

Wirtschafts- und Infrastrukturbank Hessen

Investor Presentation October 2020

Agenda

1. **WIBank at a Glance**
2. **The State of Hesse as a Guarantor**
3. **WIBank in Figures**
4. **Funding**

1. WIBank at a Glance

Wirtschafts- und Infrastrukturbank Hessen (WIBank)

- Acts as an **independent** in **legally** but **dependent** in **economic and organisational** entity, within Helaba.
- Is mandated with the **monetary development business** of the State of Hesse and is a **development bank according to “Understanding II”**, i.e. strict separation of the development banking business from the business of Helaba and thus compliant with the state aid guidelines of the EU.
- coverage of the following business units: **Economic Development, Building and Housing, Infrastructure, Education and Employment**

1. WIBank at a Glance

Wirtschafts- und Infrastrukturbank Hessen (WIBank)

- Has a **direct statutory guarantee** from the State of Hesse:
 - **explicit, unconditional and irrevocable** for all liabilities
 - **payable upon first demand**, thus a default of payment is excluded
 - resulting in a **risk weight of 0 according to CRR (formerly “Solva zero status”)**; including all of WIBank’s own issues:
 - **no capital requirements**
 - **exempt from regulatory large exposure limits**
 - **LCR status level 1**
 - **gilt-edged security according to sec. 1807(1) no.2 of German Civil Code**
- Acts on the basis of **competition neutrality** and is **exempt from tax on earnings**.

1. WIBank at a Glance

Wirtschafts- und Infrastrukturbank Hessen

- Has identical **issuer ratings** by Standard & Poor's¹ (as of 29 October 2019) to the State of Hesse:
 - Long-term: “AA+”
 - Short-term: “A-1+”
 - The outlook is stable.
- **Has a sustainability rating** by imug² for bank bonds with an **assessment of “positive”**.
- **Performs “above average”**:
 - of 126 national and international bank issuers
 - of twelve assessed national and international development banks
 - of six assessed national development banks

¹ Source: S&P Research Update as of 8 October 2018:

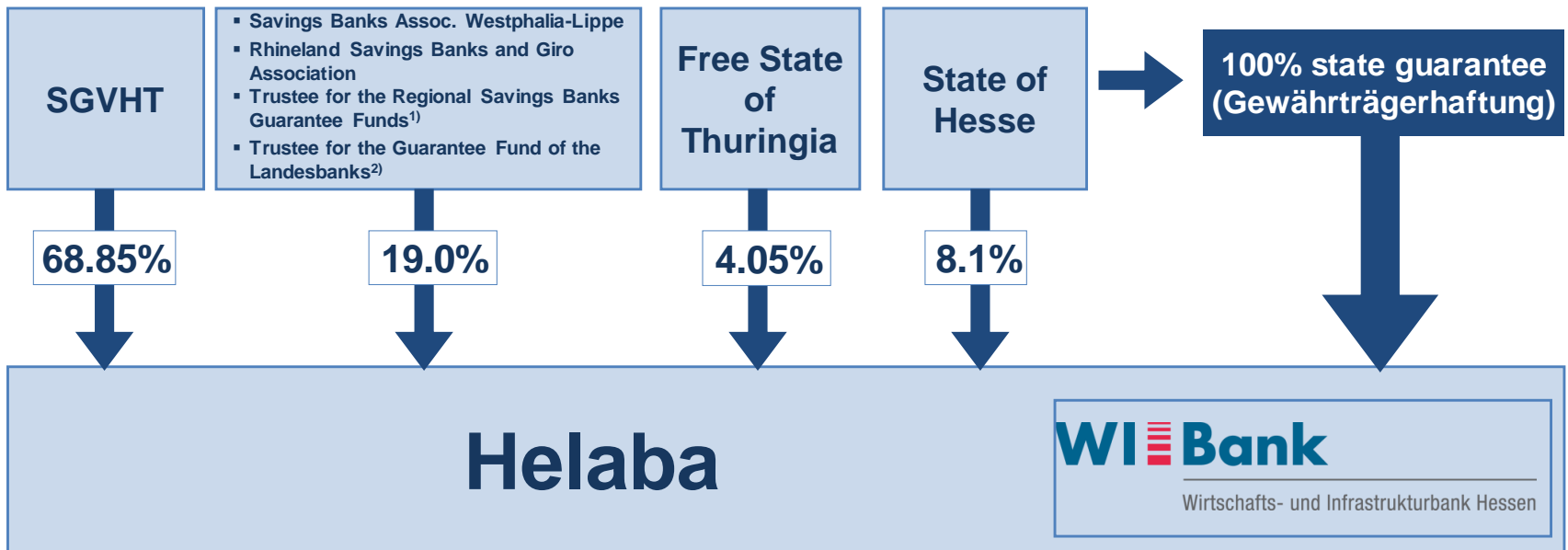
<https://www.wibank.de/blob/wibank/314852/ff347f28b5c20e018d1fb123e87d5222/ratingbericht---standard-and-poor-s-data.pdf>

