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Ratings

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Deutsche Pfandbriefbank AG

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Deutsche Pfandbriefbank AG

SACP	bbb	
Anchor	a-	
Business Position	Weak	-2
Capital and Earnings	Strong	+1
Risk Position	Moderate	-1
Funding	Average	0
Liquidity	Adequate	

\+

Support	+2
ALAC Support	+2
GRE Support	0
Group Support	0
Sovereign Support	0

\+

Additional Factors	0

Issuer Credit Rating

A-/Negative/A-2

Major Rating Factors

Strengths:	Weaknesses:
• Tangible progress in restoring business viability by maintaining an efficient operating cost base and improvement of overall earnings. • Strong risk-adjusted capital (RAC) and substantial levels of additional loss-absorbing capital to protect senior creditors in the event of a resolution.	• Risk from concentration in commercial real estate (CRE) markets and public investment finance. • Through-the-cycle track record of performance and risk indicators to be established to maintain investor confidence and comfortable access to capital markets for a time after the German government exits its minority stake.

Outlook : Negative

S&P Global Ratings' outlook on Germany-based global financial institution, Deutsche Pfandbriefbank AG (PBB) is negative, indicating that we might lower the ratings within the next two years if the bank does not sustain strong capitalization, robust asset quality, and risk-adjusted earnings.

Downside scenario

We could revise our assessment of PBB's' bbb' stand-alone credit profile (SACP) downward, and lower our issuer credit rating (ICR), if our RAC ratio forecast for PBB does not exceed 10%, particularly if PBB were to pursue more aggressive credit expansion in regions with higher economic risk than Germany. We consider robust asset quality particularly important for PBB to avoid additional pressure on its earnings, which are lower than those of other banks we rate 'A-'. This action would lead us to downgrade the 'A-' senior preferred, the 'BBB-' senior subordinated, and the capital instruments.

Upside scenario

We could revise the outlook to stable if PBB's earnings and capital position increase to those of similarly rated international peers. In particular, this would hinge on PBB maintaining a very substantial ALAC buffer in the coming years, underpinning the two-notch uplift in our long-term rating.

Rationale

Our ratings on PBB reflect our assessment of its 'a-' anchor, which represents our view on the economic environment in countries where the bank operates and banking industry risk in Germany.

We assess PBB's SACP at 'bbb'. We consider PBB's business position to be weak, reflecting PBB's concentrated business model as one of the largest domestic CRE lenders. We assess the bank's capital and earnings as strong because we expect that our projected RAC ratio for PBB will gradually improve to sustainable levels of about 11.5% over the next two years, after an estimated 10.1% at year-end 2017.

Our assessment of PBB's risk position remains moderate, reflecting intrinsically high concentration risk in a cyclical sector. We also anticipate funding will remain average and liquidity adequate. The support PBB has received in the past from the German government is reflected in our assessment of its SACP. We do not incorporate potential extraordinary future government support into the ratings on PBB. We believe that the prospect of extraordinary government support for the German banking sector is uncertain following the full implementation of the EU Bank Recovery and Resolution Directive, including bail-in powers, in January 2015.

We apply a two-notch uplift to our long-term rating on PBB, because we estimate the ratio of the bank's additional loss-absorbing capacity (ALAC) to S&P Global Ratings' risk-weighted assets (RWA) at about 35% (including senior subordinated instruments) at end-2017, and we expect it will remain far above the 8% threshold for a two-notch uplift. Specifically, we forecast that the bank will maintain this ALAC buffer well above 15% over the next two years. Its

ALAC buffers materially enlarged after taking account of standard term debt reclassified as senior subordinated instruments under the new, retroactive German law that was introduced in January 2017 (see "German Deutsche Pfandbriefbank Upgraded To 'A-' On Higher ALAC Buffer; Outlook Neg; Sr Sub Debt Cut To 'BBB-'" published March 28, 2017, on RatingsDirect).

