2019–2030, in %

- larger 11 to 28.3
- larger 9 to 11
- larger 7 to 9
- larger 5 to 7
- larger 5 to -4,5



**Economic growth
champions by 2030**

Dahme-Spreewald district
Oder-Spree district

The Federal State of Brandenburg

Strong economy in a diverse range of sectors I

METALS AND MACHINERY



>2,500 companies

>37,800 employees

POWER ENGINEERING



>2,300 companies

>14,000 employees

IT AND COMMUNICATION SERVICES



>11,000 companies

>41,000 employees

RAILWAY TECHNOLOGY



>100 companies

>20,700 employees

NUTRITION SECTOR



>3,400 companies

>58,000 employees

AUTOMOTIVES AND SUPPLIERS



>200 companies

>21,000 employees

MEDIA AND GAMING



>11,700 companies

>70,000 employees

LOGISTICS



>3,800 companies

>200,440 employees

OPTICS AND PHOTONICS



>620 companies

>5,800 employees

AERONAUTICAL ENGINEERING



>130 companies

>17,000 employees

HEALTH CARE AND LIFE SCIENCES



>21,800 companies

>373,000 employees

ELECTRONICS INDUSTRY



>210 companies

>31,000 employees

The Federal State of Brandenburg

Strong economy in a diverse range of sectors II

Selected companies located in Brandenburg



Mercedes-Benz

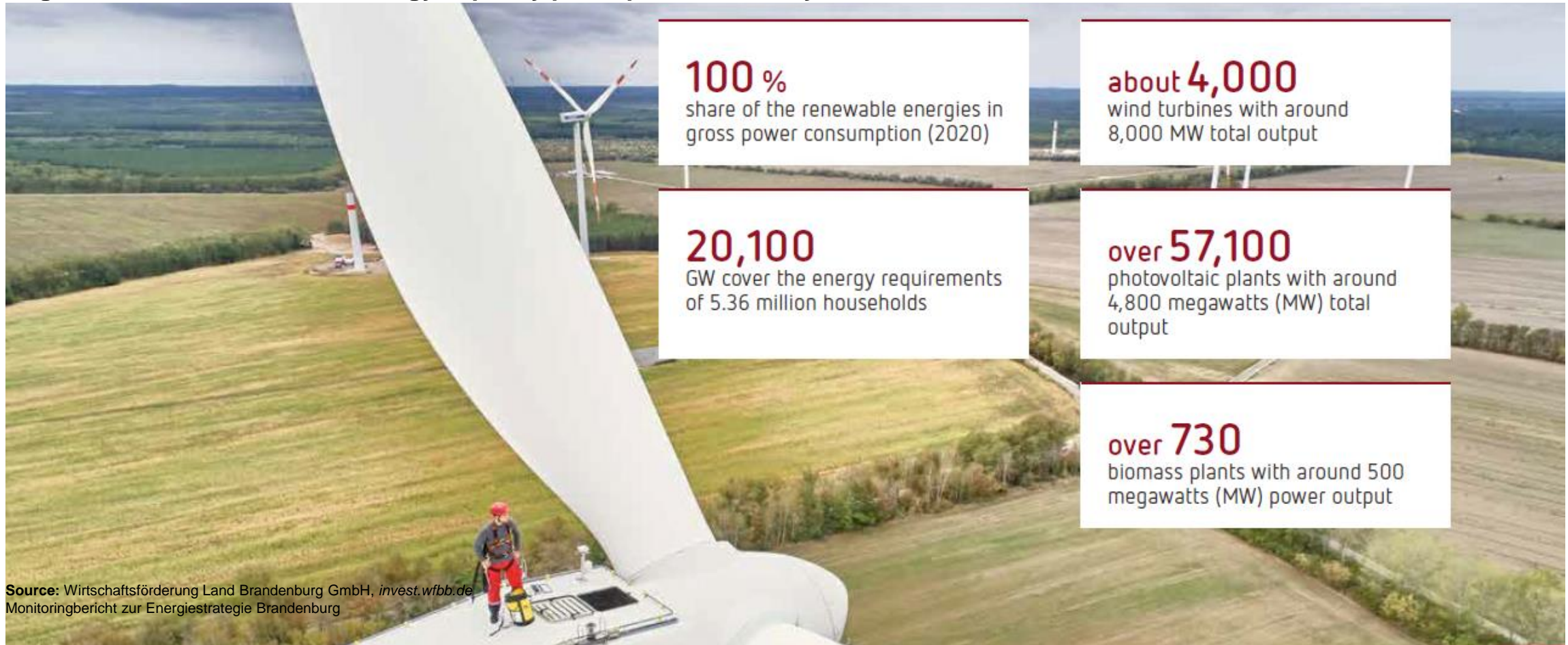


The Federal State of Brandenburg

Renewable Energy Leader

The Federal State dedicated to renewable energy

Brandenburg is Germany's front runner when it comes to renewable energies. In early 2020, the country achieved a 100% share of renewable energies in gross electricity consumption. By comparison, this rate was 44.7% in Germany in 2020. The state has the highest installed renewable energy capacity per capita in Germany.