² Source: imug – consulting company with focus to social-economic innovations e.V.– Hannover, as of 17th March 2014

1. WIBank at a Glance

Basis and Structure of WIBank

WIBank – and its Public Development and Infrastructure Business - represents one of the three core business units within Helaba. WIBank is an integral part of the established strategic business model (wholesale business, s-group business, private customers and sme business) of Helaba. The annual financial statements of WIBank are fully consolidated in the annual financial statements of Helaba.



¹⁾ FIDES Alpha GmbH, represented by the DSGV ²⁾ FIDES Beta GmbH, represented by the DSGV

1. WIBank at a Glance

Development Programmes of WIBank



1. WIBank at a Glance

Current support measures in the wake of Corona pandemics

Wirtschafts- und Infrastrukturbank (WIBank) Hessen promotes the economy of the State of Hesse with new support options:

Loans and credit facilities

- **Hessen-Mikroliquidität Unternehmen (brokering of state loans):**
 - Credit volume 3,000 - 35,000 EUR
 - Term / Fixed interest rate 7 years, two years grace period
 - No standard bank collateral required
- **Liquidity aid for small and medium-sized enterprises (total volume: EUR 35m):**
 - SMEs according to the current EU definition with headquarters in Hessen (< 250 employees, annual turnover max. EUR 50 million)
 - Credit volume between EUR 5,000 - 500,000
 - Term / Fixed interest rate: 2 - 5 years final maturity fixed interest rate, two redemption-free years
 - No standard bank collateral required

1. WIBank at a Glance

Current support measures in the wake of Corona pandemics

Guarantees and subsidies

- **State guarantees:**
 - Applications may be submitted by commercial enterprises, individuals in commercial enterprises (including freelancers) and commercial businesses of non-profit organisations
 - Working capital loan-facilities, guarantees or investment loans with a guarantee commitment > EUR 2.5 million

- **§ 21 Compensation payments to hospitals due to special burdens caused by the novel coronavirus SARS-CoV-2:**
 - Hessenagentur uses a system to determine the compensation claims per hospital on a weekly basis and reports these to the Hessian Ministry of Social Affairs and Integration (HMSI)
 - HMSI requests the sum of the compensation claims from the Federal Office for Social Security (BAS) and forwards them to WIBank, which pays them

Agenda

1. **WIBank at a Glance**
2. **The State of Hesse as a Guarantor**
3. **WIBank in Figures**
4. **Funding**

2. The State of Hesse as a Guarantor

Selected Figures of the Guarantor

Hesse exhibits an above-average standard of living and its industries are significantly intertwined in the global economy

	Germany	State of Hesse	%
Land mass in km ²	357,578	21,116	5.9%
Population in millions (2019)	83.1	6.3	7.6%
GDP in EUR bn (2019)	3,436	294	8.6%
GDP per capita (in EUR, 2019)	41,400	46,900	113.3%
GDP per employee (in EUR, 2019)	75,900	83,300	109.7%
Unemployment rate (in %, 2019)	5.0	4.4	88.0%

Quellen: Statistische Landesämter, Bundesagentur für Arbeit, Helaba Volkswirtschaft/Research

The economy of the State of Hesse is based on a sound, diversified structure with a focus on the service sector.

