IKB Deutsche Industriebank AG

19 August 2022, Düsseldorf

First Half Year 2022 Results

Highlights of the First Half Year 2022 Results

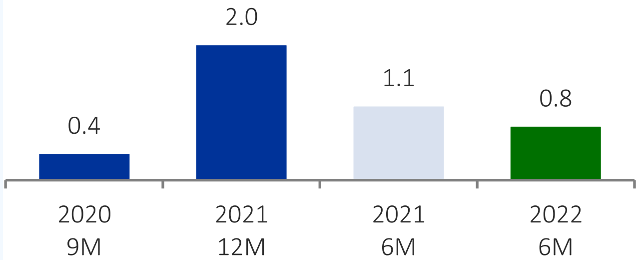
1. Positive Result	✓ Net consolidated income of €30 million ✓ Results impacted by one-off administrative costs ✓ Still benign cost of risk despite a challenging macroeconomic environment ✓ Return on equity[1)] of 6.2%, adjusted for one-off effects of 8.5% (HY 1 2021: 8.8%)
2. Cost Control	✓ Administrative expenses in HY 1 2022 impacted by one-off effects mainly related to inflation-adjustment for pension plan expenses and regulatory project costs ✓ Structural reduction of the cost basis ongoing with underlying adjusted administrative expenses in 1H 2022 further reduced by €5 million to €68 million (HY 1 2021: €73 million) ✓ Total administrative expenses including one-offs of €80 million
3. Focused Core Business	✓ Lower new business volume of €1.2billion in HY 1 2022 (HY 1 2021: €1.7 billion) mainly due to more selective and prudent approach to new business origination in the current challenging macroeconomic environment ✓ Almost stable lending book at €9.2 billion, generating a stable net interest margin of 1.77% ✓ Consolidated net interest income at €98 million (HY 1 2021: €108 million) ✓ Stable net fee and commission income amounted to €13 million (HY 1 2021: €14 million)
4. Risk Profile	✓ Total non-performing assets reduced to €161 million (31 December 2021: €179 million) with a NPL ratio (EBA definition) of 1.8% ✓ Net risk provisioning result at €0 million (HY 1 2021: €-1 million) and risk costs of -1 bps (HY 1 2021: -4 bps) ✓ Liquidity portfolio reduced to €2.8 billion (31 December 2021: €3.4 billion) to reduce market risks and improve risk bearing capacity in the current volatile market environment
5. Capital Position	✓ CET 1 (fully phased) of 14.9% (31 December 2021: 16.6%), pro-forma Basel IV CET 1 ratio of 15.9% ✓ Slightly reduced RWA (fully phased) to €8.0 billion (31 December 2021: €8.2 billion) ✓ Leverage ratio (fully phased) at 6.4% (31 December 2021: 8.1 %)
6. Liquidity	✓ Liquidity Coverage ratio amounting to 244% (31 December 2021: 274%) after excess liquidity built up in response to Covid-19 further reduced ✓ Unencumbered available liquidity reserve stable at €1.8 billion (31 December 2021: €1.8 billion) ✓ Loan to deposit ratio (excluding public programme loans) at 90% (31 December 2021: 70%)

Note: All figures as of 30 June 2022 unless otherwise stated.

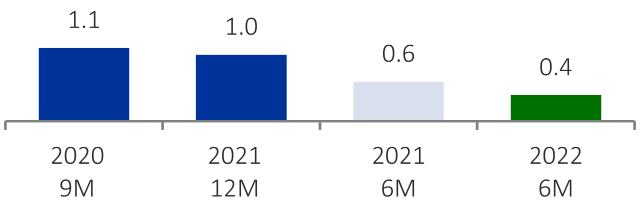
1) Calculated on a normalized CET1 ratio of 12% and based on average risk-weighted assets, adjusted for consistent IRBA application

Prudent Approach to New Business Origination in the Current Economic Environment

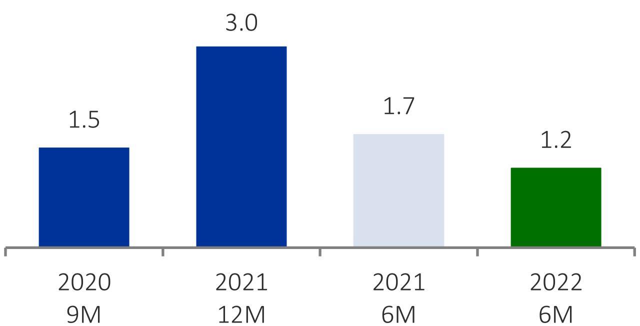
Commercial Lending New Business Volume (€ billion)



Public Programme Loans New Business Volume (€ billion)



Total New Business Volume (€ billion)



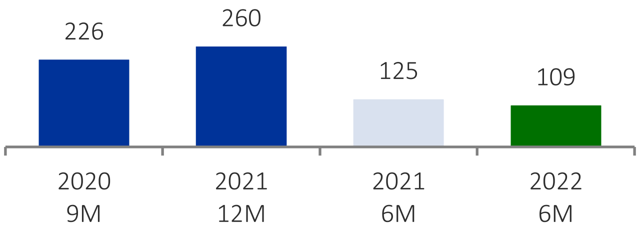
Summary

- ✓ Due to the challenging macroeconomic environment in HY1 2022, IKB has pursued a more selective and prudent approach to new business origination
- ✓ As a result, new business volumes in the first six months 2022 were at €1.2 billion and thus lower than originally planned at the start of the year:
  - Commercial lending volume reduced to €0.8 billion (HY 1 2021: €1.1 billion)
  - Public programme loans decreased with new business volumes at €0.4 billion (HY 1 2021: €0.6 billion)
  - The share of commercial lending as part of the overall new business volume remained relatively stable at 66% (vs. 64% in the prior year).
- ✓ However, IKB's total lending book remained almost stable at €9.2 billion (FY 2021: €9.3 billion)
- ✓ **In light of the current macroeconomic uncertainties, IKB intends to pursue a very prudent approach to new business origination for the remainder of the year and hence now aims to generate a total new business volume significantly lower than the original forecast of €3.0 billion for 2022**

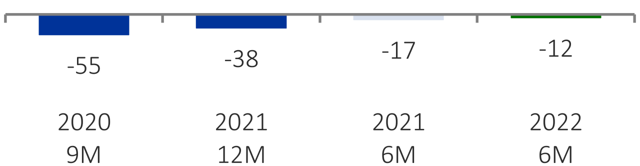
Note: 2020 9M: 1 April to 31 Dec. 2020, 2021 12M: 1 Jan. to 31. Dec. 2021 , 2021 6M: 1 Jan. to 30 June 2021, 2022 6M: 1 Jan. to 30 June 2022

Banking Revenues Slightly Lower with Stable Net Interest Margin

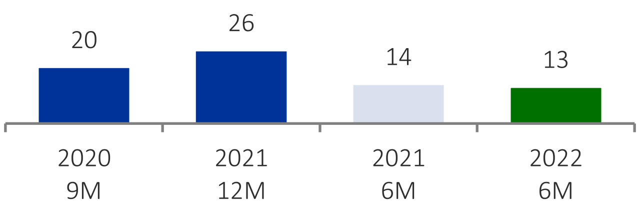
Interest Income[1)]
(€ million)



