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DekaBank Deutsche Girozentrale

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DekaBank Deutsche Girozentrale

SACP	bbb	+	Support	+4	+	Additional Factors	0

Anchor	a-	
Business Position	Moderate	-1
Capital and Earnings	Adequate	0
Risk Position	Moderate	-1
Funding	Average	0
Liquidity	Adequate	

ALAC Support	0
GRE Support	0
Group Support	+4
Sovereign Support	0

Issuer Credit Rating
A+/Negative/A-1

Major Rating Factors

Strengths:	Weaknesses:
• Expected ongoing and extraordinary group support from its owners, the German savings banks, if needed. • Position as one of the leading domestic asset managers, benefiting from its integration into the German savings bank sector. • Adequate capital levels and liquidity comparable with other German commercial banks.	• Potential earnings volatility due to revenues' sensitivity to capital market conditions. • Lower level of risk diversification and higher operational and reputational risks than peers. • Reliance on wholesale funding.

Outlook: Negative

The negative outlook on DekaBank reflects our view of growing economic and industry risks for the German banking sector. In particular, we anticipate that the German savings banks--the 100% owners of DekaBank--will be exposed to the economic and industry risks facing the German banking industry from the prolonged low-rate environment, and the growing economic risks from external headwinds and unabated house-price growth.

We could lower our ratings on DekaBank if we lowered our assessment on the German savings banks following a negative revision of our view on industry risks in the German banking sector leading to a change in the anchor--the starting point of our ratings--to 'bbb+' from 'a-'. We could also take a negative rating action if the German savings banks' profitability were to erode materially in light of the low interest-rate environment or from rising risk costs from a changing economic environment, such that it prevented the group from covering its normalized credit losses. We could also take a negative rating action if the German savings banks unexpectedly decreased the sales volumes of DekaBank's products over a prolonged period.

We could revise the outlook to stable over the 24-month outlook if we were to reassess our economic and industry risk trends for the German banking industry back to stable; for instance, if German banks sustainably improved profitability, or if risks of economic imbalances subsided. We consider an upgrade to be a remote possibility at this time. It would require the German banks to demonstrate enhanced profitability and franchise breadth or sustainably very strong capitalization. The former could materialize if fee-based businesses showed stronger earnings contributions, or if the sector's central banks and product providers gave a more unified offering.

We do not assign outlooks to bank issue ratings. That said, we expect our ratings on DekaBank's senior subordinated (senior nonpreferred) issuances will move in tandem with our issuer credit rating on the bank. For details on ratings on such hybrid debt, see the hybrid issue ratings section below.

Rationale

The 'A+/A-1' ratings on DekaBank benefit from four notches of uplift from its 'bbb' stand-alone credit profile (SACP). We base this on the bank's core group status to its 100% owners, the German savings banks. In the unlikely event that DekaBank required extraordinary support, we believe that Deutscher Sparkassen- und Giroverband (DSGV; the German Savings Banks Association), which holds the 100% stake in DekaBank on behalf of the savings banks, would serve as the principal source of such support for DekaBank.

The group status is underpinned by DekaBank's high strategic alignment and integration with the savings banks, as well as DekaBank's and the German savings banks' reliance on each other in the production and distribution of retail mutual funds. In light of pressure on interest income, the generation of commission income (for example, from securities and mutual funds) is becoming more important for savings banks to stabilize their earnings. Furthermore, DekaBank's strategy is to holistically support savings banks' securities investments and advisory production chains in the context of increasing regulatory and customer requirements.

The 'bbb' SACP reflects our assumption that DekaBank will maintain its sound position as one of Germany's largest asset managers, and our projections that it will maintain adequate capitalization and continue to prudently manage its funding and liquidity risk. This is partly offset by the bank's limited presence in asset management outside Germany, as well as its below-average market position in commercial banking activities. Another factor weighing on DekaBank's ratings is its concentration in commercial segments with generally higher risk, such as shipping. Furthermore, its capital ratios could underestimate its exposure to reputational and operational risks from asset management and its trading activities.

Anchor:'a-', reflecting operations focused on Germany

Our bank criteria 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 anchor for banks operating mainly in Germany is 'a-'.

