Wirtschafts- und Infrastrukturbank Hessen

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This report does not constitute a rating action.

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Credit Highlights

Overview

Key strengths	Key risks
Almost certain likelihood of timely and sufficient extraordinary support from the State of Hesse in the event of financial distress.	Complex structure as an institution-within-an-institution, relying on Landesbank Hessen-Thueringen's banking license and various support services.
Critical public policy role for and integral link with the regional administration due to the bank's role in implementing government economic policies.	Almost no own or separate tangible capital, with the Helaba umbrella fulfilling all capital requirements.
Two-fold guarantee mechanism covering liabilities.	

S&P Global Ratings expects Wirtschafts- und Infrastrukturbank Hessen (WIBank) to maintain its essential position as the sole development bank for the state of Hesse. We foresee no changes to the state's guarantee of the bank's liabilities.

As lending programs evolve, we expect new business volumes to normalize around €3 billion. WIBank remains the state's preferred partner for driving economic and infrastructure-led transformation.

The bank's funding will likely remain diversified across three main channels: refinancing from public-sector banks, domestic private placements, and occasional benchmark bond issuances in the public capital markets.

Outlook

The stable outlook on WIBank reflects that on Hesse. We think the bank's status as the region's key tool in implementing economic and social development policies, and its explicit guarantee, will not change over the next few years.

Downside scenario

Any negative rating action on Hesse would trigger a similar one on WIBank. In addition, a material weakening of the bank's key policy role for or link to the state could also constrain the rating. For example, changes to WIBank's guarantee or ownership structure, or a significant portion of promotional lending being channeled through other institutions, could prompt a negative rating action.

Upside scenario

We could raise the ratings on WIBank if we took a similar rating action on Hesse and the likelihood of support from the government does not chang.

Rationale

We equalize our ratings on WIBank with those on Hesse. We regard WIBank as a government-related entity that benefits from an almost certain likelihood of timely and sufficient government support if needed. We base this assessment on the bank's:

- Critical role for the government as Hesse's only development bank, which carries out key government-mandated policies in support of housing, infrastructure, agriculture, education, urban, and business development, as well as social and environmental projects in Hesse. WIBank is also involved in managing economic support funds for eligible businesses. We expect the bank to retain its flagship role as the sole regional development bank in Hesse, remaining essential to the state's economic and social development initiatives; and
- Integral link to the government of Hesse, as demonstrated by WIBank's special public status defined by an act of the state parliament, the state's explicit and comprehensive guarantee framework for an institution's debt liabilities, the government's strategy for the bank's lending programs, and the reserved majority for state representatives on the bank's supervisory board. WIBank is legally fully embedded into Landesbank Hessen-Thüringen (Helaba), which is 30% owned by the state. The bank benefits from Helaba's banking license, IT systems, and (regulatory) reporting structure, but retains operational independence and produces a separate set of accounts. The state's minister of economy and minister of finance, and another two representatives appointed by the state government, sit on the bank's board and cannot be outvoted. The bank can only be dissolved by an act of the state parliament.

Under the “institution-within-an-institution”-structure, WIBank is legally a part of Helaba, in which Hesse has a 30% share. However, specific laws determine profit/loss-sharing, state supervision, and tasks of WIBank, ensuring that its activities are fully controlled by the state and its assets are only employed to pursue Hesse's promotional activities. As a public law institution, WIBank cannot be privatized in its current form.

The guarantee structure for WIBank demonstrates the integral link between the bank and Hesse. The guarantee framework is twofold, comprising the statutory guarantee of Hesse (Gewährträgerhaftung), which we understand is not timely, and the state's explicit guarantees on liabilities for loans incurred and bonds issued. The guarantee mechanism fully complies with the relevant agreement from 2002 between Germany and the EU on guarantees for promotional banks (Agreement II).

We view WIBank as a vital instrument of public policy, serving as Hesse's exclusive development bank and leading agency for economic promotion. Unlike commercial banks, WIBank’s model is centered entirely on implementing government initiatives and promotional mandates, which we consider to be uniquely suited to a state-backed entity rather than a private one. This specialized role is evidenced by the bank's involvement since 2018 in refinancing a voluntary program to

absorb legacy short-term municipal debt via a Hessian fund. Furthermore, the bank has consistently supported the small and midsize business sector in navigating recent economic headwinds. We expect no changes to WIBank's ownership or guarantee structure, as we do not view government support as subject to transition risk. Since the ratings on the bank are linked to those on the state, we do not assess its stand-alone credit profile (SACP).

In 2025, WIBank underwrote €4.1 billion in new business, following €3.9 billion in 2024. These volumes reflect the bank's consistent ability to manage both acute economic shifts and long-term structural mandates. While WIBank has a proven track record of rapid response--such as its 2022 mandate to support SMEs during the energy crisis--it simultaneously maintains its core role in driving long-term economic transformation.

This dual capacity is currently evidenced by the high demand for the €1 billion HessenFonds and the €1 billion 'Energiefond' aimed at energy transition. Alongside these programs, the bank continues to support essential infrastructure, including the healthcare sector, though such investments remain closely tied to available state and federal subsidies. We expect new business volumes to normalize around €3 billion annually. This represents a structural increase over the pre-pandemic level of €2 billion, reflecting the bank's expanded scale within its permanent mandate. To support this activity, WIBank continues to utilize its established funding model, balancing direct refinancing from public-sector institutions with an active presence in the capital markets via benchmark bond issuances.

We expect WIBank's promotional business to remain a stable pillar of its operations. Total assets grew by €1.7 billion to €31.7 billion in 2025, while profits increased very slightly to €26.7 million from €26.5 million. The bank distributed the bulk of its profits to Helaba and retained the remainder on its balance sheet. All profits, whether retained at Helaba or at WIBank, are earmarked for promotional purposes.

WIBank displays a solid funding base, with the following main sources: about €18.6 billion (59% of total liabilities) of borrowings from banks (such as KfW, "umbrella" Helaba, and the European Investment Bank); and privately placed promissory notes (Schuldschein) and bonds (Namensschuldverschreibung). The bank last issued a five-year €500 million bond in July 2026 after an initial 10-year €500 million bond in January 2026. WIBank will continue to administer €1.9 billion of public funds originally injected into Helaba in 2005, which fund eligible projects.

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017

Related Research

- Economic Outlook Europe Q4 2026: Resilient Demand Meets Persistent Pressure, Sept. 23, 2026
- Banking Industry Country Risk Assessment: Germany, Sept. 1, 2026

- German State Of Hesse 'AA+/A-1+' Ratings Affirmed; Outlook Stable, April 10, 2026

Ratings Detail (as of October 29, 2026)*	
Wirtschafts- Und Infrastrukturbank Hessen (WIBank)	
Issuer Credit Rating	AA+/Stable/A-1+
Senior Unsecured	AA+
Issuer Credit Ratings History	
27-Oct-2021	AA+/Stable/A-1+
28-Oct-2020	AA+/Negative/A-1+
06-Mar-2018	AA+/Stable/A-1+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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