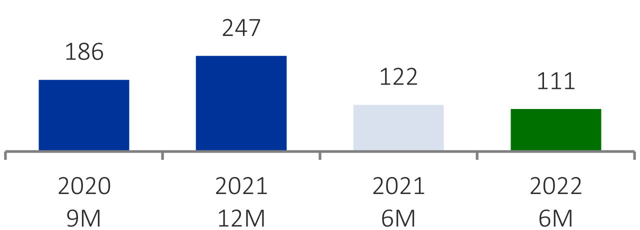
Interest Expense[1)]
(€ million)



Net Fee and Commission Income
(€ million)



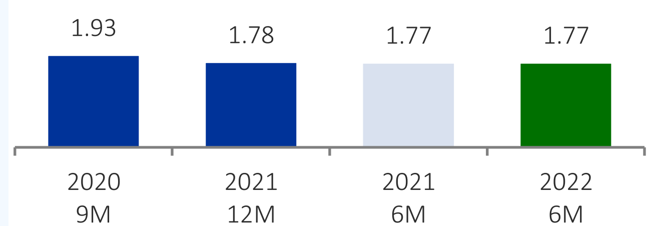
Total Banking Revenues
(€ million)



Summary

- Interest income driven by a focussed lending approach with a strict credit pricing policy to maintain margins across new business
- Net interest income generally on track
  - HY 1 2022: Decrease in interest income mainly due to lower average loan volumes and lower income from securities portfolio, partially compensated by lower interest expenses
- However, the net interest margin remained stable at 1.77% in HY 1 2022
- Net fee and commission income at the same level as previous year half of €13 million
- **In 2022, IKB expects net banking income to slightly reduce from prior year levels**
- **Overall, broadly stable banking revenues with moderate increases expected in the medium term**

Net Interest Margin (in %)

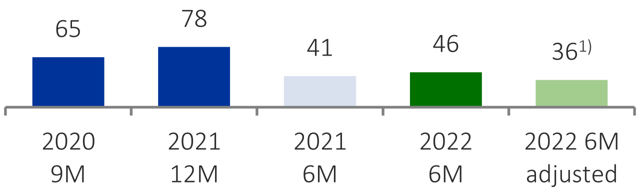


Note: 2020 9M: 1 April to 31 Dec. 2020, 2021 12M: 1 Jan. to 31. Dec. 2021 , 2021 6M: 1 Jan. to 30 June 2021, 2022 6M: 1 Jan. to 30 June 2022

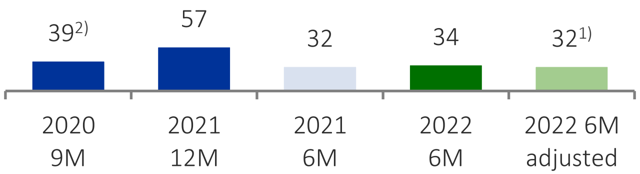
1) excluding derivatives; for definition of interest income please refer to IKB's first half-year report as of 30 June 2022

Further Cost Reductions Implemented but One-Off Cost Items Impact Total Administrative Expenses

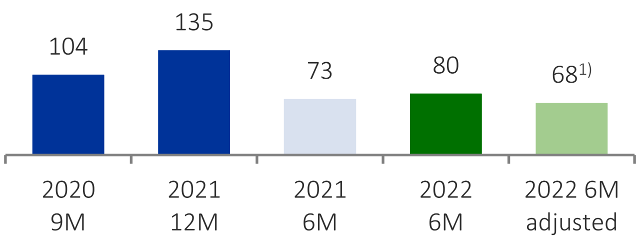
Personnel Expenses (€ million)



Other Administrative Expenses (€ million)



Total Administrative Expenses (€ million)



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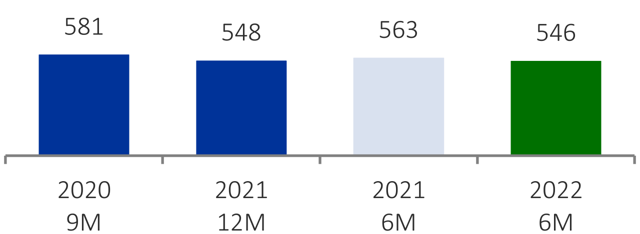
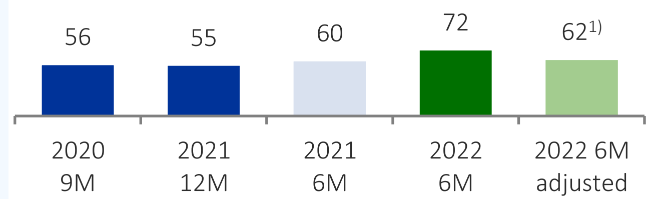


Summary

- ✓ Continued focus on structurally reducing operating expenses, reduction by €5 million in 1H 2022 vs. prior year
  - – Adjusted total administrative expenses of €68 million (HY 1 2021: €73 million)
- ✓ Administrative expenses in HY 1 2022 impacted by one-off effects:
  - – Extraordinary pension plan expenses (€9 million), mainly related to inflation-adjustments; IKB expects that further extraordinary adjustments might be required in the HY 1 results of the following two years. Note that under IFRS, impact of change in pension fund assumptions would not be reflected in operating expenses (and thus would not impact cost income ratio) but would be recorded as Other Comprehensive Income (recorded directly in shareholders' equity. However, on an economic basis (not reflected in HGB accounts), pension fund net asset value has improved by €78m in HY 1 2022. See next page for further detail
  - – Regulatory project costs (€2 million)
- ✓ Adjusted cost income ratio slightly increased to 62% (HY 1 2021: 60%) due to lower total banking revenues
- ✓ **For 2022, IKB expects hence substantially higher total administrative expenses of c. €148 million vs. the previous estimate of €130 million**
- ✓ **In the medium term, IKB continues to aim to reduce its cost basis to €105 million and a cost income ratio of around 40%**

Cost Income Ratio (in %)



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Note: 2020 9M: 1 April to 31 Dec. 2020, 2021 12M: 1 Jan. to 31. Dec. 2021 , 2021 6M: 1 Jan. to 30 June 2021, 2022 6M: 1 Jan. to 30 June 2022

1) Adjusted for inflation-related pension plan expenses (€9 million) and regulatory project costs (€2 million).