Anchor: 'a-', reflecting economic risk for the international operations, and German banking industry risk

We use our Banking Industry Country Risk Assessment's economic risk and industry risk scores to determine a bank's anchor, the starting point in assigning an issuer credit rating. Our anchor for a commercial bank operating mainly in Germany is 'a-', based on an economic risk score of '1' and an industry risk score of '3'. We view the economic risk trend and the industry risk trend in the German banking industry as stable.

Because PBB conducts about 50% of its lending business in countries with weaker economic risk scores than Germany, its weighted economic risk at '2' is weaker than that of lending institutions with higher proportions of domestic loans, but not to the extent that it affects the 'a-' anchor. However, if the bank undertakes proportionally higher expansion in countries with higher economic risks, the shifting mix of exposure could increase the weighted economic risk score to '3' and lead to a deterioration of the bank's anchor. Also, an increase in economic risk in Germany--which is less likely given its stable trend--could trigger deterioration of the anchor. In our base case, we expect that the bank will maintain its current economic and industry risk profile at least in the next two years.

Our economic risk assessment reflects Germany's highly diversified and competitive economy, and we continue to expect that the country's robust export-led economy will remain vigorous amid a broader European recovery over our forecast horizon through 2020. We believe that the impact of the U.K.'s referendum decision to leave the EU (Brexit) is manageable and will weigh only slightly on the German economy. We believe that a nationwide credit-driven housing bubble is less likely in light of limited credit growth and historically favorable affordability ratios, which suggest a house price undervaluation in Germany until the end of our forecast horizon. We project that the risk of elevated increases in house price inflation will soften to below 2% in 2019 and 2020, on par with expected GDP growth. This is after forecast levels of about 4.6% between 2017 and 2018 in the context of recent years' favorable economic conditions amid robust economic fundamentals, strong national and international demand, a tight housing supply in Germany's economic centers, a buoyant labor market, high net immigration, and low interest rates.

We continue to regard industry risk for German banks as an intermediate risk, in line with many European countries' banking industries. German banks benefit from Germany's extensive funding market and banks' domestic funding surpluses, as well as from material improvements that have been made to strengthen banking regulation and supervision owing to the ongoing EU-wide regulatory harmonization and convergence under Basel III. Returns in the German banking industry have compared well with those of many European banking industries in recent years, thanks to ongoing historically low credit losses in Germany. However, we believe that the low interest rate environment and high competition drag on profitability, which is partly compensated by the German banking industry's progress in counterbalancing measures to improve its lower cost efficiency and fee generation.

We classify the likelihood of the German government providing extraordinary support to systemic domestic banks as uncertain, as is the case for most other European banks. This is because, following the full implementation of the EU's enhanced bank resolution framework in 2015, governments that wish to provide support to stressed banks, such as Germany's, are constrained from bailing them out directly.

Table 1

Deutsche Pfandbriefbank AG Key Figures					
	--Year-ended Dec. 31--				
(Mil. €)	**2017**	**2016**	**2015**	**2014**	**2013**
Adjusted assets	57,958.0	62,605.0	66,740.0	75,495.0	73,893.0
Customer loans (gross)	40,980.0	41,926.0	42,176.0	40,100.0	38,271.0
Adjusted common equity	2,646.1	2,545.8	2,479.2	2,218.0	2,071.0
Operating revenues	462.0	462.0	506.0	399.0	627.0
Noninterest expenses	274.0	267.0	305.0	313.0	444.0
Core earnings	163.2	123.5	241.0	15.0	166.4

Business position: Concentrated CRE business model

We consider PBB's business profile to be weak, given the bank's concentration in cyclical wholesale business and that it is more vulnerable than the German industry risk score of '3' indicates. PBB is one of the largest CRE lenders and largest covered bond issuers in Germany. Its second business line is public investment finance.

PBB primarily operates in two business segments: CRE finance (54% of total exposures at year-end 2017) for financing real estate transactions in office, retail, residential and logistics properties; and public investment finance (15%) for financing public-sector investment, predominantly in infrastructure projects. Due to its run-off mode, the portion of PBB's exposures in nonstrategic portfolios is decreasing, having reached 30% of total exposures at end-2017 from 33% a year earlier and 49% at end-2013. These were mainly the budget financing, which the bank does not pursue under its updated strategy.