Source: Wirtschaftsförderung Land Brandenburg GmbH, invest.wfbb.de
Monitoringbericht zur Energiestrategie Brandenburg

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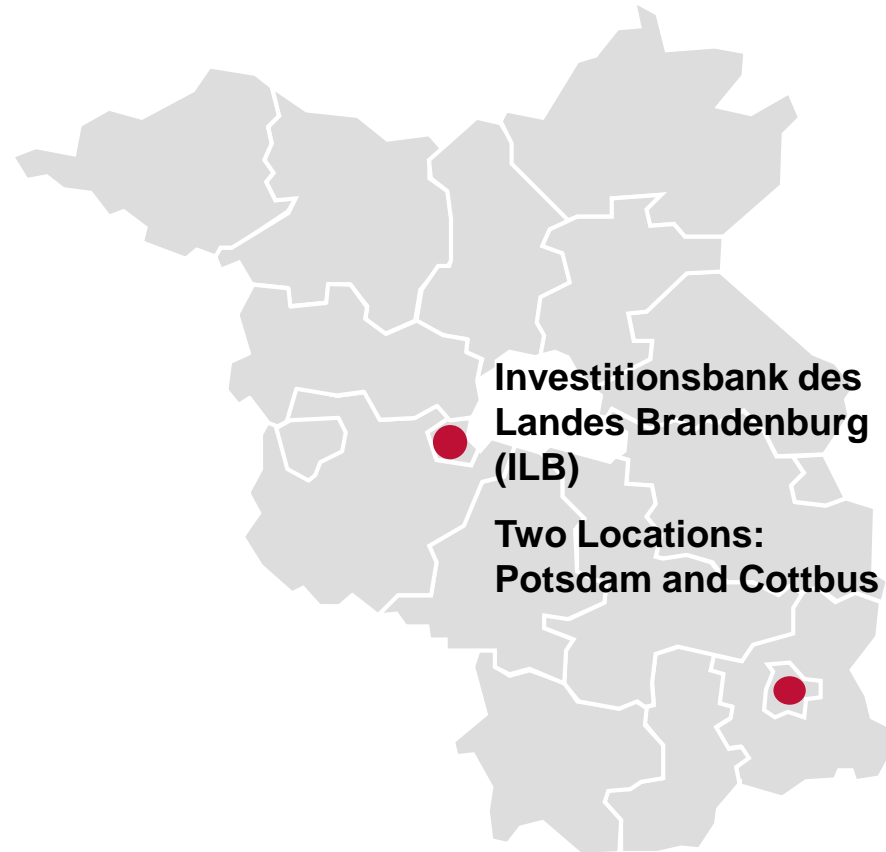
3.5 Funding

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General information on ILB

The Development Bank of the Federal State of Brandenburg - for more than 30 years

- ILB supports public and private projects in the Federal State of Brandenburg at all levels of the economy and in the labor market, infrastructure and housing
- ILB processes Brandenburg's promotional programs which originate from EU, federal and state funds
- ILB also offers its own ILB promotional programs
- The shareholders are the Land Brandenburg and NRW.BANK with 50% each
- Institutional liability (Anstaltslast) and guarantor liability (Gewährträgerhaftung)
- [AAA-Rating von Fitch](#)
- ILB operates in a sustainable manner, neutral in its effects on competition and non-profit-oriented



Security through excellent credit quality

Top Ratings by Credit Rating Agencies



Federal State of Brandenburg

Domicile	Germany
Long Term Rating	Aaa by Moody's
Type	LT Issuer Rating
Outlook	Stable
Last Update	19.03.2024

Investitionsbank des Landes Brandenburg

Domicile	Germany
Long Term Rating	AAA by Fitch
Type	LT Issuer Rating
Outlook	Stable
Last Update	02.10.2023
Short Term Rating	F1+ by Fitch

Excerpts from the Law on Investitionsbank des Landes Brandenburg

The legal basis creates transparency and security for investors

- **ILB benefits from the institutional liability (Anstaltslast) and guarantor liability (Gewährträgerhaftung) of the Federal State of Brandenburg**
 - §1(2) ILB Law – “The Federal State of Brandenburg ensures that the bank can fulfill its tasks (Anstaltslast)”
 - §2(3) ILB Law – “The Federal State of Brandenburg is liable for the liabilities of the bank as guarantor” (Gewährträgerhaftung)

- **The State of Brandenburg guarantees ILB's debt instruments**
 - §2(6) ILB Law – “The Federal State of Brandenburg is liable for the loans taken out by the Bank and the bonds issued by the Bank, the forward contracts designed as fixed-term transactions, the rights from options and other loans to the Bank and for loans to third parties to the extent that they are expressly guaranteed by the Bank.”

- **It is legally not possible for ILB to go bankrupt**
 - §17(1) ILB Law – “The bank can only be dissolved by law.”
 - §17(3) ILB Law – “Insolvency proceedings concerning the assets of the Bank shall be inadmissible.”

