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Hamburg Commercial Bank AG

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Hamburg Commercial Bank AG

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

+

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

+

Additional Factors	-1

Issuer Credit Rating
BBB/Negative/A-2

Resolution Counterparty Rating
BBB+/--/A-2

Major Rating Factors

Strengths:	Weaknesses:
• Strong and improving capitalization. • Very strong buffer of bail-inable capital protecting senior preferred creditors.	• Limited operating track record under the new, niche business model. • Exposure to more pronounced credit cycles in commercial real estate, shipping, energy, and infrastructure financing. • Execution risk in the transforming funding profile. • Very low risk-adjusted profitability.

Outlook: Negative

The negative outlook on HCOB reflects our view that the unsupportive macroeconomic and competitive environment could weaken the bank's asset quality, and, at the very least, impede management's efforts to expand its franchise and profitability. The successful execution of this strategy remains a key assumption for the current rating level.

Downside scenario

We could lower our rating on HCOB within the next 12-24 months if we see materially higher risks for the German banking industry (which we would reflect by revising the anchor). If we observe specific weaknesses for HCOB--for example weakening asset quality that led to higher credit losses than we currently anticipate and compared with peers--we could also consider a downgrade.

Upside scenario

We could revise the outlook to stable if the economic and industry risk trends for the German banking industry become stable. At the very least, this would require successful government intervention to help borrowers and the domestic economy, which will suffer from COVID-19-related over the coming months. We would also need to see that HCOB had not suffered particularly from the anticipated recession.

As an ancillary factor, an outlook revision would be supported by further successful steps to improve the bank's franchise and cost structure, leaving it well placed to benefit from a rise in risk-adjusted profitability once conditions become more supportive.

Rationale

HCOB is a German midsize corporate bank that was sold to a private equity consortium in November 2018, constituting the first privatization of a German Landesbank (HSH Nordbank AG).

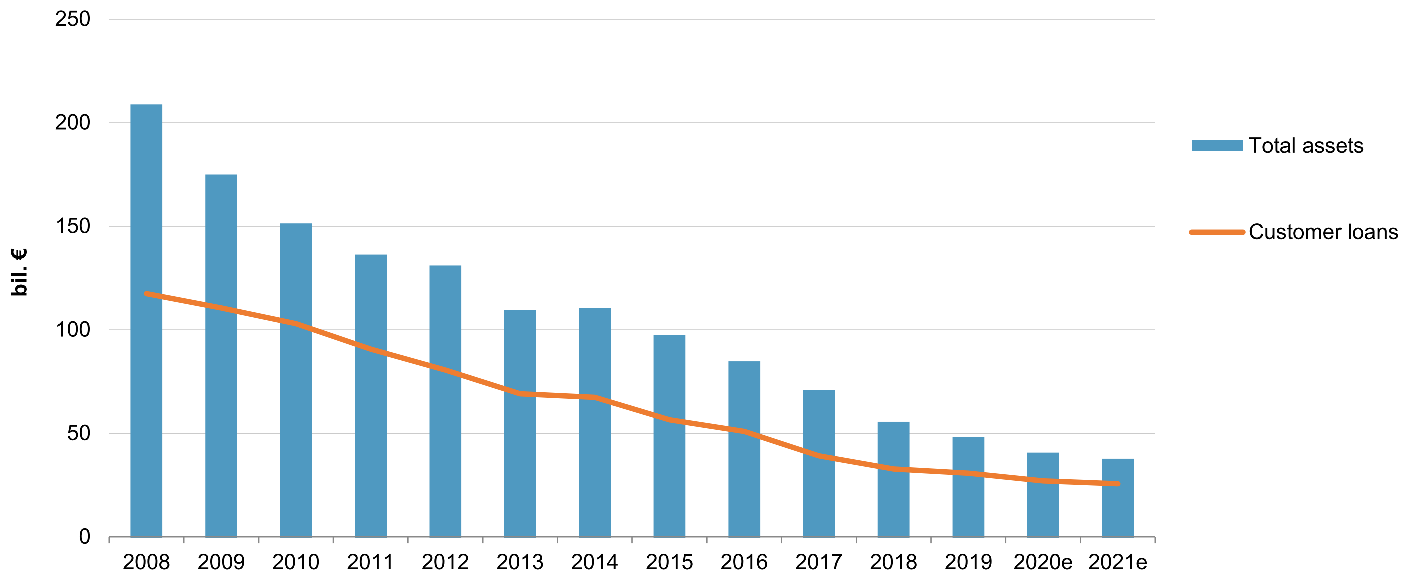
Having considerably reduced in size, HCOB will remain a niche player in European corporate banking. We expect it will show less diversification and business stability compared with larger and more established peers. Despite progress in streamlining the bank, we see challenges in stabilizing the franchise and improving sustainable risk-adjusted profitability.