We consider PBB's narrow mix of business lines and revenues, compared with those of most peers, to be a key weakness. We compare PBB with peer banks operating in Germany and other countries with similar industry risk, like France, Netherlands, the U.K., and the Nordic nations. For the comparison of business position, we look at banks with diverse business models. Most peers show a better diversified business mix and a material share of retail, which we generally see as a superior base for revenue stability.

PBB's portfolio is internationally diversified, but largely opportunistic, and not clearly linked to a particular client franchise or competitive advantage. We anticipate that management will continue to focus new business on assets in selected European markets that are eligible to back covered bond issuance. PBB does not focus on retail business apart from initiatives to collect retail funding since 2013, which is likely to remain negligible for our assessment of the overall business profile.

PBB was previously 100% owned by the German government through Germany-based Hypo Real Estate Holding AG (HRE) and received support from the German government between 2008 and 2010. As per conditions set by the European Commission, PBB was reprivatized on July 16, 2015, via an IPO. Until at least mid-2017, Germany was required to maintain an indirect shareholding of at least 20% via the German Financial Markets Stabilization Fund (Finanzmarktstabilisierungsfonds) and HRE.

Table 2

Deutsche Pfandbriefbank AG Business Position					
	--Year-ended Dec. 31--				
(%)	**2017**	**2016**	**2015**	**2014**	**2013**
Total revenues from business line (mil. €)	495.0	595.0	510.0	403.0	638.0
Return on equity	6.4	7.1	8.8	0.2	7.0

Capital and earnings: Strong capital buffer and improving earnings

We view PBB's capital and earnings as strong, given our projected RAC ratio for PBB of about 11.5% in 2020 based on profit generation, hybrid issuance, and the effects of International Financial Reporting Standards, after 10.1% at year-end 2017. Our forecasts incorporate our expectation that the bank's internal capital generation continues to benefit from currently low risk costs, maintaining operational cost efficiency and gradual improvement of lending margins, reflecting the contractual maturities of low interest legacy loans and better margins on new business. Moreover, we project our RWA will show a proportionally and gradually declining trend considering the wind-down of the nonstrategic portfolio compensating for the new businesses in the real estate and public investment finance businesses.

We anticipate PBB's announced changed dividend pay-out ratio of 50% plus 25% extra dividend between 2017-2019, reflecting strong 2017 financial results, a less ambitious growth strategy to preserve margins, and in light of currently a very comfortable 17.6% regulatory Tier-1 capital ratio and a 4.5% leverage ratio (both are PBB's assessment under fully phased in Basel III rules) at Dec. 31, 2017. We continue to regard the quality of PBB's capital and earnings, as well as its earnings capacity, as weaknesses. As is the case for many largely wholesale peers, the bank's funding costs are highly sensitive to market perception, which, amid high concentration risks in cyclical sectors, weighs on our assessment of PBB's earnings.

Table 3

Deutsche Pfandbriefbank AG Capital And Earnings					
	--Year-ended Dec. 31--				
(%)	**2017**	**2016**	**2015**	**2014**	**2013**
Criteria reflected in RAC ratios	2017	2010	2010	2010	2010
Tier 1 capital ratio	17.6	19.0	18.2	23.0	20.1
S&P RAC ratio before diversification	10.1	9.9	9.7	12.1	12.3
S&P RAC ratio after diversification	8.8	9.2	9.5	11.8	11.7
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	68.9	67.5
Net interest income/operating revenues	94.2	87.4	84.2	105.5	50.9
Fee income/operating revenues	1.7	1.7	2.8	0.3	1.4
Market-sensitive income/operating revenues	(2.2)	0.4	(1.2)	(27.6)	8.6
Noninterest expenses/operating revenues	59.3	57.8	60.3	78.4	70.8
Preprovision operating income/average assets	0.3	0.3	0.3	0.1	0.2
Core earnings/average managed assets	0.3	0.2	0.3	0.0	0.2

