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FitchRatings

RATING ACTION COMMENTARY

Fitch Affirms Investitionsbank des Landes Brandenburg at 'AAA'; Outlook Stable

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Fitch Ratings - Frankfurt am Main - 07 Aug 2026: Fitch Ratings has affirmed Investitionsbank des Landes Brandenburg's (ILB) Long-Term Issuer Default Rating (IDR) at 'AAA', and its Shareholder Support Rating (SSR) at 'aaa'. The Outlook on the Long-Term IDR is Stable. A full list of rating actions is below.

KEY RATING DRIVERS

Owner Support Drives Ratings: ILB's ratings reflect the highest probability of shareholder support from the bank's guarantor and 50% shareholder, the federal state of Brandenburg. Brandenburg explicitly, directly, irrevocably and unconditionally guarantees the bank's funding and provides a statutory guarantor's liability (Gewaehrtraegerhaftung) and a maintenance obligation (Anstaltslast) that ensures ILB's continuation as an economic entity. The Stable Outlook on ILB's Long-Term IDR mirrors that on Germany's rating.

Ratings Aligned with Germany's: ILB's ratings are indirectly linked to the German sovereign ratings (AAA/Stable/F1+). This is because the creditworthiness of the German Laender (federal states), including Brandenburg, is linked to Germany's IDRs due to a strong mutual support system among Laender, an extensive financial equalisation mechanism, and the solidarity principle.

Dual Ownership: ILB is jointly owned by Brandenburg and NRW.BANK, North Rhine Westphalia's regional development bank. However, Fitch derives ILB's ratings based on support from Brandenburg only. NRW.BANK has no operational links with ILB, and its statutory support obligation is capped at twice its share of ILB's paid-in equity. This means Brandenburg, as the dominant risk bearer, ultimately holds the liability.

Brandenburg's government announced in July 2026 that it intends to buy NRW.BANK's 50% stake in ILB so that the state becomes the bank's sole owner. The final approval

depends on the Brandenburg parliament but would further facilitate extraordinary support from Brandenburg.

Regional Development Bank: ILB is a public-law institution with a mandate to support Brandenburg's economic, social and environmental development through promotional funding, grants and guarantees. ILB's broad scope of activities includes providing financing for business, employment, infrastructure and housing construction. The bank also acts as a trustee for Brandenburg's housing assets, and engages in various other tasks, including consultancy services. ILB undertakes special tasks for Brandenburg, such as acting as an agent for the state's venture capital financing and participating in projects initiated by other European development institutions.

Support Compliant with EU Rules: Similar to its peers', ILB's business model is compliant with EU state-aid rules by engaging exclusively in non-competitive activities. A state guarantee framework agreed in 2002 between Germany and the European Commission allows German public-sector development banks to receive state support.

Legal Insolvency Protection: ILB can only be dissolved by law, benefits from insolvency protection and is exempt from various provisions of the Capital Requirements Regulation and the Capital Requirements Directive, in line with its peers. It is exempt from the minimum requirements for own funds and eligible liabilities, the Single Resolution Mechanism, the Recovery and Resolution Act, and the Restructuring Fund Act. However, it is subject to the German Banking Act and supervision by the Federal Financial Supervisory Authority and the German central bank.

Funding Access Benefits from Guarantee: The funding guarantee means banks and insurance companies investing in ILB's debt benefit from 0% regulatory risk weighting, level one treatment (classification of high-quality liquid assets) for their liquidity coverage ratios, and preferential treatment under Solvency II. This provides the bank with reliable access to debt markets.

No Viability Rating Assigned: As with other German development banks, Fitch does not assign a Viability Rating to ILB as the bank's operations are largely determined by its policy role as a development bank.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

ILB's ratings would be directly affected by a weakening of Brandenburg's ability to provide support, as assessed by Fitch, or by a downgrade of Germany's IDRs. The bank's ratings are also sensitive to adverse changes in Fitch's assessment of Brandenburg's

propensity to support the bank. This could result from a weakening of the terms of the guarantee.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

ILB's ratings are at the highest level on Fitch's rating scale and therefore cannot be upgraded.

OTHER DEBT AND ISSUER RATINGS: KEY RATING DRIVERS

ILB's long-term senior unsecured debt rating is aligned with the bank's Long-Term IDR.

OTHER DEBT AND ISSUER RATINGS: RATING SENSITIVITIES

The long-term senior unsecured debt rating is sensitive to changes to ILB's Long-Term IDR.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

ILB's ratings are linked to Fitch's assessment of Brandenburg's creditworthiness and, by extension, to Germany's ratings.

ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

RATING ACTIONS

ENTITY / DEBT	RATING TYPE	RATING	RATING ACTION	PRIOR

Investitionsbank des Landes Brandenburg	LT IDR	AAA Rating Outlook Stable	Affirmed	AAA Rating Outlook Stable
	ST IDR	F1+	Affirmed	F1+
	Shareholder Support	aaa	Affirmed	aaa
senior unsecured	LT	AAA	Affirmed	AAA

VIEW ADDITIONAL RATING DETAILS

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APPLICABLE CRITERIA

Bank Rating Criteria (pub. 08 May 2026) (including rating assumption sensitivity)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

Investitionsbank des Landes Brandenburg	EU Issued, UK Endorsed

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