

**RATING ACTION COMMENTARY**

# Fitch Rates Investitionsbank des Landes Brandenburg 'AAA'; Outlook Stable

Tue 29 Jun, 2021 - 11:33 ET

Fitch Ratings - Frankfurt am Main - 29 Jun 2021: Fitch Ratings has assigned Investitionsbank des Landes Brandenburg (ILB) a Long-Term Issuer Default Rating (IDR) of 'AAA' and Support Rating (SR) of '1'. The Outlook on the Long-Term IDR is Stable.

A full list of rating actions is below.

**KEY RATING DRIVERS****IDRS, SR and SENIOR UNSECURED DEBT**

The IDRs and SR of ILB are driven by extremely likely support from its guarantor, the Land of Brandenburg. Brandenburg's creditworthiness is underpinned by the strength of the German solidarity system, which links its creditworthiness to that of the Federal Republic of Germany (AAA/Stable). The Stable Outlook on ILB mirrors that on Germany

Wir setzen Cookies ein, um unsere Onlinedienste bereitzustellen und Informationen zu ihrer Verwendung einzuholen. Außerdem nutzen wir sie für Werbezwecke. Weitere Informationen zu den von uns verwendeten Cookies sowie eine Anleitung zur Deaktivierung derselben finden Sie in unserer [Cookierichtlinie]. Indem Sie auf "Akzeptieren" klicken, stimmen Sie unserer Cookieverwendung zu.



AKZEPTIEREN

Brandenburg as **NRW.BANK** is statutorily obliged to provide support only up to twice its paid-in equity and does not engage in ILB's operational activities.

ILB is covered by a maintenance obligation (Anstaltslast), which ensures its economic viability; a statutory guarantor's liability (Gewährtraegerhaftung); and an explicit and direct refinancing guarantee obligation, all from Brandenburg. ILB is also insolvency-remote and can only be dissolved by law.

ILB's mandate is to support public and private investment projects in Brandenburg in the area of business, employment, infrastructure and housing construction. It promotes sustainable economic development in the region as outlined in the Law Concerning ILB (ILB Law) and its statutes. The bank's business management duties involve a wide range of other tasks including consultancy services. Additionally, the bank manages housing mortgages in the form of subsidised loans of Brandenburg in trust, meaning that the credit risk is borne by Brandenburg. ILB also takes on special tasks if requested by Brandenburg, and participates in projects initiated by other European development institutions.

Similar to other German development banks, Fitch does not assign a Viability Rating to ILB as its operations are largely determined by its policy role as a development bank.

ILB's senior unsecured debt ratings are aligned with the bank's IDRs. The differentiation between senior preferred and senior non-preferred does not apply to ILB, because the bank cannot be subject to insolvency proceedings or bail-in measures.

## **RATING SENSITIVITIES**

Factors that could, individually or collectively, lead to positive rating action/upgrade:

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

Factors that could, individually or collectively, lead to negative rating action/downgrade:

Wir setzen Cookies ein, um unsere Onlinedienste bereitzustellen und Informationen zu ihrer Verwendung einzuholen. Außerdem nutzen wir sie für Werbezwecke. Weitere Informationen zu den von uns verwendeten Cookies sowie eine Anleitung zur Deaktivierung derselben finden Sie in unserer [Cookierichtlinie]. Indem Sie auf "Akzeptieren" klicken, stimmen Sie unserer Cookieverwendung zu.



AKZEPTIEREN

The bank's support structure was approved by the European Union in 2002 and under competition law the bank may only engage in non-competitive activity. This also makes significant changes to the bank's business model unlikely in the medium term.

## **BEST/WORST CASE RATING SCENARIO**

International scale credit ratings of Financial Institutions and Covered Bond issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of four notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit <https://www.fitchratings.com/site/re/10111579>

## **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 aligned with our view on the creditworthiness of Brandenburg.

## **ESG CONSIDERATIONS**

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit-neutral or have only a minimal credit

Wir setzen Cookies ein, um unsere Onlinedienste bereitzustellen und Informationen zu ihrer Verwendung einzuholen. Außerdem nutzen wir sie für Werbezwecke. Weitere Informationen zu den von uns verwendeten Cookies sowie eine Anleitung zur Deaktivierung derselben finden Sie in unserer [Cookierichtlinie]. Indem Sie auf "Akzeptieren" klicken, stimmen Sie unserer Cookieverwendung zu. ✕

AKZEPTIEREN

ENTITY/DEBT	RATING		
Investitionsbank des Landes Brandenburg	LT IDR	AAA Rating Outlook Stable	New Rating
	ST IDR	F1+	New Rating
	Support	1	New Rating
● senior unsecured	LT	AAA	New Rating

[VIEW ADDITIONAL RATING DETAILS](#)

