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’s\(^1\) (as of 8 October 2018) to the State of Hesse:
  - Long-term: “AA+”
  - Short-term: “A-1+”
  - The outlook is stable.

- **Has a sustainability rating** by imug\(^2\) 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

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\(^1\) 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](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
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

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1. WIBank at a Glance
Development Programmes of WIBank

- Economic Development
- Building and Housing
- Infrastructure
- Education and Employment

Subsidy recipients

- SME
  - GuW-Hessen Start-ups and Growth
  - Guarantees and investments
  - Film promotion
  - Capital for small business (KfK)
  - JEREMIE – Fund for small business
  - Hesse microloan
  - Innovation loan
  - Hesse-micro crowd
  - Bank refinancing
  - Various corona-aid programs

- Farming
  - Agricultural investment
  - Structural market improvement
  - Agricultural environment
  - Agricultural land development
  - Village regeneration and rural development (DERE)

- Private housing and housing development
  - Affordable housing
  - Home ownership
  - Rented property
  - New construction
  - Modernisation
  - Energy efficiency (building & renovation)
  - Urban development
  - JESSICA – urban development fund, State of Hesse
  - Regional fund for aircraft noise mitigation
  - Housing space (Municipal Investment Programme of Hesse)

- Local authorities and municipal corporations
  - HESSENKASSE
  - Municipal Investment Programme of Hesse
  - Financing hospitals
  - Local authority funding / capital spending on projects for essential public services
  - Broadband - high speed networks
  - Refinancing of banks for investments in public interest projects

- Companies, associations
  - Qualification campaign
  - Young talents
  - Social inclusion
1. WIBank at a Glance

Current support measures in the wake of Corona crisis

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 - 200,000
  - 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 crisis

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

- **Suspension of repayments and deferrals:**
  - In cases in which a funding/support recipient and its principal bank consider it necessary to suspend repayment in order to bridge a difficult liquidity situation - triggered by the corona crisis - the principal bank can apply to WIBank for this for 2020.

- **§ 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
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1. WIBank at a Glance
2. The State of Hesse as a Guarantor
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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.

<table>
<thead>
<tr>
<th></th>
<th>Germany</th>
<th>State of Hesse</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land mass in km²</td>
<td>357,578</td>
<td>21,116</td>
<td>5.9%</td>
</tr>
<tr>
<td>Population in millions (2019)</td>
<td>83.1</td>
<td>6.3</td>
<td>7.6%</td>
</tr>
<tr>
<td>GDP in EUR bn (2019)</td>
<td>3,436</td>
<td>294</td>
<td>8.6%</td>
</tr>
<tr>
<td>GDP per capita (in EUR, 2019)</td>
<td>41,400</td>
<td>46,900</td>
<td>113.3%</td>
</tr>
<tr>
<td>GDP per employee (in EUR, 2019)</td>
<td>75,900</td>
<td>83,300</td>
<td>109.7%</td>
</tr>
<tr>
<td>Unemployment rate (in %, 2019)</td>
<td>5.0</td>
<td>4.4</td>
<td>88.0%</td>
</tr>
</tbody>
</table>

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

- 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.