HCOB enters the COVID-19-induced recession with vastly improved asset quality, prudent levels of provisioning, and strong capitalization. That said, we are mindful of HCOB's focus on German commercial real estate (CRE) and corporate business in more volatile sectors, that we anticipate will imply materially weakening asset quality metrics over 2020 and 2021. HCOB will need to re-establish its funding franchise and successfully transfer from public-sector deposits insurance to private. From a senior creditor perspective, the transition is supported by a material buffer of additional loss-absorbing capacity (ALAC), expected to remain above 10% in the coming years.

We factor HCOB's current underperformance in terms of profitability and the risks in its multi-year transition into our 'BBB' long-term issuer credit rating.

Chart 1

Cautious Approach To New Lending Will Further Reduce The Loan Book



e--Estimate. Source: S&P Global Ratings.

Anchor: 'a-' for German banks with mostly domestic exposure

We use our Banking Industry Country Risk Assessment (BICRA) economic risk and industry risk scores to determine a bank's anchor, the starting point in assigning an issuer credit rating (ICR). Our 'a-' anchor for HCOB is based on an industry risk score of '3' and a blended economic risk score of '2'. We take into account the bank being headquartered in Germany and our view of the economic risks in all the markets to which HCOB has credit exposure. With 60% of its exposure in Germany, HCOB's anchor remains in line with financial institutions operating solely in Germany.

Our assessment of economic risk considers the strengths from Germany's highly diverse and competitive economy, with its demonstrated ability to absorb economic and financial shocks. Due to COVID-19 we expect a sharp 6.2% real GDP contraction in Germany 2020, which will be compensated by a strong rebound of 4.4% in 2021 and 2.6% in 2022. We foresee damage to the economy, household wealth, and various corporate sectors from COVID-19. Nonetheless we anticipate that Germany's ample fiscal and monetary measures will mitigate the cyclical shock to the economy, the banking system, and retail and corporate customers, as well as limit German banks' credit losses. We note though that with its high degree of openness--exports account for 50% of GDP--Germany's recovery trajectory also depends on broad-based international developments. Reviving housing demand and sector-specific challenges, for example in the automotive industry, will also remain a downside risk to post-pandemic growth. Our negative trend on economic risk signals a possibility that a weaker recovery could drive credit losses higher than we currently expect.

Our assessment of industry risk considers the material improvements that have been made to improve transparency and harmonize banking supervision and regulation. However, we note that German banks entered the pandemic already under profitability pressure because of intense competition, low interest rates, and a relatively high cost base. Challenges to profitability could intensify further as a result of COVID-19 pressures, as reflected in our negative trend on industry risk. In addition to expected increasing--but manageable--risk costs, we see cost pressures from the imperative for the German banking industry to significantly invest in core banking systems and digital customer services to avoid tech disruption and franchise damage from cyber-attacks and customer data mismanagement.

Table 1

Hamburg Commercial Bank--AG Key Figures					
	--Year ended Dec. 31--				
(Mil. €)	**2019**	**2018**	**2017**	**2016**	**2015**
Adjusted assets	47,706.0	55,113.0	70,372.0	84,351.0	96,957.0
Customer loans (gross)	30,708.0	32,791.0	39,174.0	50,910.0	56,575.0
Adjusted common equity	3,917.7	3,961.6	4,185.0	4,709.0	4,667.0
Operating revenues	741.0	709.0	1,141.0	883.0	757.0
Noninterest expenses	559.0	558.0	551.0	684.0	671.0
Core earnings	30.1	(185.0)	(843.0)	(826.6)	(718.3)

Business position: Weak franchise requires new-customer generation to stabilize business

Our business position assessment reflects HCOB's niche business operations in German corporate banking. In our view, its focus on corporates, CRE, and shipping exposes the bank to more cyclical sectors, potentially leading to a more confidence-sensitive business model. In addition, HCOB will need to prove that its long-standing regional franchise will benefit the bank under its new ownership and that it is able to successfully expand its franchise into new sectors and countries.