2) The bank levy was not included in the 9M figures of 2020

Update on IKB Pension Plans

Extraordinary Pension Costs on Legacy Pension Plans

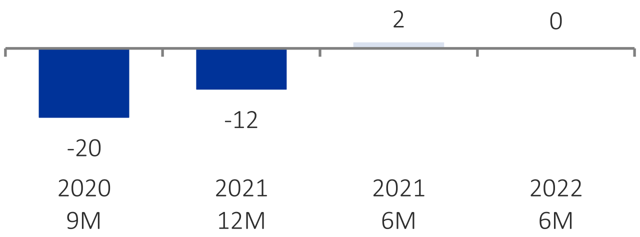
- The recent increase in inflation has led to increases in pension payments on some of IKB's legacy pension plans in HY 1 2022
- Based on both legal and contractual requirements, IKB is adjusting certain pension payments for higher inflation. These adjustments apply only to employees which entered into pension plans prior to April 2006. The adjustments are made annually over the course of 3 years for a third of the total respective former employees which are currently entitled to these pension payments.
  - Basis for the adjustments are average inflation figures over a period of 3 years prior to the adjustment date
  - The recent development in inflation trends has hence led to the requirement for additional provisions for future payments in the amount of €9 million in HY 1 2022
  - It is expected that smiliar expenses will be required in HY 1 2023 and HY 1 2024 given that the annual adjustment is made for a third of the legacy pension population each year
- Please note that legacy pension plans from April 2006 to August 2015 do only contain very limited inflation adjustment mechanisms capped at 1%
- Furthermore, following changes to IKB's pension arrangements in 2015, IKB employees which entered the workforce from August 2015 only participate in defined contribution pension plans offered by the German Banking Association (BVV) and hence IKB does not accrue any potential pension liabilities from that point onwards

Movements in Pension Plan NAV

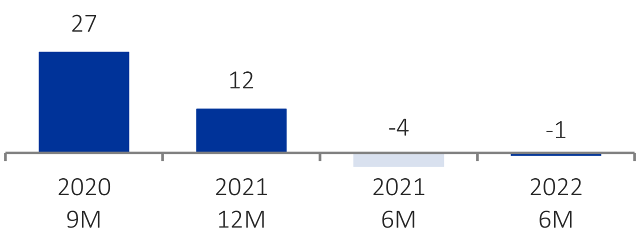
- In economic terms, IKB's pension fund net asset value has improved by €78m in HY 1 2022 as it has benefitted from a steep decrease in liabilities due to a higher discount rate (which is not fully reflected under German GAAP), offset by slight mark to market losses in pension fund assets (which have significantly outperformed its relevant benchmarks due to high cash allocations) and the current and expected future P&L drag from higher realized inflation rates compared to embedded assumptions

Benign Risk Provisioning Despite Challenging Environment

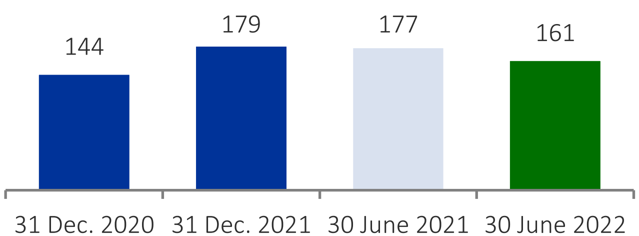
Net Risk Provisioning (€ million)



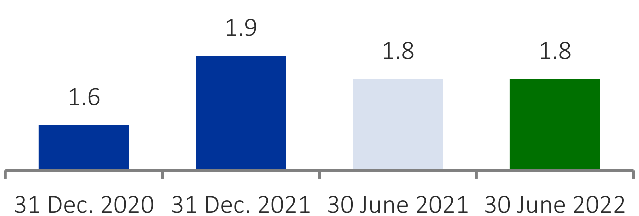
Cost of Risk (bps)



Non-performing Assets (€ million)



NPL Ratio[1] (in %)



Summary

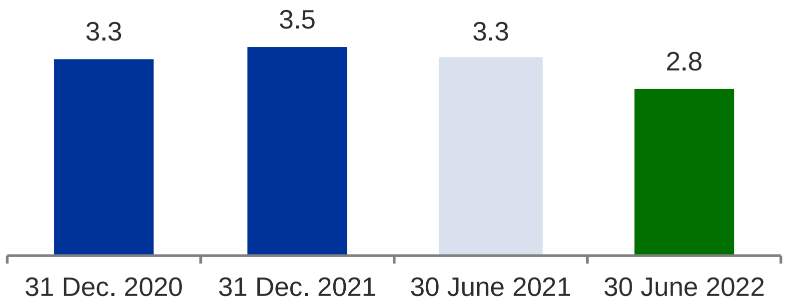
- IKB's loan losses remain benign despite the challenging environment
- Net risk provisioning in HY 1 2022 at €0 million
- Cost of risk at -1 bps in HY 1 2022
- Slight decrease of non-performing assets from €177 million to €161 million in HY 1 2022. Non-performing assets remaining at an overall low level
- NPL ratio (EBA definition) remaining at 1.8%
- Total general and specific loan loss provisions on balance sheet amount to €139 million
- IKB does not have any direct exposure to Russia, Belarus and Ukraine.
- **Despite the low net provisioning result in HY 1 2022, IKB continues to prudently expect loan loss provisions at around €25 million for 2022 due to the ongoing macroeconomic challenges**

Note: 2020 9M: 1 April to 31 Dec. 2020, 2021 12M: 1 Jan. to 31. Dec. 2021 , 2021 6M: 1 Jan. to 30 June 2021, 2022 6M: 1 Jan. to 30 June 2022

1) NPL ratio according to EBA definition

Planned Reduction of Liquidity Portfolio and Market Risk

Volume of Liquidity Portfolio[1] (€ billion)c



Valuation Impact HY 1 2022

	€ million	Accounting treatment
Valuation change / sale of securities in liquidity reserve (current assets)	-436	through P&L
Valuation change / sale of securities in banking book	-24	through P&L
Derivative close outs	105	through P&L
Total P&L impact	**-355**	
Unrealised gains derivates off balance sheet	380	Off balance sheet
Unrealised losses securities in banking book	-192	Off balance sheet
Total change in valuation	**-167**	

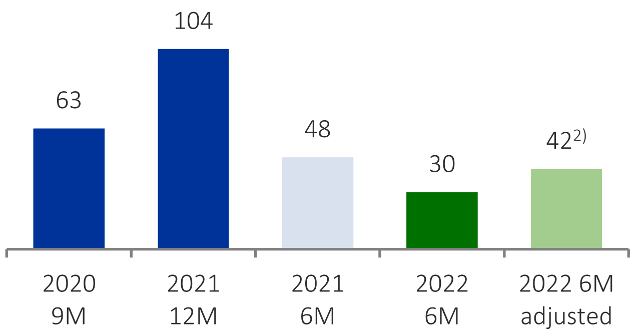
Summary

- As previously indicated, IKB has further reduced its liquidity portfolio to reduce market risks and improve its risk bearing capacity in the current volatile market environment
- The securities portfolio was reduced rom €3.5 billion as of 31 Dec. 2021 to €2.8 billion as at 30 June 2022
- In the context of the reduction of market price risk, certain bonds were reclassified as current assets, since the hold to maturity intention no longer applies; as a result, market losses on these securities have to be recognised in the bank's profit & loss account going forward
- This has resulted in an impairment loss on these securities of €436 million in 1 HY 2022
- The largely offsetting interest rate swaps are not carried on the balance sheet and will therefore only affect the income statement when they are closed out. In HY 1 2022, gains from derivative close-outs amounted to €105 million
- The net total value change in IKB's security and derivatives portfolio mainly due to credit spread movements amounted to an economic loss of €167 million in HY 2022, of which €355 million was recognised through profit & loss within "net other income"
- IKB has offset this impact on its profit & loss account by partially releasing reserves for general banking risks ("340g reserves") in the amount of €345 million (prior year: €0 million)
- **Overall, net other income in HY 1 2022 amounted to -€1 million (HY 1 2021: -€3 million)**