Table 4

Deutsche Pfandbriefbank AG RACF [Risk-Adjusted Capital Framework] Data

(Mil. €)	Exposure*	Basel III RWA	Average Basel III RW (%)	S&P Global RWA	Average S&P Global RW (%)
Credit risk					
Government and central banks	26,475	4,268	16	2,645	10
Institutions and CCPs	2,523	683	27	773	31
Corporate	28,267	7,822	28	20,051	71
Retail	5	2	41	1	21
Of which mortgage	5	2	41	1	21
Securitization§	0	0	0	0	0
Other assets†	326	28	8	550	169
Total credit risk	57,596	12,802	22	24,021	42
Credit valuation adjustment					
Total credit valuation adjustment	--	294	--	651	--
Market risk					
Equity in the banking book	3	3	101	20	691
Trading book market risk	--	370	--	556	--
Total market risk	--	373	--	576	--
Operational risk					
Total operational risk	--	899	--	949	--
		Basel III RWA		**S&P Global RWA**	**% of S&P Global RWA**
Diversification adjustments					
RWA before diversification		14,516		26,197	100
Total Diversification/Concentration Adjustments		--		3,757	14
RWA after diversification		14,516		29,954	114
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		2,552	17.6	2,646	10.1
Capital ratio after adjustments‡		2,552	17.6	2,646	8.8

*Exposure at default. §Securitisation Exposure includes the securitisation tranches deducted from capital in the regulatory framework. †Other assets includes Deferred Tax Assets (DTAs) not deducted from ACE. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of Dec. 31, 2017, S&P Global.

Risk position: High-risk concentrations in cyclical sectors

Our overall risk position assessment for PBB is moderate, mainly reflecting the high sector and single-name concentrations in its credit exposures, which are intrinsic to PBB's business and we expect will continue. The bank's management has a prudent moderate growth strategy only in core products and regions with a main focus on typically lower-risk covered-bond eligible business, with CRE loan-to-value ratios of up to about 60% on average, or to public-sector borrowers.

We believe the cyclicality of the CRE markets and concentrations in the real estate lending portfolio represent high tail risk to the bank's capital and earnings buffer. PBB's CRE concentrations are higher than at many peer banks that have a wholesale profile and concentrate in a niche business. For a comparison, we look at peers in Germany and banks with similar economic risk profiles, for example, domestic banks in Switzerland, Austria, or the Nordics. In addition, most of PBB's peers tend to have a higher share of generally less risky retail mortgages, which contributes to risk diversification.

We also see potential for tail risks, due to low risk weights for the bank's sizable public finance book and credit spread risk.

PBB has shown a superior credit loss track record over the past five years. Credit costs have remained extremely low for years. Moreover, problem loans continued to decline, dropping to below 1% of customer loans or €248 million year-end 2017, after €388 million at year-end 2016 (following €368 million HETA was restructured with a €132 million one-time gain in 2016). However, we think PBB's very favorable track record in recent years is not sustainable through a full credit cycle. In 2010, PBB transferred a substantial amount of nonperforming and noncore assets into a government-guaranteed workout unit, FMS Wertmanagement Anstalt desoeffentlichen Rechts (FMSW), significantly improving PBB's risk profile. Taking this into account, plus restructuring in subsequent years, as well as the currently benign economic cycle in Germany, we consider that the sustainable level of PBB's risk costs through the cycle is likely to be materially higher.

Table 5

Deutsche Pfandbriefbank AG Risk Position

	--Year-ended Dec. 31--				
(%)	**2017**	**2016**	**2015**	**2014**	**2013**
Growth in customer loans	(2.3)	(0.6)	5.2	4.8	(26.2)
Total managed assets/adjusted common equity (x)	22.8	25.0	26.9	34.0	35.7
New loan loss provisions/average customer loans	0.0	0.0	(0.0)	0.1	0.0
Gross nonperforming assets/customer loans + other real estate owned	0.6	0.9	1.8	2.9	2.5
Loan loss reserves/gross nonperforming assets	28.6	33.5	16.3	12.1	15.8

N.A.--Not available. N/A--Not applicable. N.M.--Not meaningful.