Following the successful privatization and carve out of its noncore nonperforming asset portfolio, HCOB now focuses on three operating segments. We expect HCOB's new business will mainly focus on CRE and shipping lending, while its corporate segment, including its energy and infrastructure project finance business, will struggle to generate profitable new business.

To ensure a successful transition to the private bank deposits protection scheme, HCOB will need to comply with some KPIs. Among other things, these cover capital and profitability metrics. We consider these constraints, combined with traditionally low margins in German corporate banking and COVID-19-related uncertainties, will drive HCOB's cautious approach to new lending in 2020.

S&P Global Ratings' methodology is cautious regarding rated companies' private equity ownership because it can lead to some uncertainty regarding long-term financial policy and exit scenarios, typically greater financial risk, and more ambitious growth plans. For banks, however, we see prudential regulation as a moderating influence. We also note the solid track record of HCOB's private equity owners, a consortium led by Cerberus and J.C. Flowers & Co, as experienced investors in midsize European financial institutions.

Table 2

Hamburg Commercial Bank AG--Business Position					
	--Year ended Dec. 31--				
(%)	2019	2018	2017	2016	2015
Total revenues from business line (currency in millions)	872.0	1,718.0	2,255.0	3,167.0	1,519.0
Commercial banking/total revenues from business line	66.6	30.2	21.9	18.8	37.3
Trading and sales income/total revenues from business line	11.0	N/A	N/A	N/A	N/A
Other revenues/total revenues from business line	22.4	69.8	78.1	81.2	62.7
Return on average common equity	0.3	1.6	(11.5)	1.4	2.1

N/A--Not applicable.

Capital and earnings: Strong capitalization to support the transition between protection schemes

We assess HCOB's capital and earnings as a key rating strength, mainly based on our projection that the bank's risk-adjusted capital (RAC) ratio (S&P Global Ratings' measure for capital adequacy) before diversification will remain sustainably above 10%. HCOB's RAC ratio was 11.6% at year-end 2019 and we expect it to increase to above 14% by 2022, mainly driven by a shrinking loan book. This accompanies an expected increase in the regulatory common equity Tier 1 ratio to 20.0% from 18.5% at end-2019.

Our 2022 forecast includes moderate new lending, outweighed by amortizations and some nonperforming exposure (NPE) sales, a slight improvement in net interest margin to about 1.3%, and full earnings retention. However, considering the rising risk costs in 2020 and 2021, we expect HCOB to post only marginally positive pre-tax profits, already considering some reversals of existing management buffers.

HCOB terminated all remaining hybrid capital instruments such that our measure of total adjusted capital consists solely of common equity. We note that the litigation risk from investors claiming full repayment of their legacy hybrid instruments has significantly reduced with the bank's material repurchases of these instruments in late 2019 and early 2020. We expect that the remaining hybrid instruments will be settled by year-end 2020.

The bank's regulatory capital structure optimization could also include some new issuance of regulatory capital instruments, subject to market conditions, but we currently do not incorporate these into our forecast.

We believe that growth opportunities for wholesale banks such as HCOB in Germany are limited due to strong competition from domestic banks. Furthermore, the generally low margins in corporate and CRE business will, in our view, render material revenue improvements difficult for the bank. Nevertheless, further potential to contain costs and higher profitability thresholds in its new business should support stronger profitability albeit off a smaller earnings base.

By 2022, we project a slightly increased net interest margin of over 1.3%, a return on equity (after tax) of about 2.6%, and an earnings buffer of about 40 basis points (bps), but with risks tilted to the downside.

HCOB's financial performance over 2020 and 2021 will be crucial for its transition to the private-banks deposit protection scheme.

Table 3

Hamburg Commercial Bank AG--Capital And Earnings

	--Year ended Dec. 31--				
(%)	**2019**	**2018**	**2017**	**2016**	**2015**
Tier 1 capital ratio	18.5	18.4	23.5	18.7	16.4
S&P Global Ratings' RAC ratio before diversification	11.6	12.9	12.4	N/A	N/A
S&P Global Ratings' RAC ratio after diversification	10.9	12.4	11.5	N/A	N/A
Adjusted common equity/total adjusted capital	100.0	84.5	75.2	75.2	75.2
Net interest income/operating revenues	67.7	83.2	75.2	79.7	117.7
Fee income/operating revenues	8.2	4.9	(7.4)	(14.4)	(47.4)
Market-sensitive income/operating revenues	10.9	(6.1)	28.7	25.7	19.8
Noninterest expenses/operating revenues	75.4	78.7	48.3	77.5	88.6
Preprovision operating income/average assets	0.4	0.2	0.8	0.2	0.1
Core earnings/average managed assets	0.1	(0.3)	(1.1)	(0.9)	(0.7)

N/A--Not applicable.

