

Hamburgische Investitions- und Foerderbank

Update

Key Rating Drivers

Owner Support Drives Ratings: Hamburgische Investitions- und Foerderbank's (IFB Hamburg) ratings reflect Fitch Ratings' view of the highest support probability from its sole owner, the State of Hamburg (AAA/Stable/F1+). The equalisation of IFB Hamburg's ratings with Hamburg is underpinned by the latter's explicit, irrevocable, unlimited, unconditional and first-demand statutory guarantee covering all of IFB Hamburg's liabilities, a maintenance obligation (Anstaltslast) that ensures its continuation as an economic entity, and a statutory guarantor's liability (Gewehrtraegerhaftung).

Unlike its peers, IFB Hamburg is additionally covered by a statutory loss-absorption obligation from its owner, which offsets any annual loss. The Stable Outlook on IFB Hamburg's Long-Term Issuer Default Rating (IDR) mirrors that on Hamburg, as the nature of support is unlikely to change due to the bank's role in Hamburg's economy.

Ratings Aligned with Germany's: As a fully state-owned bank of Hamburg, IFB Hamburg's ratings are indirectly linked to Germany's sovereign ratings (AAA/Stable/F1+). This is because the ratings of the German Laender (federal states), including Hamburg, are linked to those of Germany due to a strong mutual support system among Laender, an extensive financial equalisation mechanism and the principle of solidarity.

Important Policy Role: IFB Hamburg's primary mandate is to provide funding and grants to support Hamburg's economic, environmental, social and business development and foster innovation. The focus of its activities is on housing and urban development. IFB Hamburg primarily finances affordable multi-family housing projects across all income groups, including subsidised rental homes in cooperation with Hamburg.

Its economic promotional activities target entrepreneurs and small and medium-sized corporates in Hamburg. In addition, IFB Hamburg takes on special tasks on request by Hamburg and, to a lesser extent, participates in projects initiated by other European development institutions.

Support Compliant with EU Rules: Similar to its peers, IFB Hamburg's business model complies 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 development banks to receive state support.

Insolvency-Remote Public Institution: IFB Hamburg can only be dissolved by law and benefits from insolvency protection. It is exempt from the Capital Requirements Directive, Capital Requirements Regulation, the Single Resolution Mechanism, the Recovery and Resolution Act and the Restructuring Fund Act. However, it is subject to key banking regulations and banking supervision by the Federal Financial Supervisory Authority and the Bundesbank.

Guarantee Facilitates Market Funding: Banks and insurance companies investing in IFB Hamburg's debt benefit from 0% regulatory risk-weighting and level one treatment (classification of high-quality liquid assets) for their liquidity coverage ratios. This reflects Germany's guarantee and provides IFB Hamburg with reliable access to debt markets.

No Viability Rating: Fitch does not assign a Viability Rating to IFB Hamburg as its 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

IFB Hamburg's ratings are primarily sensitive to negative changes in Hamburg's ratings, which are linked to those of Germany.

A downgrade of Hamburg's or Germany's IDRs would trigger a downgrade of IFB Hamburg's IDRs. IFB Hamburg's ratings are also sensitive to adverse changes in our assumptions about Hamburg's propensity to support, such as a weakening of the terms of the guarantee, which we consider highly unlikely.

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

IFB Hamburg's ratings are at the highest level on Fitch's scale and cannot be upgraded.

Other Debt and Issuer Ratings

IFB Hamburg's senior unsecured debt rating is aligned with its Long-Term IDR.