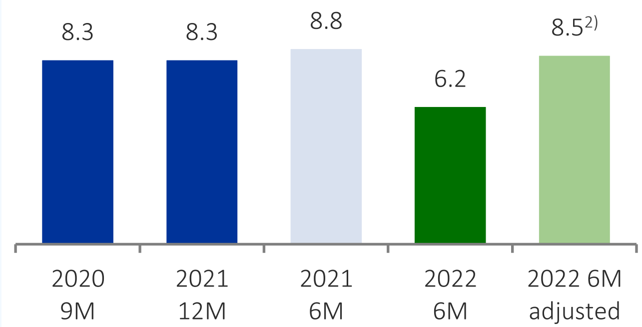
1) Bonds only

Profit Before Tax Impacted by One-Off Effects

Consolidated Profit before Taxes (€ million)



RoE[1)] post tax (in %)



- Consolidated profit before taxes for the first six months of 2022 at €30 million, impacted by one-off effects
- As a result, the FY 2022 forecast has been lowered from c. €85 million to c. €60 million
- In HY 1 2022, the bank achieved an adjusted RoE of 8.5% (HY 1 2021: 8.8%)
- Medium term objective to increase RoE to more than 10% remains

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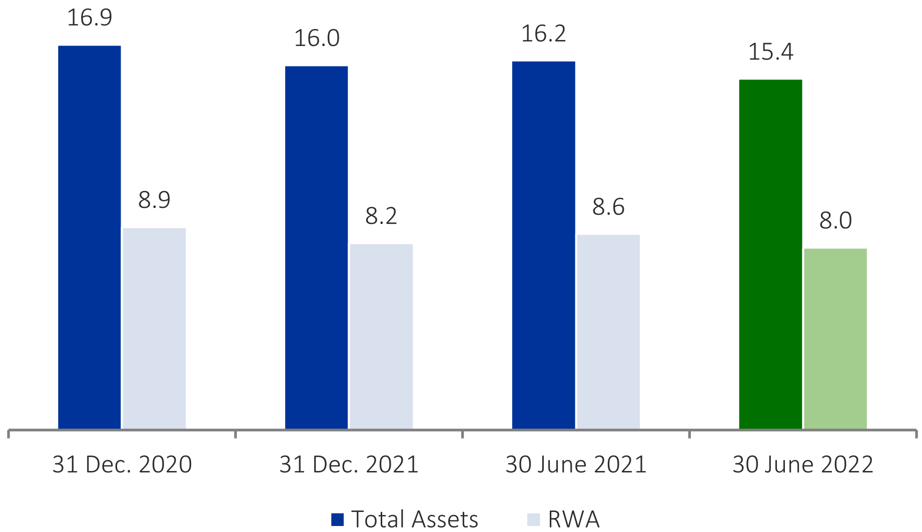
Note: 2020 9M: 1 April to 31 Dec. 2020, 2021 12M: 1 Jan. to 31. Dec. 2021 , 2021 6M: 1 Jan. to 30 June 2021, 2022 6M: 1 Jan. to 30 June 2022

1) Calculated on a normalized CET 1 ratio of 12% and based on average risk-weighted assets, adjusted for consistent IRBA application

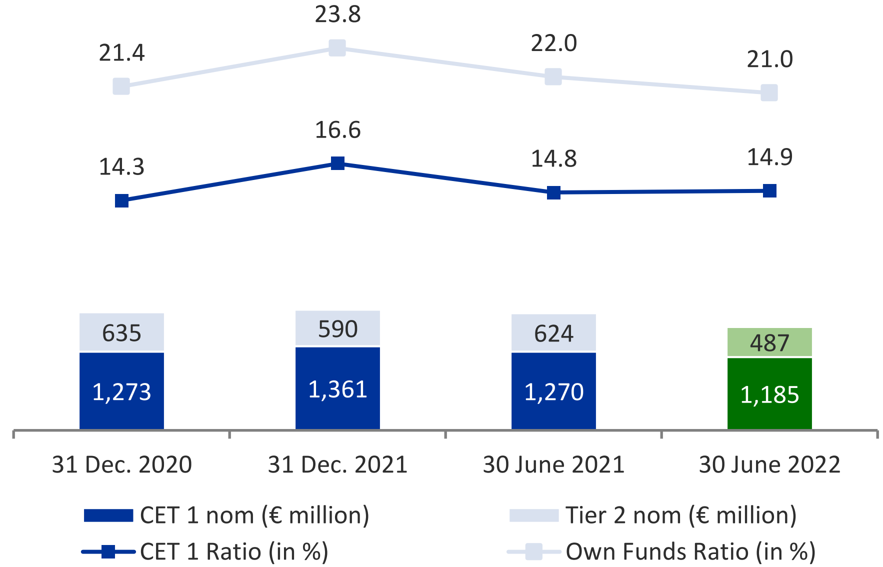
2) Adjusted for inflation-related pension plan expenses (€9 million) and regulatory project costs (€2 million).

Regulatory Capital Impacted by 340g Banking Risk Reserve Release

Total Assets and Risk-weighted Assets[1)] (€ billion)



Capital Ratios (fully phased)



Key Measures

- RWA's decreased to €8.0 billion in HY 1 2022 due to the reduction in the liquidity portfolio and positive rating migrations in the loan portfolio

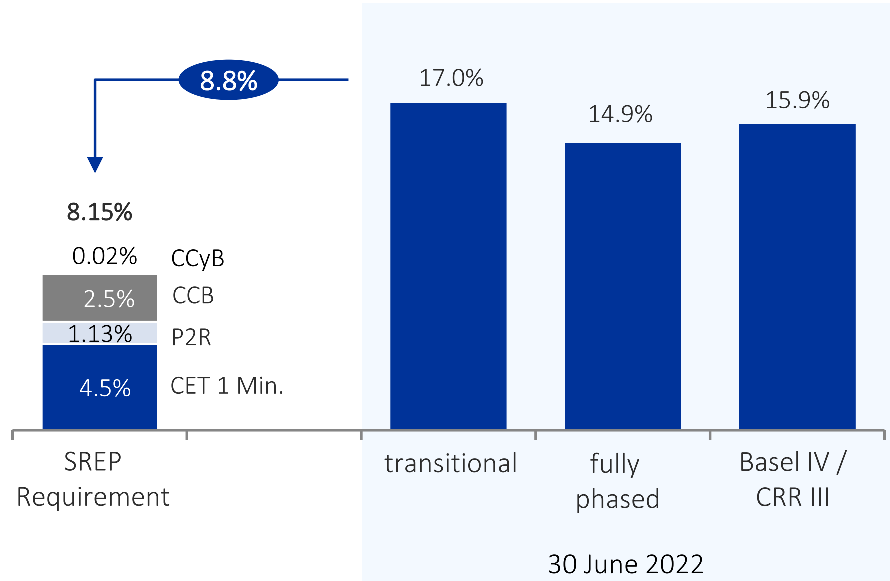
Key Developments Capital Position

- Reduction of regulatory capital due to release of reserve for general banking risks ("340g")
- Pro-forma Basel IV common equity tier 1 ratio (CET 1) of 15.9%
- CET 1 ratio expected to be significantly above 13% by end of FY 2022
- As the bank no longer intends to distribute the announced €152 million dividend for 2020, the amount has been added to retained profits carried forward and CET 1 capital
- Leverage Ratio at 6.4%