Table 4

Hamburg Commercial Bank AG--Risk-Adjusted Capital Framework Data

(Mil. €)	Exposure*	Basel III RWA	Average Basel III RW(%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
Credit risk					
Government & central banks	11,496.0	200.0	1.7	240.0	2.1
Of which regional governments and local authorities	247.0	137.5	55.7	42.5	17.2
Institutions and CCPs	4,266.5	525.0	12.3	575.8	13.5
Corporate	31,518.0	13,350.0	42.4	25,264.8	80.2
Retail	40.0	12.5	31.3	19.8	49.5
Of which mortgage	0.0	0.0	0.0	0.0	0.0
Securitization§	271.0	50.0	18.5	46.5	17.2
Other assets†	2,232.7	1,000.0	44.8	3,323.1	148.8
Total credit risk	49,824.2	15,137.5	30.4	29,469.9	59.1
Credit valuation adjustment					
Total credit valuation adjustment	--	200.0	--	573.9	--
Market Risk					
Equity in the banking book	100.0	337.5	337.5	802.5	802.5
Trading book market risk	--	191.3	--	287.0	--
Total market risk	--	528.8	--	1,089.5	--
Operational risk					
Total operational risk	--	1,500.0	--	2,688.1	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	20,866.3	--	33,821.4	100.0

Table 4

Hamburg Commercial Bank AG--Risk-Adjusted Capital Framework Data (cont.)					
Total Diversification/ Concentration Adjustments	--	--	--	2,173.3	6.4
RWA after diversification	--	20,866.3	--	35,994.7	106.4
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		3,893.0	18.7	3,917.7	11.6
Capital ratio after adjustments‡		3,893.0	18.5	3,917.7	10.9

*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡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 2019', S&P Global Ratings.

Risk position: Concentration in cyclical sectors implies rising risk costs from the economic impacts of COVID-19

We view HCOB's risk position as moderate, reflecting its exposure concentration in several cyclical sectors. We believe exposure to CRE, more-cyclical corporate sectors such as energy or infrastructure, and the shipping sector implies higher losses in an economic crisis and exposes HCOB to more pronounced credit cycles than its better-diversified peers.

Although our base case assumes successful sovereign intervention to stem the spread of COVID-19 and a rebound in economic activity in the second half of 2020, the 2020 recession will likely leave its mark on HCOB's loan portfolio.

The short- to medium-term impact on the bank's loan book will largely depend on the success of Germany's fiscal support policy measures, and the length and depth of the domestic and global recession. This a critical assumption for HCOB, because, while it reported a nonperforming exposure ratio of only 1.8% as of year-end 2019, it has significant exposures to CRE in the retail sector, German corporates, and shipping.

We also see some regional geographic concentration in northern parts of Germany, stemming from the regional profile as a former German Landesbank. However, the economic power of this region is quite strong, and we expect further improving diversification within the German and European market.

In our view, the significant sensitivity of the bank's U.S. dollar-denominated assets to the dollar to euro rate, which materially contributed to the bank crisis in 2009, has reduced to a level that we no longer assess a material risk. Nevertheless, it could still distort HCOB's financials to a small extent and includes some specific funding risks.

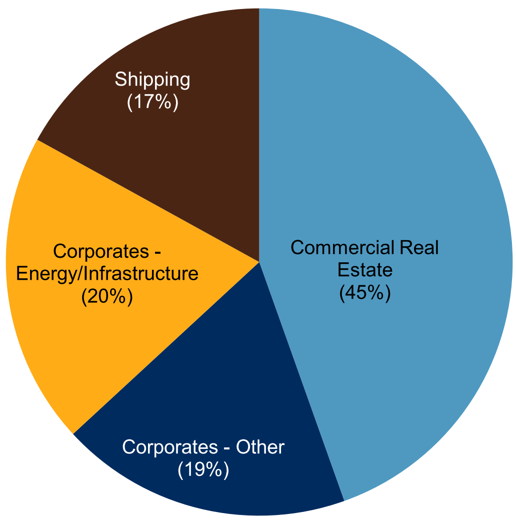
We believe that the quality of HCOB's new lending will only be proven over the economic cycle. Going forward, key rating consideration will be based on the quality of the loan book, since we still consider that underwriting standards could weaken in the pursuit of new business. However, in our view, the BdB's (Association of German Banks) close oversight, will restrain HCOB from increasing its risk appetite or deviate from its business plan. We expect HCOB will comply with all agreed terms to ensure senior membership in the private deposit protection scheme in 2021, as long as the economic environment does not deteriorate further.