[Link to the relevant law documents](#)

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ILB's business model

ILB's business activities are based on the ILB Law and the ILB's Articles of Association

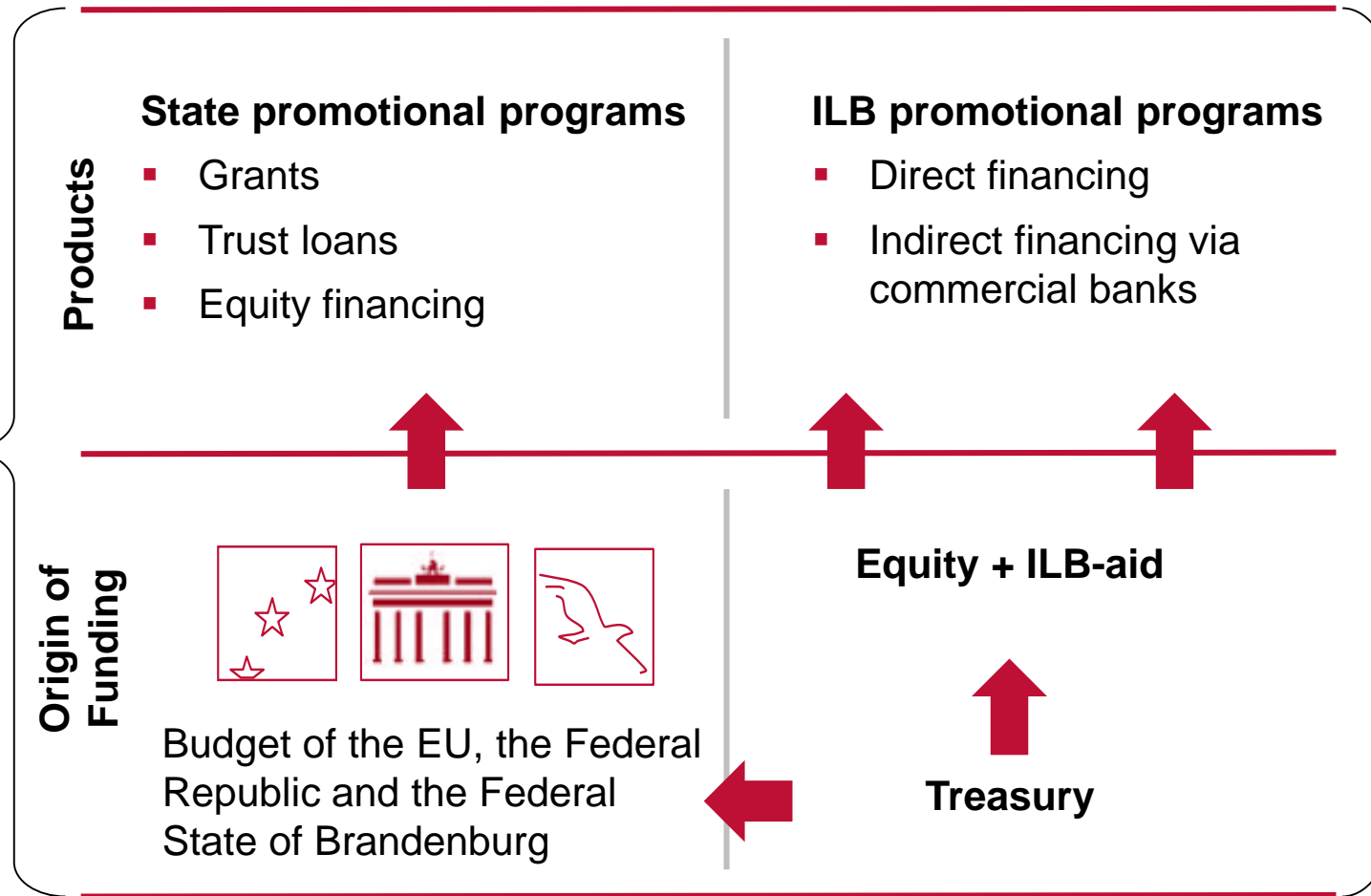
- The Investitionsbank des Landes Brandenburg (ILB) is a **public-law institution**.
- It has the authorization **to conduct banking transactions in accordance with the Banking Act**.
- In addition, the ILB has the power **to adopt administrative acts** as a licensing authority.
- ILB is endowed by the Federal State of Brandenburg with institutional liability (Anstaltslast) and guarantor liability (Gewährträgerhaftung) and with a guarantee of liability. The framework for the activities of ILB is laid down in the ILB Law.
- Based on the ILB Law and its Articles of Association, the ILB acts with due regard for the **neutrality of competition**. It shall act in accordance with commercial principles, taking into account the **public interest** and **sustainability aspects**. Achieving **profit is not a primary goal**.
- ILB has an economically sustainable business model that is oriented towards the long term. It uses revenues to build up its own resources and to set up its own ILB promotional programs in order to offer additional support and added value.
- The **ILB supports public and private investment projects in the State of Brandenburg**.
- The aid takes the **form of loans at favorable interest rates, grants, exemptions from liability, guarantees and risk and equity capital**.
- The focus will be on the sectors of **trade and industry, labour, infrastructure and housing construction**. In addition, ILB will provide selected services for the State of Brandenburg, which are directly related to the development business.