2. The State of Hesse as a Guarantor

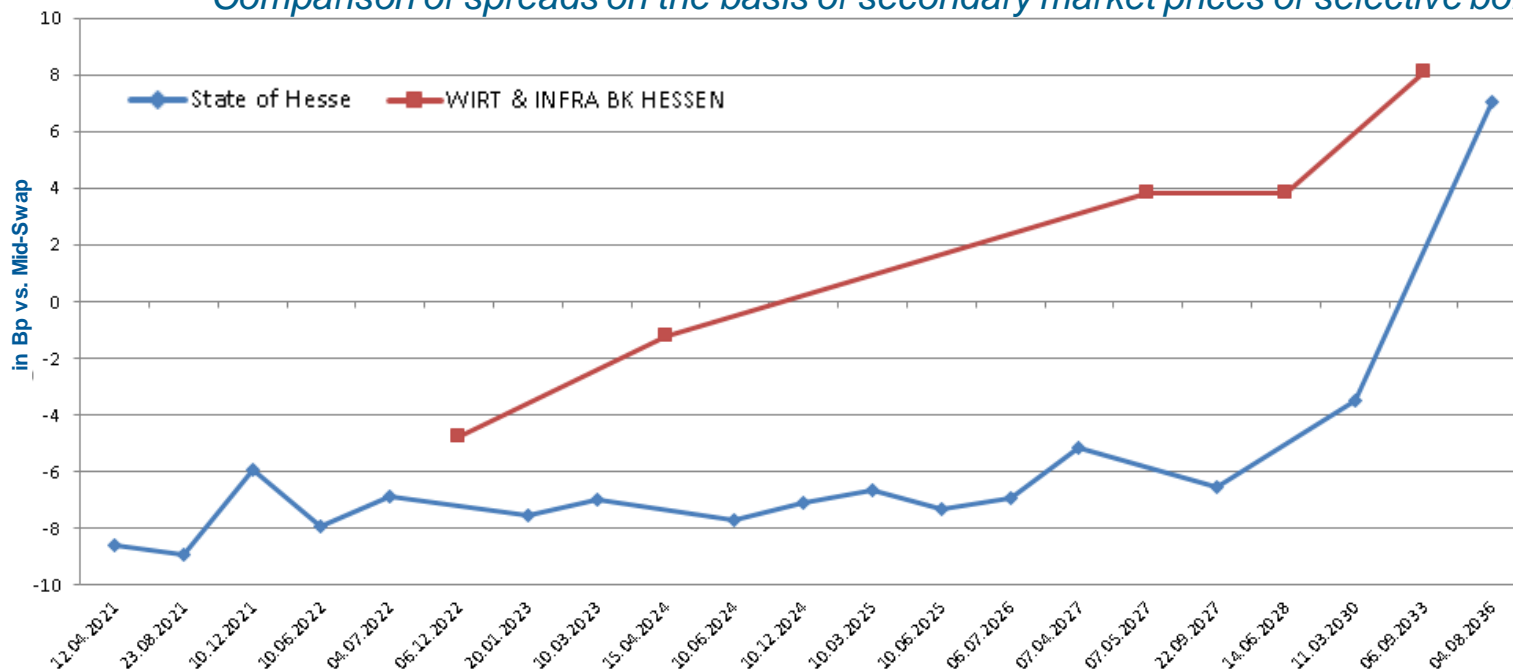
The State of Hesse as an Issuer

Refinancing Strategy and Refinancing Volume € 9.8 bn (Gross) in the Budget 2020:

The yearly funding allowance from the state budget amounts to **€ 5.8 bn, plus** an expected call on the special Covid-19 budget of **up to € 4 bn**. (*Sondervermögen* with a total size of € 12 bn; last periode in 2023; its debts are to fully repaid by 31. December 2050)

- The exact timing of fund raising depends on the **liquidity and budgetary situation** as well as the **contemporary capital market environment**.
- **The main currency debt position is in Euro.**

Comparison of spreads on the basis of secondary market prices of selective bonds



As of 13.10.2020
Source: Bloomberg

Agenda

1. **WIBank at a Glance**
2. **The State of Hesse as a Guarantor**
3. **WIBank in Figures**
4. **Funding**

3. WIBank in Figures

Balance Sheet (pursuant to German Commercial Code – HGB¹)

Position	30.06.2020	31.12.2019	31.12.2018
Loans and advances to banks	10.462,7	10.101,5	9.292,5
Loans and advances to customers	13.925,4	13.924,0	14.023,0
Bonds and other fixed-income securities	17,3	17,3	27,6
Shares and other non-fixed interest securities	0,5	0,4	0,0
Equity participations	0,3	0,3	0,3
Interests in associated companies	0,1	0,1	0,1
Trust assets	972,4	819,9	719,6
Intangible Assets	0,0	0,0	0,0
Property	0,6	0,7	0,7
Other Assets	1,9	2,4	0,9
Prepaid Expenses of Issues and Loans	39,5	38,8	40,0
Total assets	25.420,7	24.905,4	24.104,7
Liabilities to banks	16.379,4	16.336,9	16.019,2
Liabilities to customers	2.140,8	1.907,6	1.891,9
Securitised liabilities	3.761,5	3.745,7	3.380,0
Trust liabilities	972,4	819,9	719,6
Other liabilities	67,8	3,7	13,2
Deferred Income	19,2	16,4	17,4
Provisions	107,0	102,6	93,7
Present values of the pools of segregated assets/special funds	1.920,0	1.920,0	1.920,0
Funds for general banking risks	0,3	0,3	0,3
Equity	52,3	52,3	49,4
Total liabilities	25.420,7	24.905,4	24.104,7
Contingent liabilities	36,8	35,5	20,5
Irrevocable loan commitments	2.862,5	2.971,3	3.304,7

¹ Rounding differences may occur.