We also note that HCOB built some general loan-loss provisions in 2018, which are available to partly absorb the initial increase in cost of risk in 2020.

Excluding its treasury and corporate center activities, HCOB focuses on three operating segments: corporates, CRE, and shipping.

Chart 2

HCOB's Loan Portfolio Split
Corporate business expected to decline



Source: S&P Global Ratings.

Its corporate business accounts for about 39% of exposure at default (EAD) and comprise German small and midsize enterprises and larger corporate business, as well as some concentrations in European renewable energy and infrastructure finance. HCOB's CRE business focuses on German metropolitan areas, but also include business in selected European countries, constituting about 45% of EADs. In light of the EC's restrictions, HCOB greatly reduced its shipping exposure leading up to the 2018 privatization but we expect that continuing new business will gradually increase its portfolio share from 17% as of end-2019.

Table 5

Hamburg Commercial Bank AG--Risk Position

	--Year ended Dec. 31--				
(%)	**2019**	**2018**	**2017**	**2016**	**2015**
Growth in customer loans	(6.4)	(16.3)	(23.1)	(10.0)	(16.0)
Total diversification adjustment/S&P Global Ratings' RWA before diversification	6.4	4.5	7.5	N/A	N/A

Table 5

Hamburg Commercial Bank AG--Risk Position (cont.)					
	--Year ended Dec. 31--				
(%)	2019	2018	2017	2016	2015
Total managed assets/adjusted common equity (x)	12.2	13.9	16.8	17.9	20.8
New loan loss provisions/average customer loans	(0.0)	0.9	3.0	3.1	5.5
Net charge-offs/average customer loans	0.0	(0.0)	(0.1)	0.4	(0.0)
Gross nonperforming assets/customer loans + other real estate owned	2.4	2.9	17.4	19.0	19.2
Loan loss reserves/gross nonperforming assets	96.3	87.0	(10.1)	(11.8)	9.7

N/A--Not applicable.

Funding and liquidity: Reliance on capital markets, and transition risks in switching protection schemes

We assess HCOB's funding profile as below average relative to that of German peers, and its liquidity position as adequate. This assessment takes into account the execution risk in HCOB's transformation, which will eventually result in a more diversified and less confidence-sensitive funding profile.

Its heavier reliance on wholesale funding, some deposit concentration, and uncertainty during the transition to the deposit protection scheme of German private banks, limit our funding assessment. This assessment also takes into account our generally very favorable view of system-wide funding in the German banking sector.

We expect HCOB's reliance on confidence-sensitive funding sources, such as secured and unsecured capital market funding, as well as interbank funding, will remain higher than the average for German banks.

Our stable funding ratio of 111% for HCOB as of end-2019 includes online retail deposits as stable funding, although HCOB will not target new retail deposits because of relatively higher costs. We believe that the bank's corporate deposits are more franchised based, though still subject to the uncertainty regarding membership in the voluntary deposit protection scheme. We also note some funding concentrations: the 10 largest depositors accounted for 21% of total deposits as of end-2019. Moreover, 47% of the deposit base is payable on demand. The regulatory net stable funding ratio was at 114% as of end-2019.

Our assessment of HCOB's liquidity as adequate primarily reflects the bank's comfortable liquidity reserves. The coverage of short-term wholesale funding to broad liquid assets (the BLAST ratio), was relatively high at 3x. This compares to a regulatory liquidity coverage ratio of 165%. Even after accounting for short-term wholesale funding, HCOB's net broad liquid assets covered 40% of short-term deposits as of end-2019. We expect HCOB will reduce its liquidity buffers following its successful privatization, along with its shrinking loan book, but we expect the bank will maintain an adequate liquidity profile.