## FITCH RATINGS ANALYSTS

### Roger Schneider

Director

Primary Rating Analyst

+49 69 768076 242

roger.schneider@fitchratings.com

Fitch Ratings – a branch of Fitch Ratings Ireland Limited

Neue Mainzer Strasse 46 - 50 Frankfurt am Main D-60311

### Patrick Rioual

Senior Director

Secondary Rating Analyst

+49 69 768076 123

patrick.rioual@fitchratings.com

### Konstantin Yakimovich

Senior Director

Committee Chairperson

+44 20 3530 1789

Wir setzen Cookies ein, um unsere Onlinedienste bereitzustellen und Informationen zu ihrer Verwendung einzuholen. Außerdem nutzen wir sie für Werbezwecke. Weitere Informationen zu den von uns verwendeten Cookies sowie eine Anleitung zur Deaktivierung derselben finden Sie in unserer [Cookierichtlinie]. Indem Sie auf "Akzeptieren" klicken, stimmen Sie unserer Cookieverwendung zu.



AKZEPTIEREN

Additional information is available on [www.fitchratings.com](http://www.fitchratings.com)

## APPLICABLE CRITERIA

[Bank Rating Criteria \(pub. 28 Feb 2020\) \(including rating assumption sensitivity\)](#)

## ADDITIONAL DISCLOSURES

[Dodd-Frank Rating Information Disclosure Form](#)

[Solicitation Status](#)

[Endorsement Policy](#)

## ENDORSEMENT STATUS

Investitionsbank des Landes Brandenburg

EU,UK Endorsed

## DISCLAIMER

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK:

[HTTPS://WWW.FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](https://www.fitchratings.com/understandingcreditratings). IN ADDITION, THE FOLLOWING [HTTPS://WWW.FITCHRATINGS.COM/RATING-DEFINITIONS-DOCUMENT](https://www.fitchratings.com/rating-definitions-document) DETAILS FITCH'S RATING DEFINITIONS FOR EACH RATING SCALE AND RATING CATEGORIES, INCLUDING DEFINITIONS RELATING TO DEFAULT. PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE. DIRECTORS AND SHAREHOLDERS RELEVANT INTERESTS ARE AVAILABLE AT [HTTPS://WWW.FITCHRATINGS.COM/SITE/REGULATORY](https://www.fitchratings.com/site/regulatory). FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR WHICH THE LEAD ANALYST IS BASED IN AN ESMA- OR FCA-REGISTERED FITCH RATINGS COMPANY

Wir setzen Cookies ein, um unsere Onlinedienste bereitzustellen und Informationen zu ihrer Verwendung einzuholen. Außerdem nutzen wir sie für Werbezwecke. Weitere Informationen zu den von uns verwendeten Cookies sowie eine Anleitung zur Deaktivierung derselben finden Sie in unserer [Cookierichtlinie]. Indem Sie auf "Akzeptieren" klicken, stimmen Sie unserer Cookieverwendung zu. ×

AKZEPTIEREN

Copyright © 2021 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its

Wir setzen Cookies ein, um unsere Onlinedienste bereitzustellen und Informationen zu ihrer Verwendung einzuholen. Außerdem nutzen wir sie für Werbezwecke. Weitere Informationen zu den von uns verwendeten Cookies sowie eine Anleitung zur Deaktivierung derselben finden Sie in unserer [Cookierichtlinie]. Indem Sie auf "Akzeptieren" klicken, stimmen Sie unserer Cookieverwendung zu. ✕

AKZEPTIEREN

security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001

Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel

Wir setzen Cookies ein, um unsere Onlinedienste bereitzustellen und Informationen zu ihrer Verwendung einzuholen. Außerdem nutzen wir sie für Werbezwecke. Weitere Informationen zu den von uns verwendeten Cookies sowie eine Anleitung zur Deaktivierung derselben finden Sie in unserer [Cookierichtlinie]. Indem Sie auf "Akzeptieren" klicken, stimmen Sie unserer Cookieverwendung zu. ×

AKZEPTIEREN

## ENDORSEMENT POLICY

Fitch's international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU CRA Regulation or the UK Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019, as the case may be.

Fitch's approach to endorsement in the EU and the UK can be found on Fitch's [Regulatory Affairs](#) page on Fitch's website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.

---

Banks Europe Germany

---

ga('set', '732-ckh-767', 'USER\_ID');

Wir setzen Cookies ein, um unsere Onlinedienste bereitzustellen und Informationen zu ihrer Verwendung einzuholen. Außerdem nutzen wir sie für Werbezwecke. Weitere Informationen zu den von uns verwendeten Cookies sowie eine Anleitung zur Deaktivierung derselben finden Sie in unserer [Cookierichtlinie]. Indem Sie auf "Akzeptieren" klicken, stimmen Sie unserer Cookieverwendung zu.



AKZEPTIEREN