3. WIBank in Figures

Profit and LOSS (pursuant to German Commercial Code – HGB¹)

Position	30.06.2020	31.12.2019	31.12.2018
Net interest income	34,8	64,8	54,8
Income from affiliated companies	0,6	0,6	0,6
Net commission income	20,8	40,2	39,3
Other net operating income	0,2	0,4	0,4
General administrative expense	37,1	72,3	69,4
Depreciation and amortization of intangible assets and property, plant and equipment	0,1	0,1	0,1
Other net operating expense	4,9	10,4	9,6
Provisions for losses on loans and advances and valuation result	0,0	8,8	2,1
Result from ordinary operations	14,3	14,4	13,9
Extraordinary result	0,0	0,0	0,0
Taxes	0,1	0,1	0,1
Net income	14,2	14,3	13,8

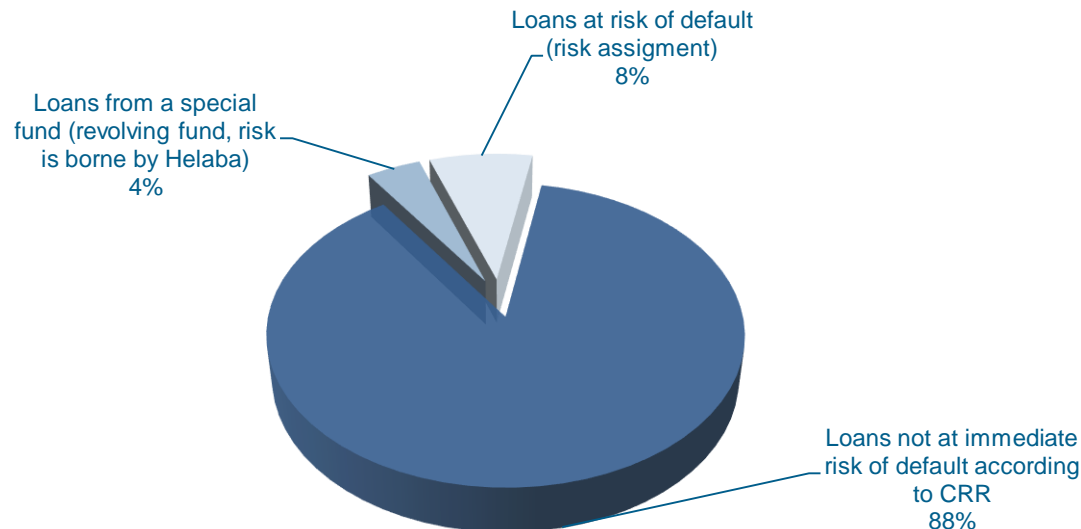
¹ Rounding differences may occur.

3. WIBank in Figures

Quality of the Loan Portfolio

Loan portfolio by counterparty risk, total volume EUR 24.4 bn¹⁾²⁾ as of 30 June 2020:

- The largest portion of the loan portfolio is at **no immediate risk of default** according to CRR Regulation. Total risk weighted assets³ amount to EUR 1.2 bn.
- All **counterparty risks** have been **assumed by Helaba** (against remuneration).