Accommodative monetary policies should support liquidity in the German banking sector but will likely continue to pressure banks' interest margins. Central bank support should back HCOB's wholesale-funded profile. Despite some U.S. dollar deposits, HCOB relies on a functioning swap market, given its limited funding franchise in dollars to finance its shipping-related dollar assets. However, we expect dollar liquidity to be supported by central bank swap lines for the broader banking sector in Europe.

Table 6

Hamburg Commercial Bank AG--Funding And Liquidity					
	--Year ended Dec. 31--				
(%)	**2019**	**2018**	**2017**	**2016**	**2015**
Core deposits/funding base	62.7	64.0	63.0	59.3	56.4
Customer loans (net)/customer deposits	125.2	113.8	110.1	129.6	124.6
Long-term funding ratio	91.9	91.5	86.8	88.9	85.5
Stable funding ratio	111.4	115.0	112.4	103.5	101.3
Short-term wholesale funding/funding base	9.0	9.5	14.6	12.2	15.7
Broad liquid assets/short-term wholesale funding (x)	3.0	3.2	2.0	1.8	1.4
Net broad liquid assets/short-term customer deposits	39.8	43.7	31.7	21.4	14.9
Short-term wholesale funding/total wholesale funding	24.1	25.2	36.6	27.9	34.1
Narrow liquid assets/3-month wholesale funding (x)	9.3	8.1	3.2	3.2	1.7

Support: Two notches of uplift for substantial ALAC buffer

While HCOB appears less systemically important than larger and more complex German peers, it is still a sizable institution and subject to direct supervision by the European Central Bank and oversight by the Single Resolution Board. We assume that in the event of failure, it might be targeted for a bail-in-led resolution. The bank's material buffer of subordinated instruments, which provides material protection to senior unsecured creditors, would facilitate a recapitalization.

We calculate that HCOB's additional-loss absorbing capacity (ALAC) was about 10% of S&P Global Ratings' risk-weighted assets at year-end 2019. We expect it to remain sustainably above 10% in the future, sufficiently above the 8% threshold for two notches of uplift. The ALAC buffer incorporates a sizeable volume of senior nonpreferred liabilities in the form of plain vanilla senior unsecured instruments. We believe they have the capacity to absorb losses without triggering a default on HCOB's senior obligations. Considering our expectation of decreasing risk-weighted assets through to 2022, HCOB will have limited need to issue additional MREL-eligible instruments. Nevertheless, we expect the bank to target issuance of the full range of capital instruments over the coming years.

Additional rating factors: Weak profitability and transition risks

The one-notch negative peer adjustment we include in our long-term rating on HCOB reflects our view that the bank is a relative underperformer versus peer banks with similar credit profiles. This reflects its protracted restructuring process, which translates into currently very low profitability and limits its earnings' capacity to buffer potential losses. We expect an earnings buffer, which measures the capacity for a bank's earnings to cover normalized losses, of only 0.1% in 2021 and 0.4% by 2022.

Nevertheless, we expect HCOB will deliver on its business plan, which will gradually improve its operating performance and profitability in the coming years. We acknowledge potential to further improve its costs base, but see execution risk especially regarding new business generation and associated income generation.

Should HCOB fail to materially improve its risk-adjusted profitability to a level more in line with peers, or show weaker asset quality than expected, we would consider incorporating the peer adjustment into the SACP, indicating a sustainable weakness compared to peers.

Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Financial Institutions | General: Methodology For Assigning Financial Institution Resolution Counterparty Ratings, April 19, 2018
- 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: 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

Related Research

- Negative Rating Actions Taken On Multiple German Banks On Deepening COVID-19 Downside Risks; April 23, 2020
- Research Update: Hamburg Commercial Bank AG Outlook Revised To Negative On Challenging Macro Environment; 'BBB/A-2' Ratings Affirmed; March 30, 2020
- Bulletin: Hamburg Commercial Bank AG's Preliminary Results Show Transformation Progress Amid Continuing Headwinds; Feb. 13, 2020
- Outlooks On Various German Banks Revised To Negative On Rising Banking Sector Risks; Ratings Affirmed; Sept. 18, 2019
- Hamburg Commercial Bank AG; March 14, 2019

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 July 20, 2020)*

Hamburg Commercial Bank AG	
Issuer Credit Rating	BBB/Negative/A-2
Resolution Counterparty Rating	BBB+/--/A-2
Issuer Credit Ratings History	
30-Mar-2020	BBB/Negative/A-2
06-Dec-2018	BBB/Stable/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.