ILB's business model

The entire business activity can be divided into State promotional programs and ILB promotional programs

Simplified presentation of support in ILB's business areas and their source of funding

ILB acts as a service provider for the State - "Non-balance sheet development business"



Development business with balance sheet effect

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The ILB in business figures

A success story since 1992

volume of
investment

**EUR
101bn**

**EUR
52bn**

total
commitment
volume Bank

State
promotional
programs

**EUR
33bn**

**EUR
19bn**

ILB
promotional
programs

projects
supported

263,000

180,000

jobs
created

eligible own
funds

(As of 01/2024)

**EUR
713.3mn**

866

ILB staff

(As of 01/2024)

Balance sheet 2022 and 2023

Solid Business Figures

In Mn. EUR	2022	2023
Claims on credit institutions	3,503.5	2,775.5
Loans and advances to customers	6,407.2	6,611.8
Securities/special funds	3,389.9	3,792.2
Trust assets	1,725.6	1,735.5
Investments	107.6	123.7
Other assets	485.8	298.8
Total assets	15,619.6	15,337.5
Liabilities to credit institutions	9,811.5	8,254.1
Bonds issued	1,126.1	1,639.1
Liabilities to Customers	1,544.6	2,420.6
Trust Liabilities	1,725.6	1,735.5
Fund for general banking risks §340 g HGB	560.7	587.8
Equity capital	231.0	231.0
Other liabilities	620.1	469.4
Total liabilities	15,619.6	15,337.5

- Stable asset and financial position thanks to conservative risk culture
- Share of debt securities issued will continue to increase in the future
- Increase of equity is included in increase of the fund for general banking risks §340g HGB
- **Basel III key figures 2023**
 - CET1 Capital Ratio: 17,7%
 - Total Capital Ratio: 18,5%
 - LCR: 356%
 - NSFR: 117,7%
 - Leverage Ratio: 5,2%

Summary of Income Statement: Commercial result 2022 and 2023

After a strong financial year in 2023, ILB's reserve formation was further expanded

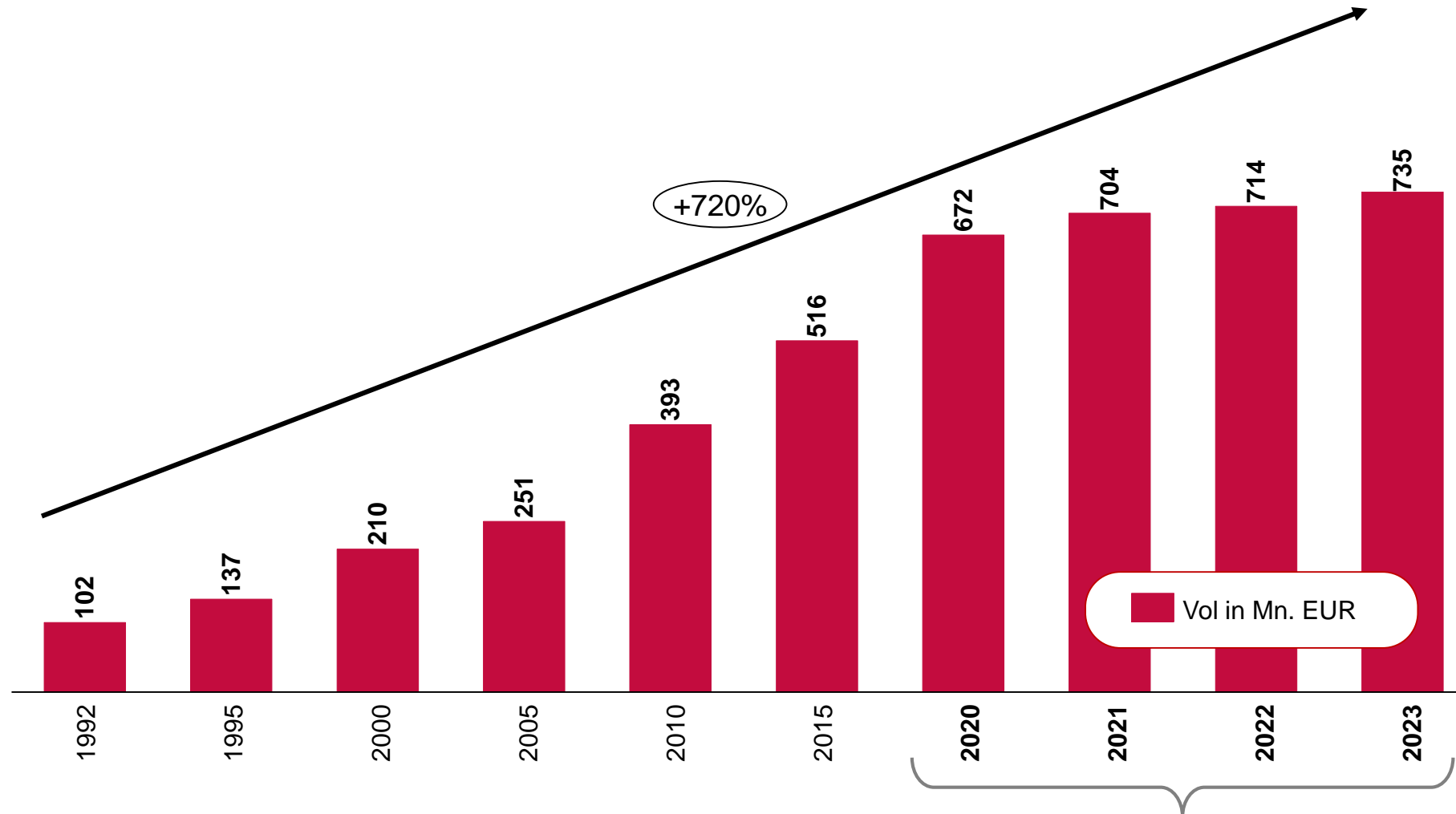
<i>In Mn. Euro</i>	2022	2023
Interest result	57.2	69.1
Commission result	59.8	71.4
Other operating result	1.6	1.2
Personnel expenses	-58.9	-68.7
Material expenses	-23.2	-30.1
Depreciation of operating area	-5.6	-6.1
Earnings before risk provisioning and reserve formation	30.9	36.9
Value adjustments on receivables	-5.6	2.7
Valuation result securities	-0.2	-5.3
Addition to precautionary reserves	-1.8	-2.0
Result after risk provisioning	23.3	32.4
Reserve creation	-12.0	-21.0
Transfer to the ILB development fund	-5.0	-5.0
Annual surplus	6.3	6.4