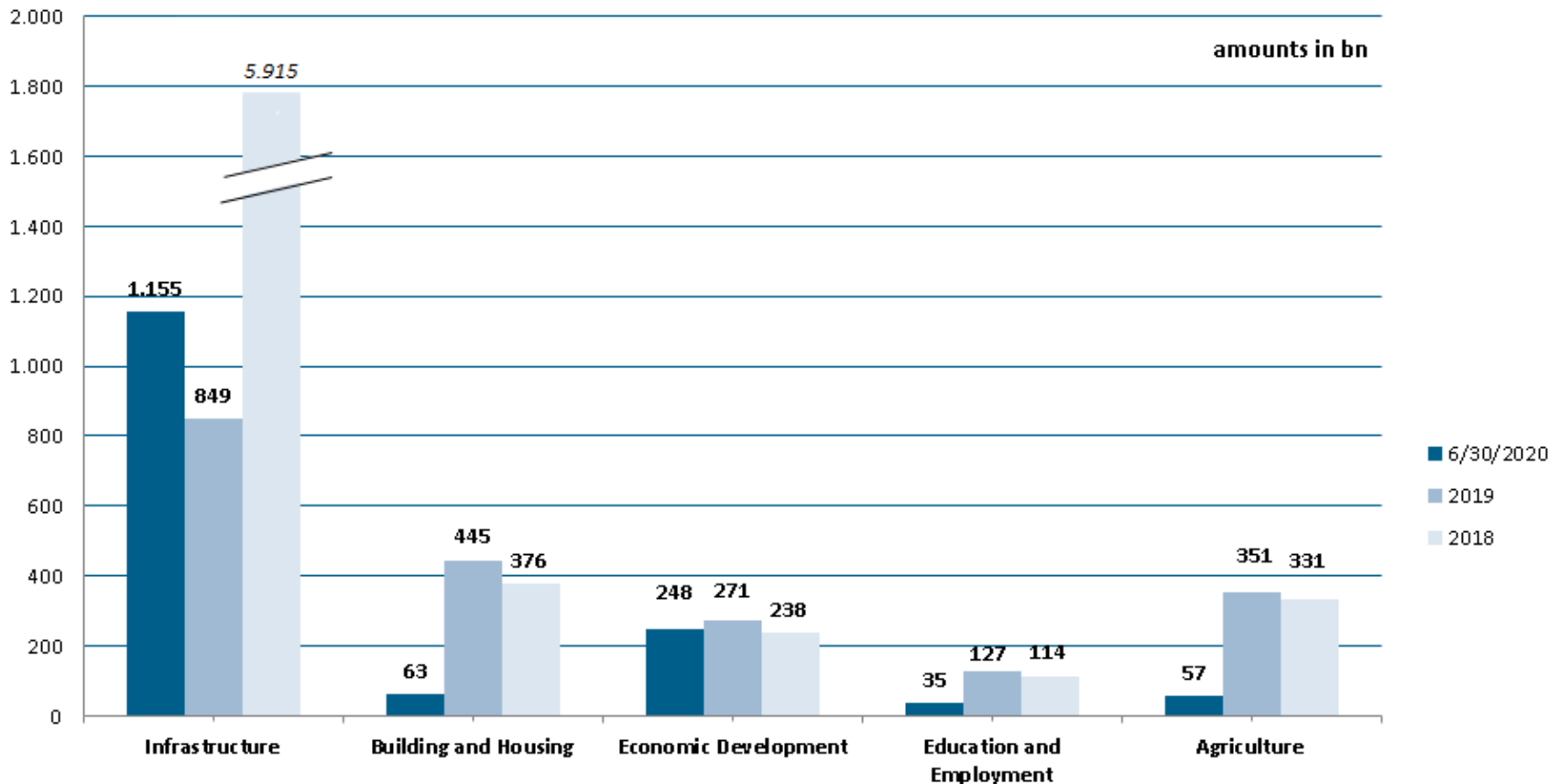
1) Total lending volume excluding payment obligations, trust assets and other assets .

2) Definition: Risk Weighted Assets are specified in the rules of the Baseler comittee

3. WIBank in Figures

Promotional Loan Business

Year	Net balance sheet total (EUR)	New business (EUR)	Number of employees
30.06.2020	25,4	1,6	442
2019	24,9	2,0	439
2018	24,1	7,0	423



Agenda

1. **WIBank at a Glance**
2. **The State of Hesse as a Guarantor**
3. **WIBank in Figures**
4. **Funding**

4. Funding

Funding Structure

Liabilities to banks ¹⁾ / customers and securitised liabilities amounting to EUR 15,2 bn as of 30. June 2020:

