

Ratings On DekaBank Deutsche Girozentrale's Public Sector Covered Bonds Affirmed; Then Withdrawn At The Issuer's Request

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OVERVIEW

- We have affirmed our 'AAA' ratings on DekaBank Deutsche Girozentrale's public sector covered bond program and related issuances.
- We have subsequently withdrawn the ratings on the program and related issuances at the issuer's request.
- The outlook on the ratings was stable.

LONDON (S&P Global Ratings) April 13, 2017--S&P Global Ratings today affirmed its 'AAA' ratings on DekaBank Deutsche Girozentrale's public sector covered bond program and related issuances ("Oeffentliche Pfandbriefe"). We have subsequently withdrawn the ratings on the program and all related issues at the issuer's request.

Today's rating actions follow our review of the covered bond program under our relevant criteria (see "Related Criteria").

Covered bond programs in Germany are subject to the European Union's Bank Recovery and Resolution Directive (BRRD). Our assessment of the systemic importance for public sector programs in Germany is very strong, which under our covered bonds criteria, places the reference rating level (RRL) two notches above the adjusted long-term issuer credit rating (ICR) (see "Assessments For Jurisdictional Support According to Our Covered Bonds Criteria," published on July 20, 2016, and "Covered Bonds Criteria," published on Dec. 9, 2014). This uplift recognizes that resolution regimes like the BRRD

increase the probability that an issuer could service its covered bonds even following a default on its senior unsecured obligations. We consider this as an internal form of support because the bail-in of certain issuer creditors does not require direct support from the government.

Because our long-term 'A+' ICR on DekaBank does not incorporate any notches of government support, under our covered bonds criteria we assess the adjusted ICR at 'a+' and the RRL at 'aa'. Our criteria state that a program can receive up to three notches of jurisdictional-based uplift when we assess the jurisdictional support as very strong. The rating reflects two notches of jurisdictional-based uplift to this program given the coverage of 'AAA' credit risk and our ratings on Germany (unsolicited; AAA/Stable/A-1+).

The available overcollateralization exceeds the target credit enhancement for the currently assigned ratings and the program benefits from 180 days' liquidity coverage.

Following our review, we have affirmed our 'AAA' ratings on the program and related issuances. We have subsequently withdrawn our ratings at the issuer's request. The outlook was stable.

RELATED CRITERIA

- Legal Criteria: Structured Finance: Asset Isolation And Special-Purpose Entity Methodology, March 29, 2017
- General Criteria: Guarantee Criteria, Oct. 21, 2016
- Criteria - Structured Finance - General: Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions, Aug. 08, 2016
- Criteria - Structured Finance - Covered Bonds: Counterparty Risk Analysis In Covered Bonds, Dec. 21, 2015
- Criteria - Structured Finance - Covered Bonds: Covered Bond Ratings Framework: Methodology And Assumptions, June 30, 2015
- Criteria - Structured Finance - Covered Bonds: Covered Bonds Criteria, Dec. 09, 2014
- Criteria - Structured Finance - Covered Bonds: Methodology And Assumptions For Assessing Portfolios Of International Public Sector And Other Debt Obligations Backing Covered Bonds And Structured Finance Securities, Dec. 09, 2014
- Criteria - Structured Finance - General: Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

RELATED RESEARCH

- Global Covered Bond Characteristics And Rating Summary Q4 2016, Jan. 13, 2017
- Assessments For Jurisdictional Support According to Our Covered Bonds Criteria, July 20, 2016

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