ILB revenues are used to

- Strengthening Equity Reserves
- Subsidization of development
- Maintaining banking operations and investing in digitalization
- Sustainable orientation of ILB as a strong partner of the Federal State of Brandenburg

Development of ILB's own funds

Since 1992, own funds have been constantly built up



**Build-up also during the past challenging years
(pandemic, rising inflation and interest rates)**

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Sustainability Management

Sustainability is part of ILB's business strategy and is divided into four areas of action



Banking

- Risk identification & control
- Exclusion list
- Sustainability Assessment in lending
- Taxonomy regulation
- CSRD

Bank

- Adaptation of the Public Procurement & Missions Directives
- Measurement & reduction of CO₂ consumption

Employer

- Flexible working hours & space
- Audit workandfamily
- Job-ticket & Job-bike
- 51% Women in leading management positions

Transparency

- Deutscher-Nachhaltigkeits-Kodex as reporting standard
- SDG mapping for promotional programs
- Extension of the ILB website by Sustainability

Sustainability anchored in the Business Purpose, ILB-Law § 14

Sustainability Management

ILB supports 12 Sustainable Development Goals of the United Nations

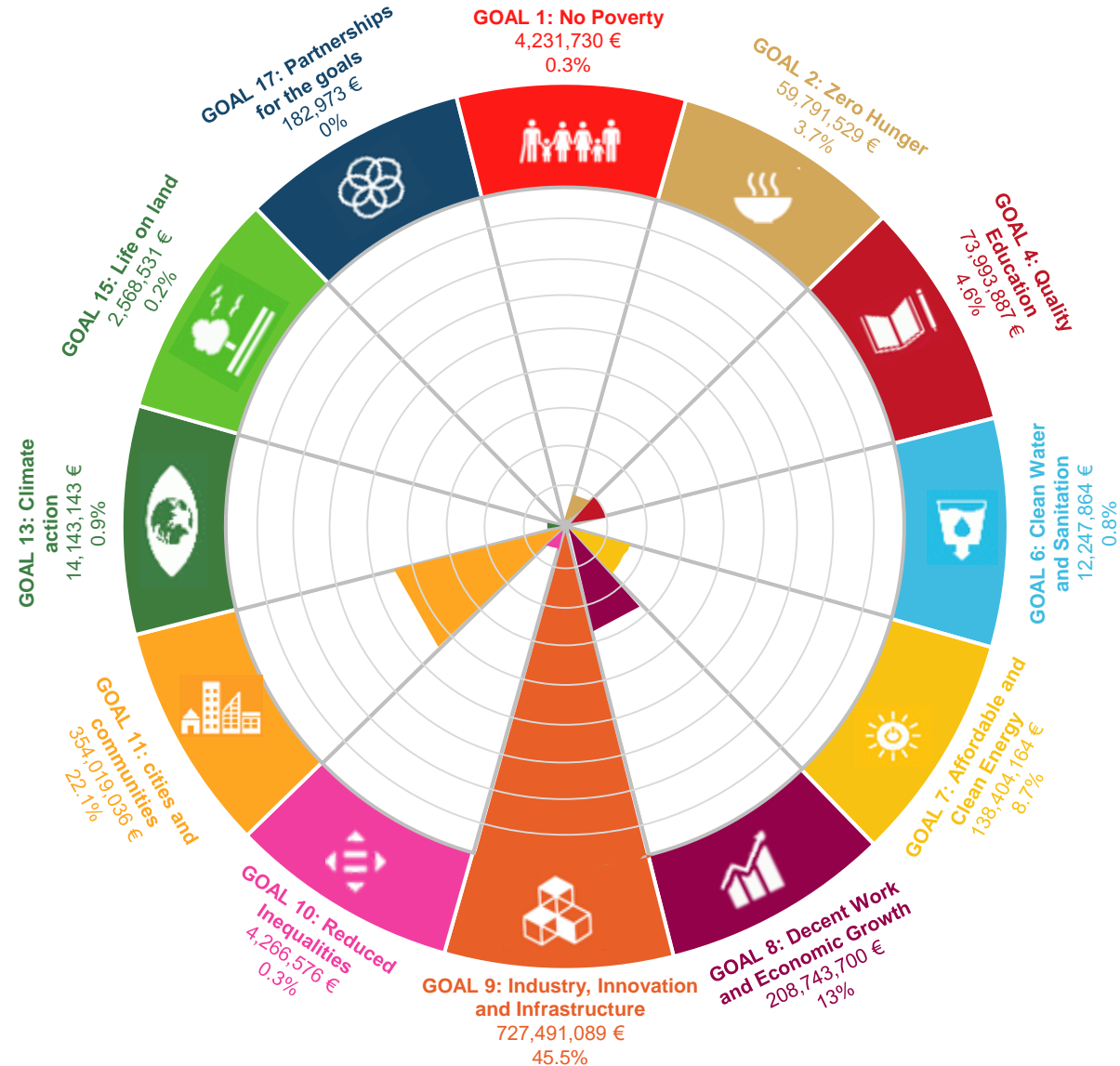


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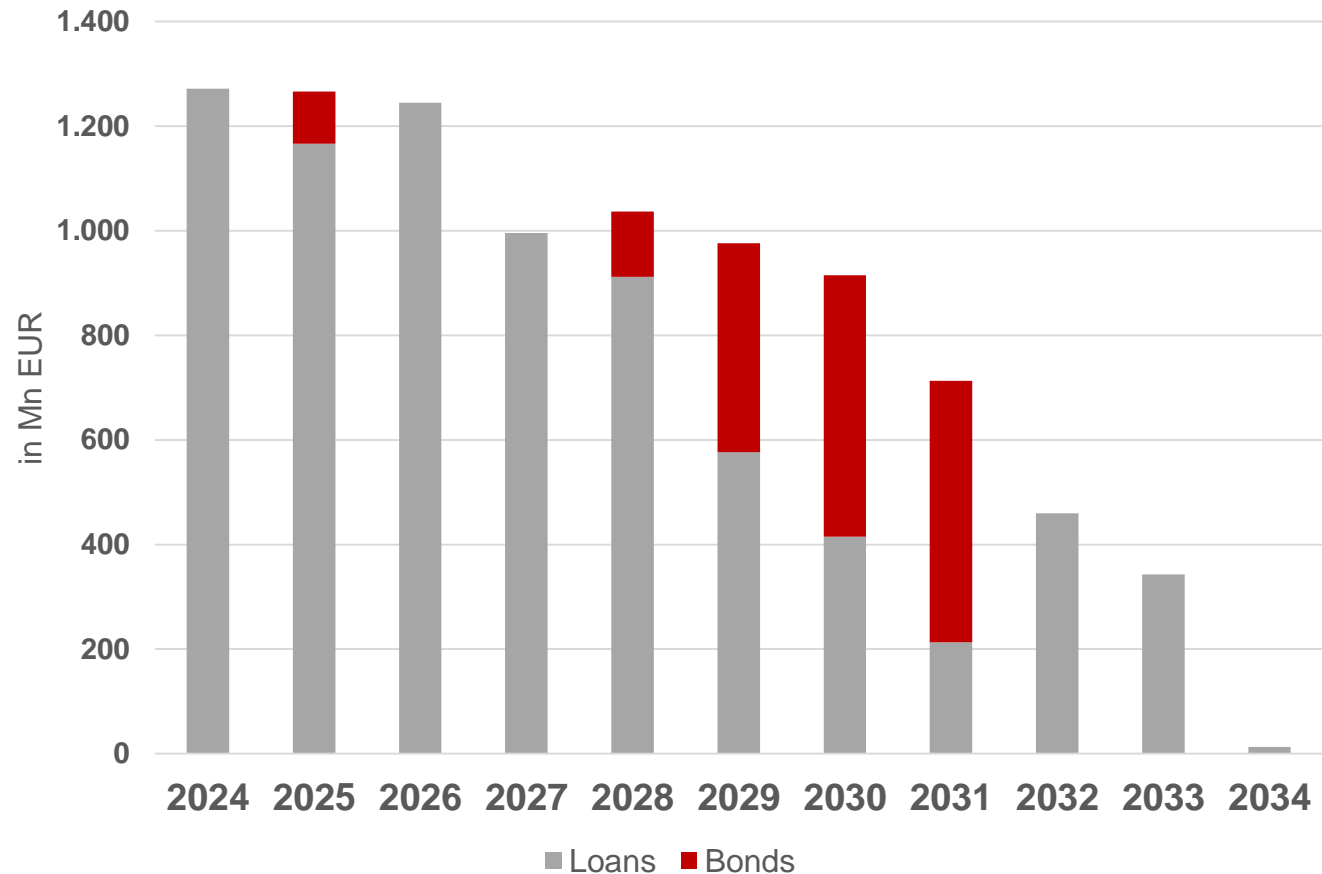
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Funding