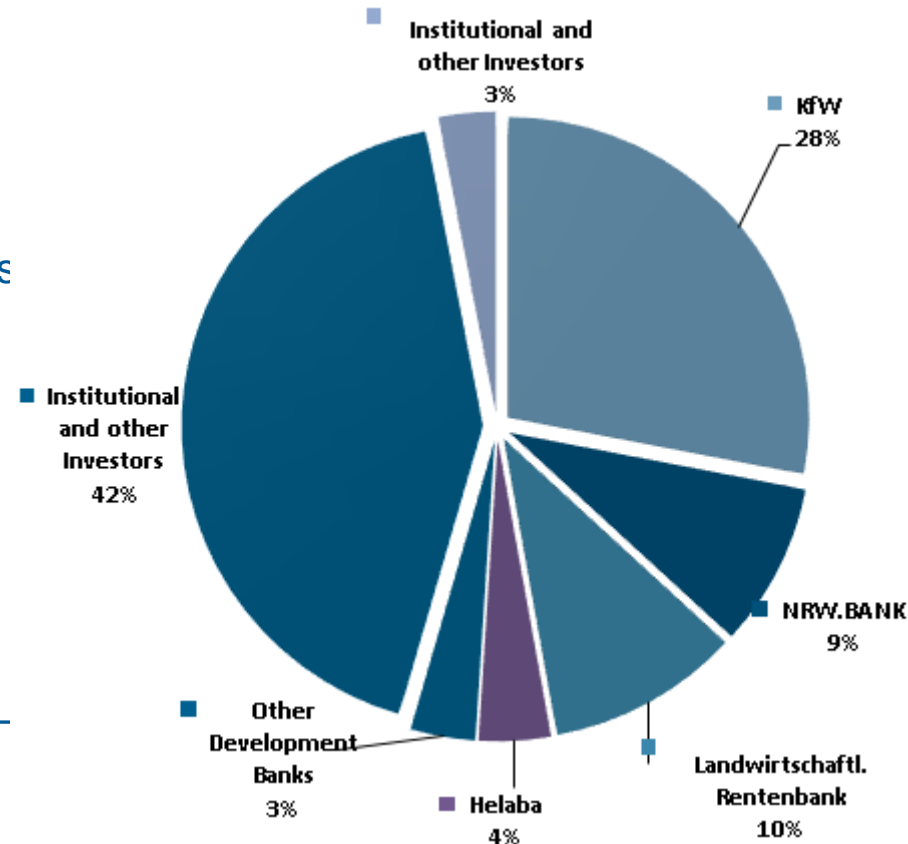
Refinancing counterparties:

- **National:**

- Kreditanstalt für Wiederaufbau (KfW), notably from development programmes
- Landwirtschaftliche Rentenbank, for investments in rural areas
- NRW.Bank

- **International – other development institutions:**

- Council of Europe Development Bank -
- European Investment Bank – EIB



¹⁾ excludes intragroup transactions to neutralise interest rate risks of approx. EUR 7.03 bn.

4. Funding

Review and Outlook

One-off special effects (e.g. immediate disbursement of € 300 million in the "Municipal Investment Programme - KIP") have so far increased funding requirements for 2020 by € 500 million.

For 2021 we expect - derived from the planned new lending business - medium and long-term funding requirements of around **€ 1.3 billion**.

Funding			Instruments
2020		2021	<ul style="list-style-type: none"> Global loans with development banks Bearer bonds, promissory notes and registered bonds (especially private placements)
Actual (as of September 30 st)	Budget	Budget	
EUR 2.1 bn	~ EUR 2.2 bn	~ EUR 1.3 bn	

In principle, it is possible for WIBank to be commissioned with further support programs to mitigate the economic consequences of the corona crisis in the State of Hesse. This may have impact on further funding planning.

4. Funding

Benchmark Curve

Wirtschafts- und Infrastrukturbank Hessen (WIBank) issued very successful since the end of 2012 to date five bonds in benchmark format to the capital markets. Due to WIBank's mainly longterm funding requirements for promotional loans, the bonds had a long tenor of at least seven years.

ISIN	AMOUNT	TERM	COUPON	MATURITY
DE000A1R0105	EUR 500 mn	10 years	1,75%	06.12.2022
DE000A1R0139	EUR 650 mn	10 years	1,75%	15.04.2024
DE000A2GSR47	EUR 500 mn	7 years	0,01%	07.05.2027
DE000A2DAF36	EUR 750 mn	10 years	0,875%	14.06.2028
DE000A2DAF77	EUR 500 mn	15 years	1,25%	06.09.2033

Your Contact Persons for any questions and enquiries:

Treasury (WIBank)

Manuel Moreno Medina

Tel: +49 (0)69 9132-2599

E-Mail: manuel.morenomedina@wibank.de



Managing Director (WIBank)

Dr. Michael Reckhard

Tel: +49 (0)69 9132-4086

E-Mail: Michael.Reckhard@wibank.de

Wirtschafts- und Infrastrukturbank Hessen

Neue Mainzer Straße 52-58

60311 Frankfurt am Main

<https://www.wibank.de/wibank/investorrelation>

Disclaimer

This presentation and the information contained herein was prepared by “*Wirtschafts- und Infrastrukturbank Hessen*“ (“WIBank“) for information purposes only and uses indicative, non-binding market data and prices.

This presentation is intended exclusively for professionals and eligible counterparties which are located outside of the United States of America.

This presentation does not constitute investment advice and should not be used as a substitute for your own analysis. The information and any opinions contained herein are valid as of the date of this publication and are subject to change without notice.

The compilation of this material is based upon information and processes, which WIBank believes are appropriate and adequate. Whilst every effort has been taken to ensure the accuracy of the material, no guarantee is given nor liability assumed for the information contained herein. Past performance, simulations and forecasts are not reliable indicators of future performance.