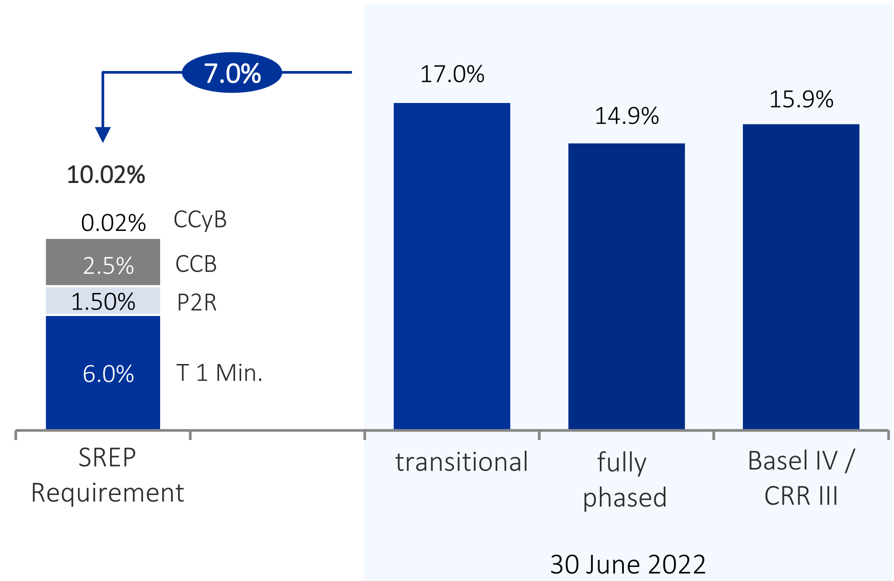
1) IKB Group consolidated, fully phased

Capital Ratios Above Minimum Requirements

CET 1 Position and Capital Requirements[1] (% RWA)



T1 Position and Capital Requirements[1] (% RWA)

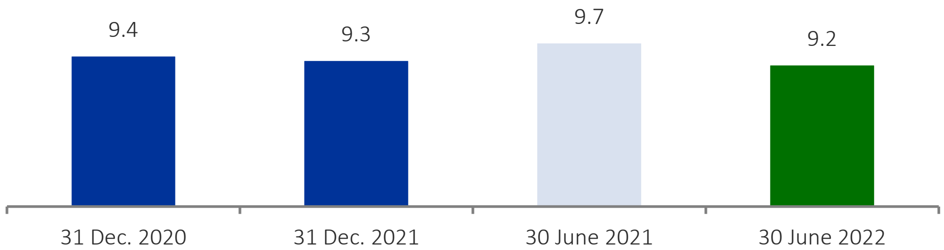


- Total CET 1 capital requirement of 8.15% and T 1 capital requirements of 10.02%
  - Pillar 2 Requirement of 2.0% of which at least 1.13% to be held in CET 1 and 1.5% in T 1 capital
  - CBR consists of capital conservation buffer of 2.5% and countercyclical buffer of 0.02% (currently no systemic risk buffer requirement)
  - In addition, Pillar 2 Guidance of 0.9% for IKB AG (to be fulfilled with CET 1 capital)
- As of 30 June 2022, IKB Group holds a buffer to CET 1 requirements of 8.8% and a buffer to T 1 requirements of 7.0%[1]
- On 16 February 2022 BaFin ordered that IKB AG has to meet additional temporary capital add-ons in accordance with § 10 (3), sentence 1 KWG, amounting to a temporary increase of 225 bps of CET 1 requirements, 300 bps of T1 requirements and of 400 bps of total capital requirements
- IKB expects to benefit from the implementation of Basel IV with expected CET 1 and T 1-uplift of c. 1.0% (as of June 2022)

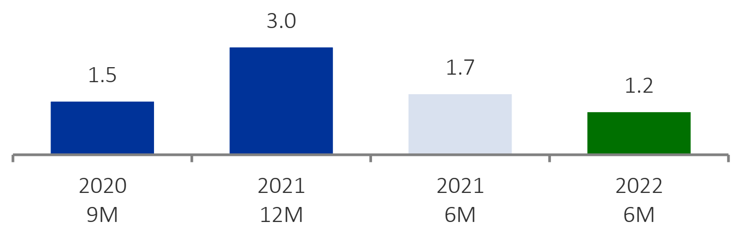
1) IKB Group consolidated; excluding additional temporary capital add-ons

Lending Book with a Diversified Customer Base

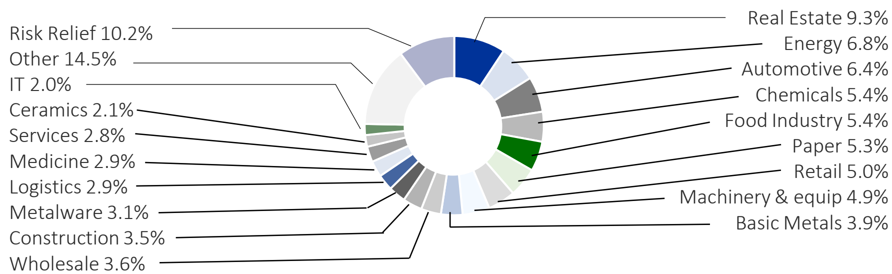
Portfolio Volume (€ billion)



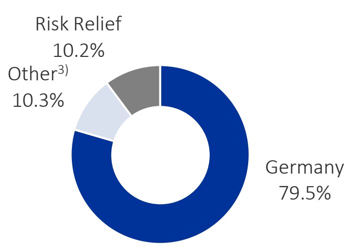
New Business Volume[1] (€ billion)



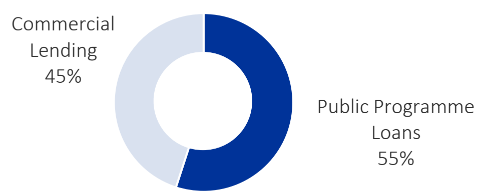
Portfolio by Sector[2] (in %)



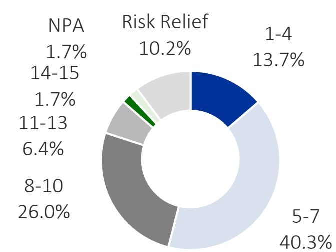
Portfolio by Geography (in %)



Portfolio by Product (in %)



Portfolio by Internal Rating (in %)