In addition to the capital market, ILB also uses funding sources via (inter)national development banks

- Funding volume is usually around EUR 1-2bn per year
- Even distribution of long-term liabilities
- High proportion of liabilities through global loans from national and international development institutions
- Share of bonds as part of liabilities will increase
- A minimum of one new benchmark bond planned annually

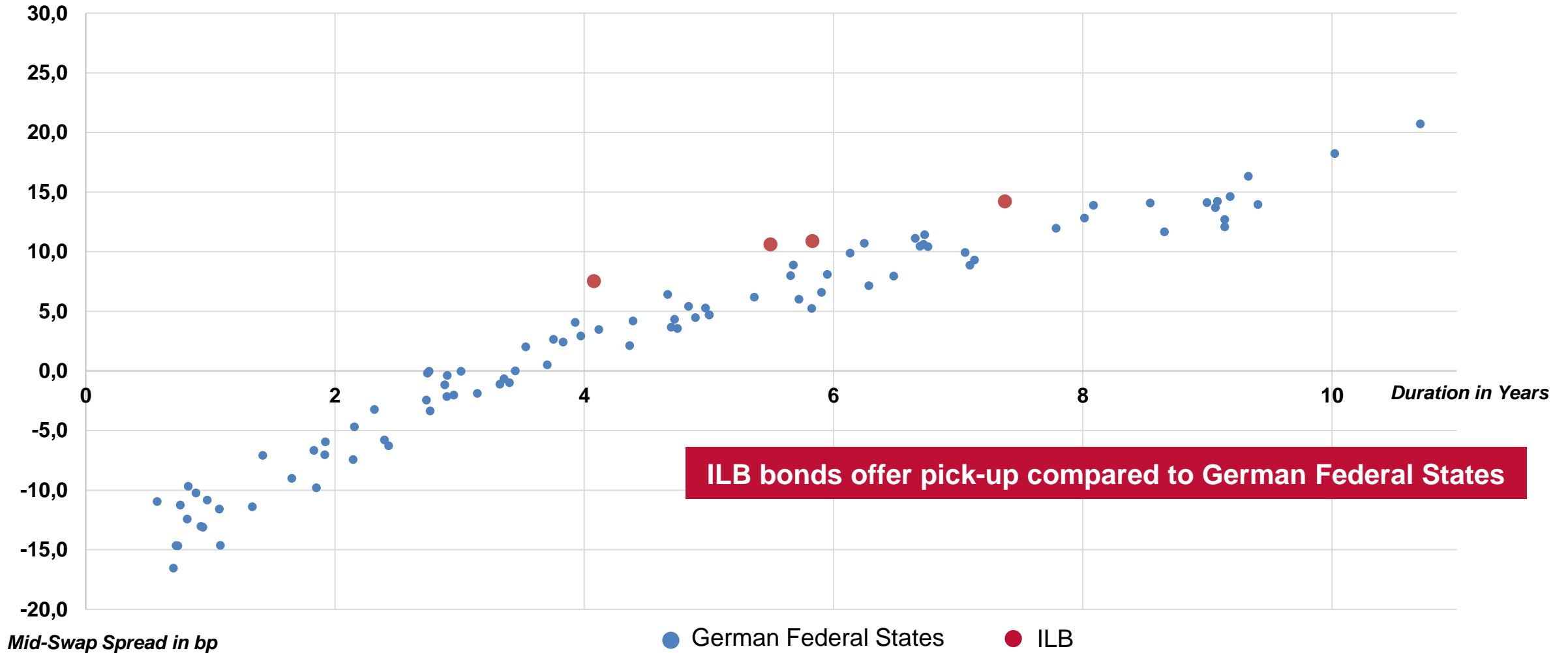
Redemption of long-term liabilities



Funding

ILB bonds outstanding in mid-swap spread comparison (as of May 2024)