Funding and liquidity: Reliance on implicit state support

We continue to consider PBB's funding and liquidity to be neutral for the ratings. The bank's funding and liquidity metrics have improved over the past several years, but they do not qualify for a higher assessment because they compare unfavorably with the levels at strong German savings and cooperative banking groups, particularly when considering the qualitative factors that these metrics do not fully reflect.

As the largest covered bond issuer in Germany, PBB is mainly funded through covered bonds. Public-sector covered bonds formed about 30% of total funding and mortgage covered bonds 25% as of Dec. 31, 2017. The rest of the funding mainly includes customer deposits and long-term debt. In 2013, PBB started collection of retail deposits, which accumulated to €3.3 billion by year-end 2017.

PBB's S&P Global Ratings-calculated liquidity ratio (indicating coverage of short-term wholesale funding by broad liquid assets) was 1.5x as of Dec. 31, 2017 (calculated with a one-year horizon, in contrast to the regulatory one-month calculation), and its stable funding ratio was slightly above 100% as of end-2017. The ratios underline PBB's healthy balance sheet structure.

We also believe that PBB benefits from Germany's extensive funding market, and the banking sector's domestic funding surpluses from low domestic credit growth and high savings rates. In our view, the government ownership supports PBB's credit quality, since we believe that it fosters investor confidence in PBB and the bank's capital market access and funding costs for the transition period, particularly if markets were to worsen.

We understand that PBB will continue to concentrate on secured funding sources. Unsecured funding will be largely driven by the overcollateralization requirements of its covered-bond pools, which mainly depend on the size and quality of its exposures. Furthermore, the need for unsecured funding will depend on the portion of noncover pool eligible assets. Following asset transfers to FMSW, PBB's funding and liquidity profile materially improved, because asset transfers in 2010 largely eliminated short-term funding gaps, thereby reducing PBB's unsecured funding needs and enhancing liquidity.

Table 6

Deutsche Pfandbriefbank AG Funding And Liquidity

	--Year-ended Dec. 31--				
(%)	**2017**	**2016**	**2015**	**2014**	**2013**
Core deposits/funding base	16.3	18.3	19.0	16.8	17.3
Customer loans (net)/customer deposits	494.4	420.1	388.5	377.2	351.4
Long term funding ratio	89.7	83.6	85.7	85.0	86.8
Stable funding ratio	103.4	96.9	101.3	108.2	111.2
Short-term wholesale funding/funding base	10.8	17.2	15.0	15.8	13.9
Broad liquid assets/short-term wholesale funding (x)	1.5	0.9	1.1	1.5	1.8
Net broad liquid assets/short-term customer deposits	72.1	(10.4)	24.5	134.0	216.4
Short-term wholesale funding/total wholesale funding	12.9	21.1	18.5	18.7	16.5
Narrow liquid assets/3-month wholesale funding (x)	2.3	1.5	2.6	3.3	3.0

External support: Two notches of uplift in the rating for substantial ALAC buffers

The long-term rating on PBB is two notches higher than PBB's unsupported SACP because our rating composition includes ALAC uplift on significant increases of ALAC buffers materially above our 8% threshold for a two-notch uplift, in line with interpretation of a German law change in Jan. 1, 2017. We estimate the ratio of the bank's ALAC to S&P Global Ratings' RWA at about 35% (including senior subordinated instruments) at end-2017, and we expect it will remain far above the 8% threshold for a two-notch uplift. Specifically, we forecast that the bank will maintain this ALAC buffer well above 15% over the next two years. This forecast takes into account PBB's Tier 1 and Tier 2 issuance plans, senior subordinated instruments and respective maturities, and our forecast of a gradual rise in the bank's RAC ratio. However, we expect that the ALAC buffer could fall through this period for two reasons: We believe the bank will have a smaller surplus in its total adjusted capital as a component of the ALAC buffer, since the bank's RAC ratio is only modestly above our 10% minimum for a strong capital assessment at the beginning. Depending on where the regulators set the bank's minimum requirement on own funds and eligible liabilities, it is possible that the bank may replace some maturing senior subordinated debt with senior unsecured debt. This would require a change in the law to enable such issuance, however, which we expect this year.