- Interesting yield-pick-up vs. Bund; diversified benchmark curve.
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 – HGB)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and advances to banks</td>
<td>10.101,5</td>
<td>9.292,5</td>
<td>7.085,8</td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td>13.924,0</td>
<td>14.023,0</td>
<td>9.664,3</td>
</tr>
<tr>
<td>Bonds and other fixed-income securities</td>
<td>17,3</td>
<td>27,6</td>
<td>25,5</td>
</tr>
<tr>
<td>Equity participations</td>
<td>0,3</td>
<td>0,3</td>
<td>0,3</td>
</tr>
<tr>
<td>Interests in associated companies</td>
<td>0,1</td>
<td>0,1</td>
<td>0,1</td>
</tr>
<tr>
<td>Trust assets</td>
<td>819,9</td>
<td>719,6</td>
<td>841,0</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>0,0</td>
<td>0,0</td>
<td>0,0</td>
</tr>
<tr>
<td>Property</td>
<td>0,7</td>
<td>0,7</td>
<td>0,8</td>
</tr>
<tr>
<td>Other Assets</td>
<td>2,4</td>
<td>0,9</td>
<td>0,5</td>
</tr>
<tr>
<td>Prepaid Expenses of Issues and Loans</td>
<td>38,8</td>
<td>40,0</td>
<td>8,4</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>24.905,4</strong></td>
<td><strong>24.104,7</strong></td>
<td><strong>17.626,7</strong></td>
</tr>
<tr>
<td>Liabilities to banks</td>
<td>16.336,9</td>
<td>16.019,2</td>
<td>11.707,2</td>
</tr>
<tr>
<td>Liabilities to customers</td>
<td>1.907,6</td>
<td>1.891,9</td>
<td>901,8</td>
</tr>
<tr>
<td>Securitised liabilities</td>
<td>3.745,7</td>
<td>3.380,0</td>
<td>2.098,0</td>
</tr>
<tr>
<td>Trust liabilities</td>
<td>819,9</td>
<td>719,6</td>
<td>841,0</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>3,7</td>
<td>13,2</td>
<td>3,7</td>
</tr>
<tr>
<td>Deferred Income</td>
<td>16,4</td>
<td>17,4</td>
<td>21,3</td>
</tr>
<tr>
<td>Provisions</td>
<td>102,6</td>
<td>93,7</td>
<td>86,8</td>
</tr>
<tr>
<td>Present values of the pools of segregated assets/special funds</td>
<td>1.920,0</td>
<td>1.920,0</td>
<td>1.920,0</td>
</tr>
<tr>
<td>Funds for general banking risks</td>
<td>0,3</td>
<td>0,3</td>
<td>0,3</td>
</tr>
<tr>
<td>Equity</td>
<td>52,3</td>
<td>49,4</td>
<td>46,6</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>24.905,4</strong></td>
<td><strong>24.104,7</strong></td>
<td><strong>17.626,7</strong></td>
</tr>
<tr>
<td>Contingent liabilities</td>
<td>35,5</td>
<td>20,5</td>
<td>7,4</td>
</tr>
<tr>
<td>Irrevocable loan commitments</td>
<td>2.971,3</td>
<td>3.304,7</td>
<td>1.338,8</td>
</tr>
</tbody>
</table>

*Rounding differences may occur.*
3. WIBank in Figures  
**Profit and Loss** (pursuant to German Commercial Code – HGB\(^1\))

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>64,8</td>
<td>54,8</td>
<td>51,6</td>
</tr>
<tr>
<td>Income from affiliated companies</td>
<td>0,6</td>
<td>0,6</td>
<td>0,5</td>
</tr>
<tr>
<td>Net commission income</td>
<td>40,2</td>
<td>39,3</td>
<td>39,8</td>
</tr>
<tr>
<td>Other net operating income</td>
<td>0,4</td>
<td>0,4</td>
<td>0,9</td>
</tr>
<tr>
<td>General administrative expense</td>
<td>72,3</td>
<td>69,4</td>
<td>65,6</td>
</tr>
<tr>
<td>Depreciation and amortization of intangible assets and property, plant</td>
<td>0,1</td>
<td>0,1</td>
<td>0,1</td>
</tr>
<tr>
<td>and equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other net operating expense</td>
<td>10,4</td>
<td>9,6</td>
<td>7,1</td>
</tr>
<tr>
<td>Provisions for losses on loans and advances and valuation result</td>
<td>8,8</td>
<td>2,1</td>
<td>6,2</td>
</tr>
<tr>
<td><strong>Result from ordinary operations</strong></td>
<td><strong>14,4</strong></td>
<td><strong>13,9</strong></td>
<td><strong>13,8</strong></td>
</tr>
<tr>
<td>Extraordinary result</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Taxes</td>
<td>0,1</td>
<td>0,1</td>
<td>0,1</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td><strong>14,3</strong></td>
<td><strong>13,8</strong></td>
<td><strong>13,7</strong></td>
</tr>
</tbody>
</table>