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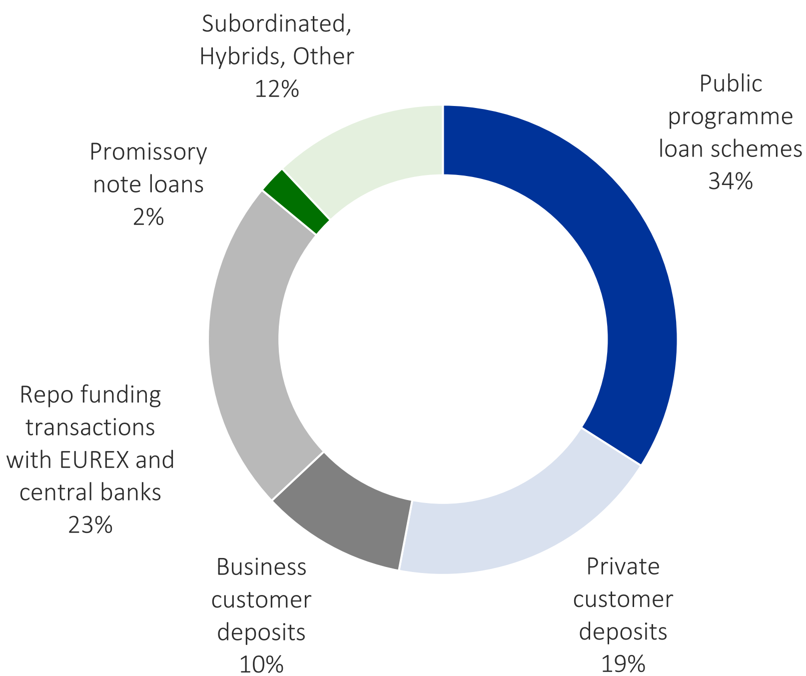
Notes: All figures including risk relief (Hermes guarantees, indemnifications, risk transferred). 2020 9M: 1 April to 31 Dec. 2020, 2021 12M: 1 Jan. to 31. Dec. 2021 , 2021 6M: 1 Jan. to 30 June 2021, 2022 6M: 1 Jan. to 30 June 2022

1) Includes also revolving credit facilities volumes in € billion: 0.0 (2020), 0.3 (2021), 0.2 (2022)
2) “Other” consists of 24 different industries each below 2.0% total portfolio
3) Major countries: France, UK, USA, Netherland, Austria

Diversified Funding Sources

Funding Sources



Funding Sources

Public Programme Loan Schemes	✓ Channelling loans from KfW and regional development banks ✓ Volume of €5.0 billion
Deposits	✓ Stable and cost efficient private customer deposits at €2.8 billion ✓ Decreasing business customer deposits: €1.6 billion ✓ Promissory note loans: €0.2 billion
Repos/ECB	✓ Financing of liquidity portfolio ✓ Portfolio serves as collateral ✓ €3.4 billion funded in ECB's TLTRO III

Liquidity Position

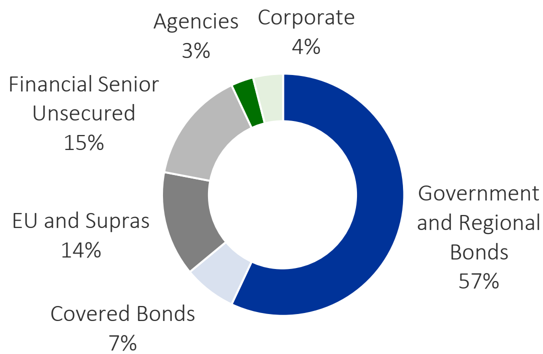
Liquidity Coverage Ratio	✓ Group LCR with 244% well above target, slightly lower compared to 31 December 2021 (274%)
Liquidity Reserve	✓ Approx. €1.8 billion free and unencumbered available liquidity reserve, unchanged from €1.8 billion as of 31 December 2021

- Solid liquidity position but buffers decreased after diminishing COVID-19 stress
- BaFin has not set an MREL requirement for IKB beyond the existing minimum capital requirements

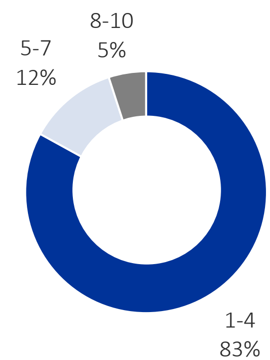
Diversified Liquidity Portfolio and Sufficient Liquidity Reserve

Structure of the Liquidity Portfolio (in %)

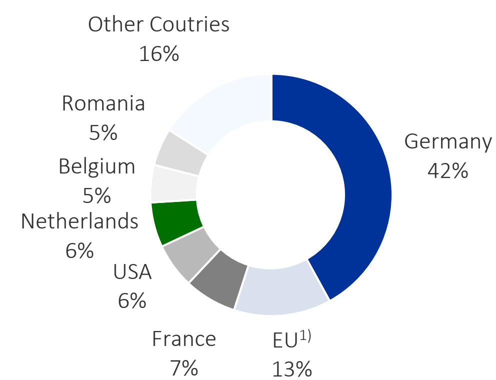
Bond Class Allocation



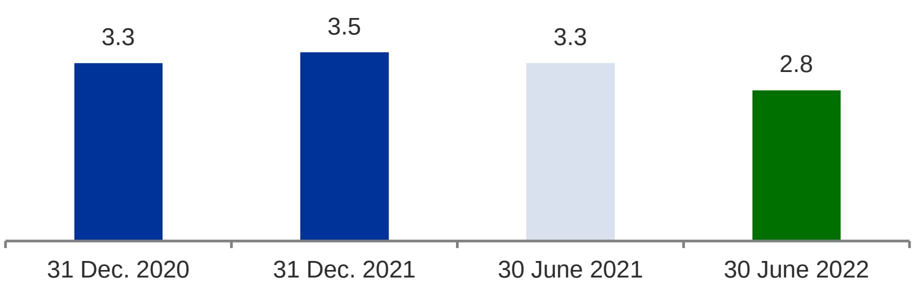
Rating Allocation



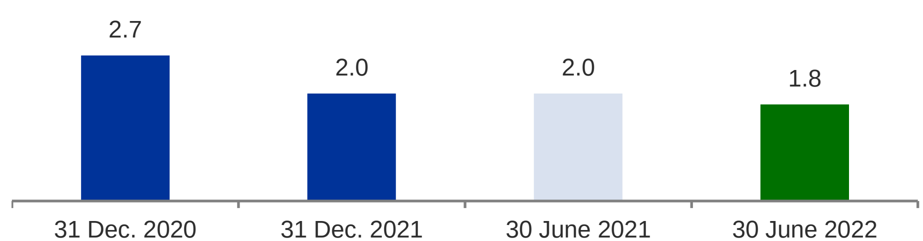
Country Allocation



Volume of Liquidity Portfolio[2] (€ billion)



Unencumbered Liquidity Reserve[3] (€ billion)



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1) European Investment Bank and European Financial Stability Facility
2) Bonds only
3) including cash held with ECB and ECB-eligible loans