WIBank does not offer consulting or advisory services relating to taxation, accounting and legal issues.

This presentation and its contents may not be distributed in any form without the express, prior, and written permission of WIBank.

Statutory and Refinancing Guarantee



Gesetz über die Wirtschafts- und Infrastrukturbank Hessen
 – rechtlich unselbstständige Anstalt in der
 Landesbank Hessen-Thüringen Girozentrale
 (Wirtschafts- und Infrastrukturbank Hessen-Gesetz)
 Vom 18. Dezember 2006

Stand: geändert durch Artikel 2 des Gesetzes vom 16. Juli 2009 (GVBl. I S. 256)

...

§ 6
Gewährträger

(1) Gewährträger der Wirtschafts- und Infrastrukturbank Hessen ist das Land. Die Rechte des Gewährträgers nimmt das Ministerium der Finanzen wahr. Für die Verbindlichkeiten der Wirtschafts- und Infrastrukturbank Hessen haftet das Land als Gewährträger unbeschränkt, soweit die Befriedigung aus dem Vermögen der Wirtschafts- und Infrastrukturbank Hessen nicht möglich ist (Gewährträgerhaftung). Die Gewährträgerhaftung des Landes umfasst auch sämtliche Verbindlichkeiten der auf die Helaba verschmolzenen IBH. Die Gewährträgerhaftung des Landes für die IBH besteht fort, auch sofern das Land vor der Verschmelzung nicht mehr Anteilseigner ist.

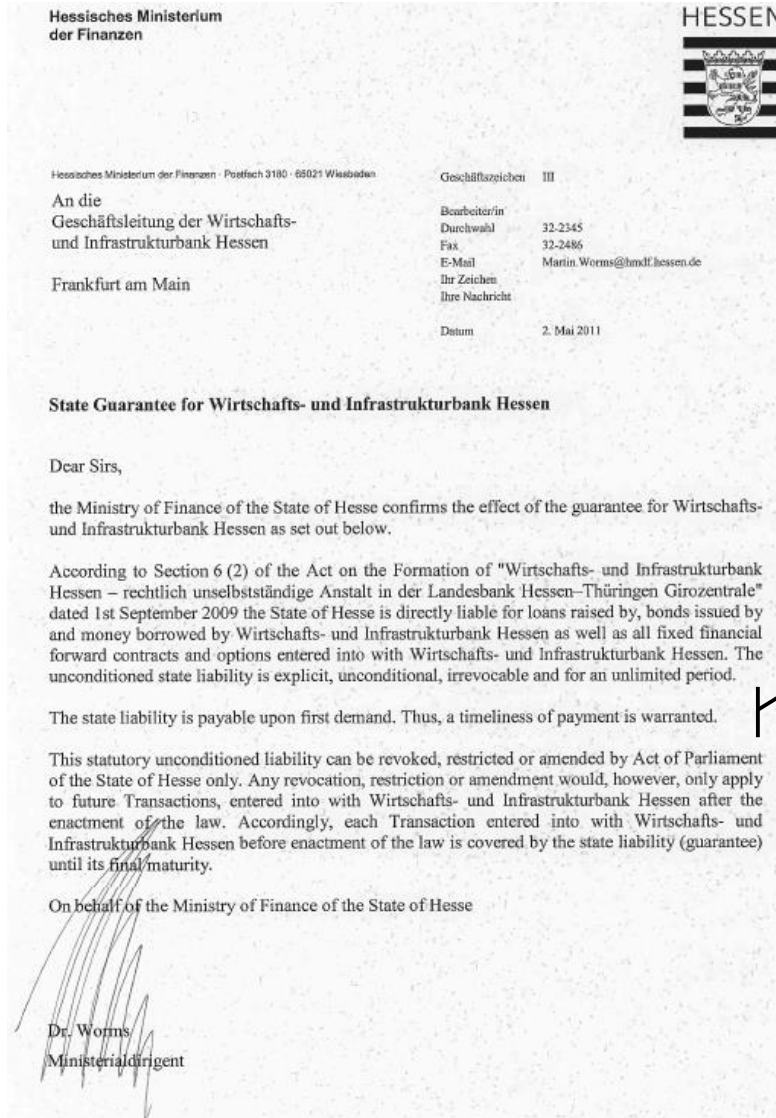
(2) Das Land haftet unmittelbar für die von der Wirtschafts- und Infrastrukturbank Hessen aufgenommenen Darlehen und die von der Wirtschafts- und Infrastrukturbank Hessen begebenen Schuldverschreibungen, die als Festgeschäfte ausgestalteten Termingeschäfte, die Rechte aus Optionen und andere Kredite an die Wirtschafts- und Infrastrukturbank Hessen sowie für Kredite, soweit sie von der Wirtschafts- und Infrastrukturbank Hessen ausdrücklich gewährleistet werden. Die Haftung des Landes gilt auch und soweit sie im Zeitpunkt der Verschmelzung bereits bestand für die von der auf die Helaba verschmolzenen IBH aufgenommenen Darlehen und begebenen Schuldverschreibungen, die als Festgeschäfte ausgestalteten Termingeschäfte, die Rechte aus Optionen und andere Kredite an die IBH, die von der IBH eingegangenen Beteiligungen und im Zusammenhang mit Beteiligungen stehenden Geschäfte sowie für andere Kredite, soweit sie von der IBH ausdrücklich gewährleistet wurden.