\(^1\) Rounding differences may occur.
3. WIBank in Figures
Quality of the Loan Portfolio

Loan portfolio by counterparty risk, total volume EUR 24.1 bn\(^1\)\(^2\) as of 31 December 2019:

- The largest portion of the loan portfolio is at no immediate risk of default according to CRR Regulation. Total risk weighted assets\(^3\) amount to EUR 1.2 bn.
- All counterparty risks have been assumed by Helaba (against remuneration).

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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

<table>
<thead>
<tr>
<th>Year</th>
<th>Net balance sheet total (EUR)</th>
<th>New business (EUR)</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>31.12.2019</td>
<td>24,9</td>
<td>2,0</td>
<td>435</td>
</tr>
<tr>
<td>2018</td>
<td>24,1</td>
<td>7,0</td>
<td>439</td>
</tr>
<tr>
<td>2017</td>
<td>17,6</td>
<td>2,1</td>
<td>419</td>
</tr>
</tbody>
</table>

![Graph showing amounts in EUR bn](image-url)

**Graph: Amounts in EUR bn**

- **31.12.2019**
- **2018**
- **2017**

- **Infrastructure**: 849, 445, 351
- **Building and Housing**: 1,155, 376, 331
- **Economic Development**: 1,085, 238, 323
- **Education and Employment**: 1,127, 114, 90
- **Agriculture**: 1,008, 351, 323

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Liabilities to banks ¹) / customers and securitised liabilities amounting to EUR 15.2 bn as of 31. December 2019:

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 – CEB
  - European Investment Bank – EIB

¹) Excludes intragroup transactions to neutralise interest rate risks of approx. EUR 6.82 bn.
4. Funding
Review and Outlook

The medium and long-term funding requirement is derived from the planned new lending business and amounts to **about € 1.6 billion for 2020** according to the funding plan at the beginning of the year.

<table>
<thead>
<tr>
<th>Funding</th>
<th>Instruments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>▪ Global loans with development banks</td>
</tr>
<tr>
<td>Actual (as of March 31st)</td>
<td>▪ Bearer bonds, promissory notes and registered bonds (especially private placements)</td>
</tr>
<tr>
<td>EUR 0.40 bn</td>
<td>~ EUR 1.6 bn</td>
</tr>
<tr>
<td>2021</td>
<td>~ EUR 1.2 bn</td>
</tr>
</tbody>
</table>

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.
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 long-term funding requirements for promotional loans, the bonds had a long tenor of at least seven years.

<table>
<thead>
<tr>
<th>ISIN</th>
<th>AMOUNT</th>
<th>TERM</th>
<th>COUPON</th>
<th>MATURITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>DE000A1R0121</td>
<td>EUR 500 mn</td>
<td>7 years</td>
<td>1.375%</td>
<td>12.06.2020</td>
</tr>
<tr>
<td>DE000A1R0105</td>
<td>EUR 500 mn</td>
<td>10 years</td>
<td>1.75%</td>
<td>06.12.2022</td>
</tr>
<tr>
<td>DE000A1R0139</td>
<td>EUR 650 mn</td>
<td>10 years</td>
<td>1.75%</td>
<td>15.04.2024</td>
</tr>
<tr>
<td>DE000A2DAF36</td>
<td>EUR 750 mn</td>
<td>10 years</td>
<td>0.875%</td>
<td>14.06.2028</td>
</tr>
<tr>
<td>DE000A2DAF77</td>
<td>EUR 500 mn</td>
<td>15 years</td>
<td>1.25%</td>
<td>06.09.2033</td>
</tr>
</tbody>
</table>
Your Contact Persons for any questions and enquiries:

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