Revised Outlook and Targets

1. Clear Profile as MidCap Specialist	✓ Leverage strong position in the German Mittelstand sector ✓ Continued focus on core products commercial lending and public programme loans ✓ New business volume in 2022 expected significantly lower than initial forecast of €3 billion due to more selective and prudent approach to new business
2. Profitability before Growth	✓ New business only taken at an appropriate risk/return profile: every new loan must be profitable in its own right ✓ In 2022, IKB expects net banking revenues to slightly reduce from prior year levels
3. Cost Reduction	✓ Administrative expenses in 2022 affected by one-off effects ✓ For 2022, IKB now aims for total administrative expenses of ca. €148 million, resulting in a cost income ratio significantly above prior year figure of 54.5% ✓ In the medium term, IKB aims to reduce its cost basis to €105 million and a cost income ratio of roughly 40%
4. Loan Losses	✓ Due to the challenging macroeconomic environment, loan loss provisions conservatively expected at a target of up to €25 million in FY 2022 despite benign result in HY 2022
5. Profitability	✓ Consolidated income pre-tax of about €60 million targeted for 2022 ✓ RoE after tax for 2022 significantly below prior target of 9% ✓ Medium term objective to increase RoE after tax to more than 10%
6. Capitalisation	✓ CET 1 ratio now expected to be maintained significantly above 13% by end of FY 2022 ✓ Leverage Ratio significantly above 7% by end of FY 2022
7. Liquidity Position	✓ Liquidity Coverage Ratio sustainably above regulatory requirement of 100%

Appendix

Consolidated Income Statement of IKB Group

in € million	1 January to 30 June 2022	1 January to 30 June 2022 adjusted[1)]	1 January to 30 June 2021
Net interest income	98	98	108
Net fee and commission income	13	13	14
Total net banking income	**111**	**111**	**122**
Administrative expenses	-80	-68	-73
Personnel expenses	*-46*	*-36*	*-41*
Other administrative expenses	*-34*	*-32*	*-32*
Pre-provision income	**31**	**43**	**49**
Net risk provisioning	0	0	2
Operating profit	**32**	**43**	**51**
Net other income	-1	-1	-3
Income before taxes	**30**	**42**	**48**
Tax income/expenses	0	0	1
Consolidated net result	**30**	**42**	**47**

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Note: Differences of sums to total numbers may occur due to rounding

1) Adjusted for inflation-related pension plan expenses (€9 million) and regulatory project costs (€2 million).

Segmental Reporting of IKB Group

in € million	Public Programme Loans 1 Jan. to 30 June 2022	Public Programme Loans 1 Jan. to 30 June 2021	Corporate Bank 1 Jan. to 30 June 2022	Corporate Bank 1 Jan. to 30 June 2021	Corporate Centre 1 Jan. to 30 June 2022	Corporate Centre 1 Jan. to 30 June 2021	IKB 1 Jan. to 30 June 2022	IKB 1 Jan. to 30 June 2021
Net interest income	41	43	42	44	16	21	98	108
Net fee and commission income	3	2	7	9	3	3	13	14
Gross income	**44**	**45**	**48**	**53**	**19**	**25**	**111**	**122**
Administrative expenses	-22	-21	-20	-20	-38	-32	-80	-73
Operating profit before risk provisions	**23**	**24**	**28**	**32**	**-19**	**-7**	**31**	**49**
Provisions for possible loan losses	7	3	-6	-3	-1	2	0	2
Operating profit	**30**	**26**	**22**	**30**	**-20**	**-5**	**32**	**51**
Net other income	0	0	1	1	-2	-4	-1	-3
Income before taxes	**30**	**26**	**22**	**31**	**-22**	**-9**	**30**	**48**
Tax income/expenses	-4	-3	-3	-4	6	6	0	-1
Consolidated net result	**26**	**23**	**19**	**27**	**-15**	**-3**	**30**	**47**
New business volume	423	612	814	1,081	-	-	1,237	1,693
Loans outstanding as of the reporting date	5,035	5,413	4,123	4,250	8,080	8,071	17,237	17,734
Risk weighted assets	2,759	3,115	3,504	3,836	1,711	1,639	7,974	8,590
Average CET 1 capital at 12%	343	391	434	471	203	203	981	1,065
Interest margin (%)	1.58	1.55	2.01	2.04			1.77	1.77
Cost/income Ratio (%)	48.9	47.2	41.8	38.3			71.7	59.9
Risk cost (%)	-0.29	-0.09	0.31	0.12			-0.01	-0.04
Return on equity (%)	15.3	11.9	9.0	11.4			6.2	8.8

Note: Differences of sums to total numbers may occur due to rounding

Consolidated Balance Sheet of IKB Group

ASSETS in € million	30 June 2022	30 June 2021
Cash reserve	125.4	366.7
Receivables from banks	3,263.4	2,911.1
Receivables from customers	8,769.5	9,136.2
Bonds and other fixed-income securities	2,400.0	3,207.0
Equities and other non-fixed-income securities	630.0	304.0
Equity investments	0.6	0.6
Investments in affiliated companies	1.9	1.5
Intangible assets	1.1	0.9
Tangible assets	2.5	3.6
Other assets	58.1	45.8
Prepaid expenses	42.1	55.6
Deferred tax assets	129.0	137.0
Excess of plan assets over post-employment benefit liability	7.0	5.6
Total assets	**15,430.6**	**16,175.6**

EQUITY AND LIABILITIES in € million	30 June 2022	30 June 2021
Liabilities to banks	8,567.8	8,714.8
Liabilities to customers	4,581.0	4,774.9
Securitised liabilities	53.7	186.3
Other liabilities	48.2	40.7
Deferred income	39.1	43.4
Provisions	172.7	165.3
Subordinated liabilities	757.7	764.7
Fund for general banking risks[1)]	240.0	585.0
Equity	970.3	900.4
Subscribed capital	100.0	100.0
Capital reserves	647.9	647.9
Revenue reserves	41.0	2.4
Net accumulated losses/gains	181.4	150.0
Non-controlling interests	0.0	0.2
Difference arising from asset offsetting	0.0	0.0
Total equity and liabilities	**15,430.6**	**16,175.6**

IKB Deutsche Industriebank

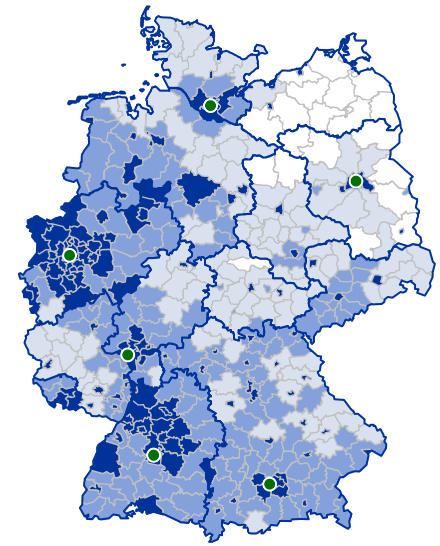
Note: Differences of sums to total numbers may occur due to rounding

1) Treated as CET 1 capital for regulatory purposes

Well Positioned in the German Mittelstand – Focused Business Model and Profitable Products