...

“For all **liabilities** of the **Wirtschafts- und Infrastrukturbank Hessen**, the **State of Hesse is liable as guarantor without limitation**, to the extent that the satisfaction of the creditors from the assets of the Wirtschafts- und Infrastrukturbank Hessen is not possible (**statutory guarantee**).”

“The State is **directly liable for the loans raised by the Wirtschafts- und Infrastrukturbank Hessen** as well as **for the bonds** issued by the Wirtschafts- und Infrastrukturbank Hessen”
(refinancing guarantee)

Statutory Guarantee of the State of Hesse




“The state liability is payable upon first demand. Thus, a timeliness of payment is warranted.”

Risk weight of 0 according to CRR

**Bundesanstalt für
Finanzdienstleistungsaufsicht**

BaFin | Postfach 12 53 | 53002 Bonn

Landesbank Hessen-Thüringen
Main Tower
Neue Mainzer Straße 52 - 58
60311 Frankfurt (Main)



BaFin

Bankenaufsicht

Hausanschrift:
Bundesanstalt für
Finanzdienstleistungsaufsicht
Graurheindorfer Str. 108
53117 Bonn | Germany

Kontakt:
Herr Christian Hupe
Referat BA 22
Fon +49 (0)228 41 08-3993
Fax +49 (0)228 41 08-1550
poststelle@bafin.de
www.bafin.de

Zentrale:
Fon +49 (0)228 41 08-0
Fax +49 (0)228 41 08-1550

Dienststelle:
53117 Bonn
Graurheindorfer Str. 108

53175 Bonn
Dreizehnmorgenweg 13-15
Dreizehnmorgenweg 44-48

60439 Frankfurt
Marie-Curie-Str. 24-28

09.01.2014
GZ: BA 22-K 5240-100435-2014/0001 (Bitte stets angeben)
2014/0036765
Adressenprivilegierung der Wirtschafts- und Infrastrukturbank Hessen
gemäß Art. 116 Abs. 4 CRR

Ihr Schreiben vom 20.12.2013 (eingegangen am 30.12.2013)

Sehr geehrte Damen und Herren,


In Bezug auf Ihr vorbezeichnetes Schreiben teile ich mit, dass ich aufgrund der Gewährträgerhaftung durch Art. 2 § 6 Abs. 1 und 2 des Gesetzes zur Neuordnung der monetären Förderung in Hessen vom 16.07.2009 und die Staatsgarantie des Landes Hessen vom 02.05.2011 unter Risikogesichtspunkten keinen Unterschied zwischen den Zahlungsverpflichtungen der Wirtschafts- und Infrastrukturbank Hessen und des Landes Hessen zu erkennen vermag. Die Voraussetzungen des Art. 116 Abs. 4 CRR zur Bemessung der von der Gewährträgerhaftung erfassten Forderungen gegenüber der Wirtschafts- und Infrastrukturbank Hessen mit dem Risikogewicht des Landes Hessen sehe ich daher als gegeben an.

Im Hinblick auf die rechtliche Unselbständigkeit der Wirtschafts- und Infrastrukturbank Hessen ist für meine Einschätzung u. a. eine angemessene wirtschaftliche und organisatorische Trennung dieses Geschäftsbereichs maßgeblich gewesen.

Für Rückfragen stehe ich gern zur Verfügung.

Mit freundlichen Grüßen

Im Auftrag
gez. Hupe



Beiglaubigt:
Schwanter
Tribeschäftig

There is **no difference** between the **payment obligations** of WIBank and the State of Hesse.

The **requirements of article 116 section 4 CRR** for the assessment of **receivables from WIBank**, which are covered by the statutory guarantee and thus have **equal risk status as the State of Hesse**, are considered to be fulfilled.