Bond spreads in bp of German Federal States and ILB



Transaction Review

EUR benchmark 2021 - final maturity 2031

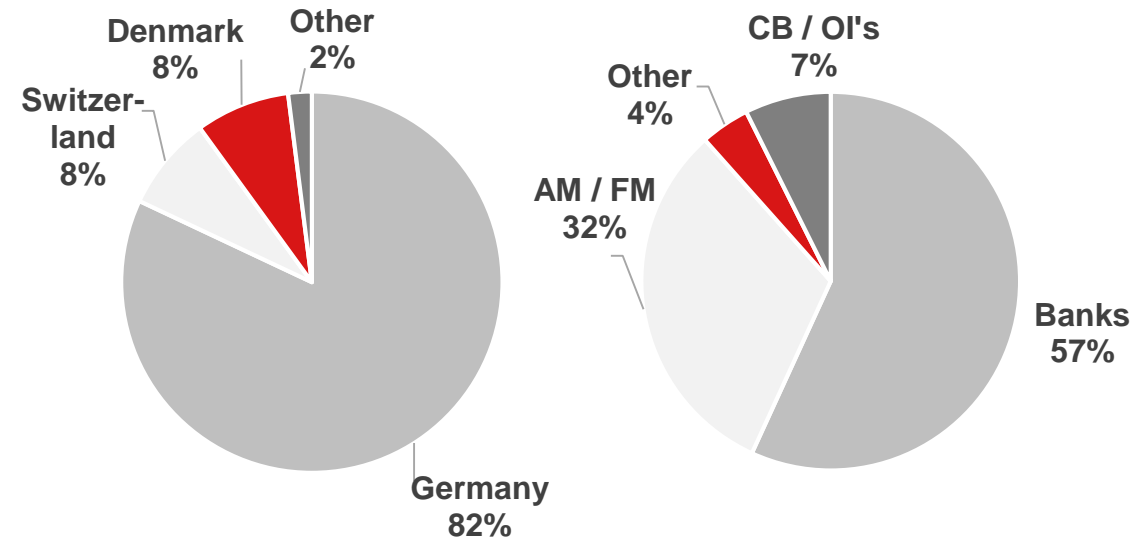
- 10 year maturity, with an issuance volume of EUR 500mn
- dynamic demand during bookbuilding
- Spread fixed at MS flat (IPTs MS+1bp area)
- Investor interest of EUR 1bn
- Well diversified with 41 investors involved at reoffer

- Good secondary market performance
- Bond traded at MS-3bps to MS-2bps one month after issuance

Data of the Issue

Issuer:	Investitionsbank des Landes Brandenburg
Rating:	AAA (Fitch)
ISIN:	DE000A3E5RF9
Volume:	EUR 500,000,000
Value Date:	29 Sep 2021
Final maturity:	29 Sep 2031
Coupon:	0.05%
Re-offer Spread vs Swaps:	Midswap +0bp
Joint Leads:	Deka, DB, DZ, NordLB, Helaba
Denomination:	EUR 100,000
Listing:	Freiverkehr, Börse Berlin

Investor Distributions



Transaction Review

EUR benchmark 2023 - final maturity 2030

- 7 maturity, with an issuance volume of EUR 500mn
- Solid demand during book building
- Spread fixed at MS +2bps (IPTs MS+3bps area)
- Investor interest of EUR 1bn
- Well diversified with 40 investors involved at reoffer

- Good secondary market performance
- Bond traded at MS flat to MS+1bp one month after issuance

Data of the Issue

Issuer:	Investitionsbank des Landes Brandenburg
Rating:	AAA (Fitch)
ISIN:	DE000A351LE6
Volume:	EUR 500,000,000
Value Date:	13 Mar 2023
Final maturity:	13 Mar 2030
Coupon:	3,25% p.a.
Re-offer Spread vs Swaps:	Midswap +2bps
Joint Leads:	Comba, Helaba, LBBW, NordLB, UniCredit
Denomination:	EUR 100,000
Listing:	Freiverkehr, Börse Berlin

Investor Distributions

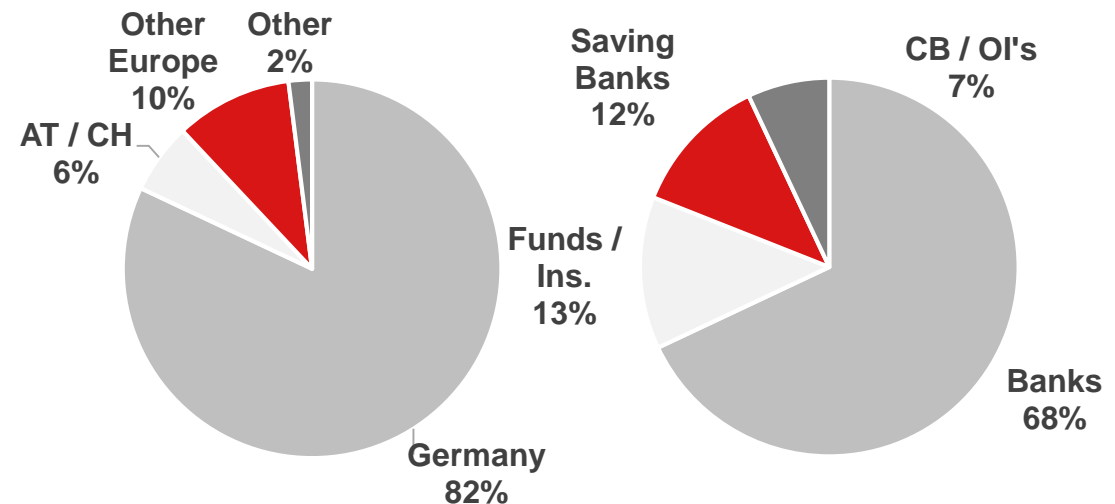


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Thank you for your attention



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