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FitchRatings

RATING ACTION COMMENTARY

Fitch Affirms German Development Banks' Joint Agency Social Bond at 'AAA'

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Fitch Ratings - Frankfurt am Main - 07 Aug 2026: Fitch Ratings has affirmed Joint Agency Social Bond's EUR500 million bonds' (DE000A30VPZ3) long-term rating at 'AAA'. The bonds were issued in September 2022 by three German regional development banks: Hamburgische Investitions- und Foerderbank, Investitions- und Strukturbank Rheinland-Pfalz, and Investitionsbank des Landes Brandenburg.

KEY RATING DRIVERS

The bonds' 'AAA' rating is equalised with the rating of each of the three development banks' senior unsecured debt issuance because direct, explicit, unlimited and unconditional guarantees from the respective federal states to the development banks cover the latter's liabilities, including their respective shares in the Joint Agency Social Bond. Creditors can present claims against the banks directly to the relevant federal state based on these guarantees.

The 'AAA' senior unsecured debt ratings of the development banks are equalised with their respective Issuer Default Ratings (IDRs). These IDRs are aligned with those of their respective owners and guarantors, the German Federal State of Hamburg and Rhineland Palatinate, and with the creditworthiness of the federal State of Brandenburg, based on their strong ability and propensity to support the banks.

The creditworthiness of the owners is underpinned by the strength of the German solidarity system, which links the states' creditworthiness to that of the Federal Republic of Germany (AAA/Stable).

Each development bank is liable for its individual share in the issue, the proceeds of which are divided between the participating banks as follows:

Hamburgische Investitions- und Foerderbank: EUR175 million

Investitions- und Strukturbank Rheinland-Pfalz: EUR175 million

Investitionsbank des Landes Brandenburg: EUR150 million

RATING SENSITIVITIES

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

A downgrade of the bond would be triggered by a similar action on the federal states' ratings or creditworthiness leading to a downgrade of the participating banks' ratings. Collectively, this would most likely be driven by a downgrade of Germany, indicating a weakening ability of the federal states to provide support to their respective development banks.

An adverse change or a divergence in development banks' support schemes - likely to be triggered by changes to the respective development banks' laws - making their credit risk profiles less correlated, would result in a review of the bond's rating.

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

The bonds' rating is at the highest level on Fitch's rating scale and cannot be upgraded.

Criteria Variation

Fitch has determined that a criteria variation is applicable, because its Bank Rating Criteria do not explicitly capture bonds issued by multiple issuers, which is a characteristic of these bonds. However, Fitch believes that the transaction's specific risk to investors of being a separate liability of each issuer according to its share in the transaction is adequately mitigated by the credit risks of these banks being highly correlated and supported by their identical ratings, given the uniform statutory support framework of their owners.

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

The bond's rating is linked to the ratings of the participating development banks, which are linked to those of Federal State of Hamburg and Rhineland Palatinate and the creditworthiness of Brandenburg.

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
Joint Agency Social Bond				
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

Joint Agency Social Bond	EU Issued, UK Endorsed

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