Financials

Financial Statements

	31 Dec 22	31 Dec 23	31 Dec 24	31 Dec 25
	12 months	12 months	12 months	12 months
	(EURm)	(EURm)	(EURm)	(EURm)
Summary income statement				
Net interest and dividend income	58	67	93	95
Net fees and commissions	-1	-1	-1	-1
Other operating income	48	30	25	28
Total operating income	106	96	117	122
Operating costs	71	61	62	71
Pre-impairment operating profit	34	36	55	51
Loan and other impairment charges	13	16	17	25
Operating profit	22	19	37	26
Other non-operating items (net)	-21	-18	-34	-24
Tax	-	-	-	-
Net income	1	1	3	2
Summary balance sheet				
Assets				
Gross loans	5,412	5,504	5,535	5,547
– of which impaired	-	-	-	-
Loan loss allowances	-	-	-	7
Net loans	5,412	5,504	5,535	5,540
Interbank	644	574	659	531
Derivatives	-	-	-	-
Other securities and earning assets	610	713	743	724
Total earning assets	6,667	6,792	6,937	6,795
Cash and due from banks	0	3	1	1
Other assets	165	85	105	114
Total assets	6,832	6,880	7,042	6,910
Liabilities				
Customer deposits	477	398	408	465
Interbank and other short-term funding	3,313	2,892	2,593	2,449
Other long-term funding	1,930	2,439	2,714	2,517
Trading liabilities and derivatives	-	-	-	131
Total funding and derivatives	5,721	5,729	5,714	5,562
Other liabilities	291	330	504	454
Preference shares and hybrid capital	-	-	-	-
Total equity	820	821	824	894
Total liabilities and equity	6,832	6,880	7,042	6,910

Exchange rate	USD1= EUR0.9376	USD1= EUR0.9127	USD1= EUR0.9622	USD1= EUR0.8511
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Source: Fitch Ratings, Fitch Solutions, IFB Hamburg

Key Ratios

(%)	31 Dec 22	31 Dec 23	31 Dec 24	31 Dec 25
Profitability				
Operating profit/risk-weighted assets	0.7	0.6	1.1	0.9
Net interest income/average earning assets	0.9	1.0	1.4	1.4
Non-interest expense/gross revenue	67.6	63.0	53.3	57.9
Net income/average equity	0.1	0.1	0.4	0.2
Asset quality				
Impaired loans ratio	-	-	-	-
Growth in gross loans	1.0	1.7	0.6	0.2
Loan impairment charges/average gross loans	0.2	0.3	0.3	0.5
Capitalisation				
Common equity Tier 1 ratio	25.3	25.0	25.0	28.6
Tangible common equity/tangible assets	12.0	11.9	11.7	12.9
Funding and liquidity				
Gross loans/customer deposits	1,134.1	1,382.6	1,358.3	1,193.2
Liquidity coverage ratio	300.0	-	-	300.0
Customer deposits/total non-equity funding	8.3	7.0	7.1	8.6
Net stable funding ratio	121.5	126.2	124.4	123.8

Source: Fitch Ratings, Fitch Solutions, IFB Hamburg

Support Assessment

Shareholder Support

Shareholder IDR	AAA
Total Adjustments (notches)	0
Shareholder Support Rating	aaa

Shareholder ability to support

Shareholder Rating	AAA/Stable
Shareholder regulation	Equalised
Relative size	Equalised
Country risks	Equalised

Shareholder propensity to support

Role in group	Equalised
Reputational risk	Equalised
Integration	Equalised
Support record	Equalised
Subsidiary performance and prospects	Equalised
Legal commitments	Equalised

The colours indicate the weighting of each KRD in the assessment.
Influence: Light blue = lower; Dark blue = moderate; Red = Higher

The strong statutory support mechanisms and IFB Hamburg's important strategic role for Hamburg's economy have a high influence on the bank's Shareholder Support Rating, and drive the alignment of its IDRs with those of Hamburg.

Ratings

Foreign Currency

Long-Term IDR	AAA
Short-Term IDR	F1+

Shareholder Support Rating	aaa
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Sovereign Risk (Germany)

Long-Term Foreign-Currency IDR	AAA
Long-Term Local-Currency IDR	AAA
Country Ceiling	AAA

Outlooks

Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Applicable Criteria

Bank Rating Criteria (May 2026)

Related Research

German Development Banks - Peer Credit Analysis (November 2025)

Fitch Affirms Hamburgische Investitions- und Foerderbank at 'AAA'; Outlook Stable (August 2025)

Fitch Affirms German Development Banks' Joint Agency Social Bond at 'AAA' (August 2025)

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