1. Client Focus	✓ Focus on high-end Mittelstand companies, i.e. internationally successful companies, 'backbone' of the German economy ✓ Clearly defined customers with annual turnover above €100 million ✓ Access to c. 2,900 focus clients of which 500 are customers ✓ Diversified client base across industries ✓ Investment demand driven by high level of innovation
2. Product Focus	✓ Strong commercial lending expertise ✓ Long-standing experience in public programme loans ✓ Among the top 10 on-lending banks for KfW Covid-19 special programmes
3. Low Risk	✓ Long-standing client relationships, profound market knowledge and deep insight in industry sectors ✓ Favourable risk profile: German MidCaps have relatively stable and conservative balance sheets with global diversification on the demand and supply side
4. Profitable	✓ Focus on profit ahead of growth ✓ Outstanding expertise in tailor-made solutions driving higher margins ✓ Lending business with strict price and risk discipline
5. Solid	✓ Solid capital position, diversified funding
6. Lean	✓ Strict cost control, further improvement of Cost income ratio

Revenue Potential German MidCaps



Very high | High | Average | Below average | IKB offices

Key Facts[1)]

- ✓ Financing partner for MidCaps for more than 90 years
- ✓ Based in Düsseldorf with 5 branches across Germany
- ✓ 546 FTE
- ✓ Total assets: €15.4 billion
- ✓ CET 1 ratio: 14.9% (fully phased)
- ✓ Shareholder: Lone Star 100%

1) As of 30 June 2022

Agile and Successful Niche Player in Lending Business

Strategy

- Tailor-made solutions for Mid-Cap clients allowing for higher margins, centered on two core segments: commercial lending and public programme loans
- Good credit assessment thanks to long-term relationships and stringent lending process
- Streamlined approval processes

Commercial Lending

- Profitable lending business with new and existing clients
- Solid track record in structuring, arranging and syndicating of corporate loans
- Focus on tailored financing solutions which generate more attractive margins
- Structuring expertise allows to generate further fee income
- Strict credit pricing policy to maintain margins across new business
- Profound market and industry expertise
- Coverage based on close strategic dialogue with client companies' management teams
- Lean internal processes and fast decision-making provide a competitive advantage through speed of execution

Commercial Lending Segment	2022 (6M)
Total loan book	€4,123 million (45%)
Total net banking income	€48 million
Consolidated net result	€19 million
RoE[1)]	9.0%

Public Programme Loans

- Market leader for the larger Mittelstand and close relationships with KfW and other promotional banks
- Complex product from eligibility standpoint
- Mid-cap clients provided with targeted support through its extensive expertise in KfW programmes
- Specialist for high volume transactions
- USP advisory: each corporate advisor has extensive know-how in public programme loans
- Stable margins without funding and liquidity risk as well as maturity match
- Among the top 10 on-lending banks for KfW Covid-19 special programmes
- Climate protection programme 2030: Leading market position

Public Programme Loans Segment	2022 (6M)
Total loan book	€5,035 million (55%)
Total net banking income	€44 million
Consolidated net result	€26 million
RoE[1)]	15.3%

1) Calculated on a normalized CET 1 ratio of 12% and based on average risk-weighted assets, adjusted for consistent IRBA application

Investment Grade Ratings Underpin IKB’s Improved Profitability

Bank Ratings		Moody's	Fitch
Counterparty Risk Rating	Long-term	A3	NR
	Short-term	P-2	NR
Issuer Credit Rating	Long-term	Baa1 (outlook: stable)	BBB (outlook: stable)
	Short-term	P-2	F3
Deposit Rating	Long-term	Baa1 (outlook: stable)	BBB (outlook: stable)
	Short-term	P-2	F3
Stand-alone Rating		baa3	bbb

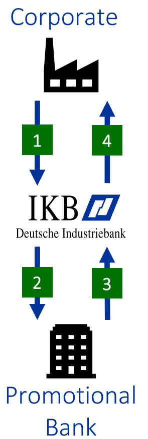
- ✓ IKB has been assigned investment grade ratings from rating agencies Moody’s and Fitch
- ✓ These ratings satisfy the requirements of many business partners and institutional investors
- ✓ Moody’s highlighted in particular IKB’s solid capital position in addition to its good asset quality, as well as its strong market position with German mid-cap clients
- ✓ According to Fitch, IKB’s clear business model, which focuses on public programme loans and commercial loans to the German upper mid-cap segment supports its credit strength. Other positive factors are its sound capital position and a strong refinancing and liquidity profile
- ✓ Both rating agencies have emphasised the bank’s recent positive revenue and cost development and the resulting improved profitability

How the Public Programme Loan Business works

Overview

- ✓ Multiple promotional banks such as KfW, the 16 German regional state-owned promotional banks or European promotional banks offer funding at favourable conditions for investments eligible to public programme loan schemes, transmitting their lower funding costs to borrowers
  - KfW is the most significant provider of PPL funding and MidCaps represent a key public policy area for the German government
- ✓ Typical uses of PPL funding include long-term investments or specialty funding, particularly in environmental sustainability and energy
- ✓ Such funding is attractive for borrowers as it allows them to lock in long term funding at favourable terms and conditions with no possibility that it can be withdrawn during the lifetime of the loan against the objection of the borrower
  - Borrowers need to make sure that investment is in adherence with the strict requirements of the programme loan schemes
- ✓ Promotional banks rely on commercial on-lending banks such as IKB for origination, application, risk taking and administration and provide matched funding
- ✓ IKB has a strong competitive advantage in PPL lending as a top 3 provider in Germany
  - In-depth knowledge of all available programs, thorough understanding of the application processes, established relationships with the promotional banks, dedicated structuring teams and fast and reliable processes are key competitive advantages for IKB

Application and Funding



1. Client Credit Application	✓ IKB advises the client on how to make the project eligible for public promotion and the client submits the credit application ("Kreditantrag") to IKB
2. Transfer to the Promo-tional Bank	✓ IKB forwards a request for refinancing ("Refinanzierungsantrag") to the promotional bank
3. Refinancing Commitment	✓ The promotional bank reviews the request for refinancing and gives approval after possible inquiries have been answered
4. Loan Agreement	✓ On the basis of the approval, IKB signs a loan agreement with its client reflecting terms and conditions of the promotional bank

- ✓ No liquidity risk as payments are not pre-funded at both ends
- ✓ No funding risk as all PPL loans are back-to-back match funded

Credit Risk

Ordinary Programmes	✓ In general, PPL credit risk does not differ from commercial loans as PPL does not include risk mitigation and on-lending banks bear the full credit risk ✓ However, some promotional programmes offer optional risk mitigation or partial subordination of up to 50% – IKB rarely uses this option as the application process is quite complicated and the on-lending margin is significantly reduced
KfW Special Programmes	✓ In addition to its ordinary programmes, KfW regularly sets up special programmes to provide additional liquidity to German corporates ✓ These programs are based on specific terms & conditions and varying degrees of risk mitigation ✓ Recent/current special programmes include: – COVID-19 special programme – Ukraine/Belorussia/Russia special programme – Climate change / energy transition special programmes – Building insulation special programmes

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