The retroactive German law implemented on Jan. 1, 2017, turned certain long-term standard senior unsecured bonds into subordinated instruments in a resolution and liquidation. Accordingly, we reclassified such affected instruments as senior subordinated debt. For the senior subordinated instruments, the starting point for the issue ratings is each bank's SACP. We then deduct one notch for subordination, given that the starting point for rating all four systemic banks is 'bbb-' or higher.

We believe that the prospect of extraordinary government support for the German banking sector is uncertain following the full implementation of the EU Bank Recovery and Resolution Directive, including bail-in powers, in January 2015. We do not completely exclude the possibility of support, and we consider that systemically important German institutions such as PBB face several more years of structural and balance sheet reforms to improve their "resolvability" (mitigating the systemic impact if they fail). Nevertheless, we believe the German government's ability and willingness to provide support is lower and less predictable under the enhanced resolution framework. We therefore see the tendency of Germany to support private sector commercial banks as uncertain, and do not incorporate any uplift to the long-term issuer credit rating on PBB for government support.

We view the German resolution regime as effective under our ALAC criteria because, among other factors, we believe it contains a well-defined bail-in process under which authorities would permit nonviable systemically important banks to continue critical functions as going concerns following a bail-in of eligible liabilities. We view PBB to be moderately systemically important to Germany, and, given its complexity, expect that it will be subject to a well-defined bail-in plan.

Additional rating factors: None

No additional factors affect the rating.

Senior subordinated debt

The 'BBB-' issue ratings on PBB's senior subordinated debt are one notch below our 'bbb' assessment of PBB's SACP, in line with our hybrid capital criteria.

Nondeferrable senior subordinated debt

The 'BB+' issue ratings on PBB's nondeferrable senior subordinated debt are two notches below our assessment of PBB's SACP, in line with our hybrid capital criteria.

Related Criteria

- Criteria - Financial Institutions - General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria - Financial Institutions - Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
- Criteria - Financial Institutions - Banks: Bank Hybrid Capital And Nondeferrable Subordinated Debt Methodology

And Assumptions, Jan. 29, 2015

- General Criteria: Principles For Rating Debt Issues Based On Imputed Promises, Dec. 19, 2014
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria - Financial Institutions - Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria - Financial Institutions - Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Criteria - Financial Institutions - Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria - Financial Institutions - Banks: Commercial Paper I: Banks, March 23, 2004

Related Research

- Germany-Based Deutsche Pfandbriefbank AG's Proposed Additional Tier 1 Capital Notes Rated 'BB-', April 11, 2018

Anchor Matrix

Industry Risk	Economic Risk									
	1	2	3	4	5	6	7	8	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	**a-**	a-	bbb+	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	bbb+	bbb	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

Ratings Detail (As Of May 8, 2018)

Deutsche Pfandbriefbank AG	
Issuer Credit Rating	A-/Negative/A-2
Commercial Paper	
Local Currency	A-2
Junior Subordinated	BB-
Senior Subordinated	BBB-
Senior Unsecured	A-
Subordinated	BB+

Ratings Detail (As Of May 8, 2018) (cont.)	
Subordinated	BBB-
Issuer Credit Ratings History	
28-Mar-2017	A-/Negative/A-2
15-Dec-2016	BBB/Watch Pos/A-2
01-Dec-2015	BBB/Stable/A-2
17-Jul-2015	BBB/Negative/A-2
03-Feb-2015	BBB/Developing/A-2
29-Apr-2014	BBB/Negative/A-2
Sovereign Rating	
Germany	AAA/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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