Despite strengthening headwinds for Germany's economy from the ongoing trade war and a potentially disruptive Brexit, we maintain our view of Germany's economy as highly diversified, competitive, and resilient. A strong fiscal and sizable net external creditor position provide important buffers in a shock. That said, the high degree of openness, with exports accounting for almost 50% of GDP in 2018, greatly exposes Germany to external risks. Moreover, risks of economic imbalances are starting to emerge. Real house price growth returned to 6.3%, after 3.9% in 2017 and price pressures remain high thanks to low unemployment levels and rising wages, very high levels of net immigration, and supply shortages. Given the emerging pockets of weakness in Germany's corporate sector, we expect the very favorable cycle of minimal- or non-existing-risk costs will end, although overall private-sector debt remains low at 107% of GDP in 2018.

As is the case for many European banking industries, industry risk in Germany is intermediate, in our view. However, returns in the German banking industry are trailing the Northern and Eastern European banking industries. In addition, the low-for-longer interest rate environment and very strong competition will continue to drag down profitability, while progress in cost-reducing and efficiency-enhancing measures has been slow to translate into meaningful savings. Importantly, the need for significant investment in core banking systems and digital customer services will keep cost pressure high. Overall, German banks compare poorly in terms of cost efficiency with their European peers, and are increasingly exposed to the risks of tech disruption.

Germany's retail banking market will to continue to be dominated by well-funded and strongly capitalized savings and cooperative banking groups that have about 50% of the market in this segment. Large banks consequently typically carry riskier concentration and business risk, but have become significantly less vulnerable to economic risks due to substantial deleveraging, de-risking, and recapitalization in recent years. We continue to consider the institutional framework for the German banking system as intermediate, because regulatory reforms and expected progress are resolving major deficiencies and improving accountability and transparency in the German banking system.

Table 1

DekaBank Deutsche Girozentrale--Key Figures

		--Year-ended Dec. 31--			
(Mil. €)	**2019***	**2018**	**2017**	**2016**	**2015**
Adjusted assets	108,567.5	100,256.0	93,545.6	85,756.6	107,789.6
Customer loans (gross)	25,132.1	19,869.2	18,031.4	18,035.3	16,744.0
Adjusted common equity	4,674.5	4,520.4	4,475.6	4,330.1	4,229.9

Table 1

DekaBank Deutsche Girozentrale--Key Figures (cont.)					
		--Year-ended Dec. 31--			
(Mil. €)	**2019***	**2018**	**2017**	**2016**	**2015**
Operating revenues	809.0	1,517.8	1,540.7	1,653.9	1,580.6
Noninterest expenses	561.7	1,099.8	1,082.2	1,014.6	961.3
Core earnings	156.9	267.9	273.2	280.2	343.1

*Data as of June 30.

Business position: A leading domestic asset manager, with ancillary commercial banking activities

Table 2

DekaBank Deutsche Girozentrale--Business Position					
		--Year-ended Dec. 31--			
(%)	**2019***	**2018**	**2017**	**2016**	**2015**
Total revenues from business line (currency in millions)	810.7	1,571.4	1,545.4	1,653.9	1,588.4
Commercial banking/total revenues from business line	34.7	29.5	34.8	27.1	29.2
Asset management/total revenues from business line	70.3	71.7	75.1	69.8	67.7
Other revenues/total revenues from business line	(5.1)	(1.3)	(9.9)	3.0	3.1
Return on average common equity	6.2	5.8	5.5	5.8	7.7

*Data as of June 30.

Table 3

DekaBank Deutsche Girozentrale--Divisional Economic Pretax Profit Composition (Mil. €)				
Business division	**Main activities**	**2019***	**2018**	**2017**
Asset management securities	Actively managed securities, mutual funds, specialty funds	172.0	230.5	345.4
Asset management real estate	Open-ended mutual property funds	44.7	162.7	111.0
Asset management services	Provision of banking services for asset management	8.8	4.1	(4.8)
Capital markets	Money market, foreign exchange, certificates, derivatives, commission trading	96.0	85.0	206.8
Financing	Corporate finance, transportation & export finance, commercial property finance	35.4	67.4	50.5
Other	Other/consolidation	(133.9)	(97.8)	(259.9)
Economic pretax profit		223.1	451.8	448.9

*2019 half-year figures

Our assessment of DekaBank's moderate business position reflects the balance between its sound market position as one of the largest asset management providers in Germany, an earnings mix that is appropriately diversified but still sensitive to capital market conditions, and its below-average market position in commercial banking. Its business model benefits from, but also relies on, the continued strong integration between its asset management and banking operations; for instance, in the commercial real estate area, where DekaBank's lending business benefits from the experience of its large real estate funds.

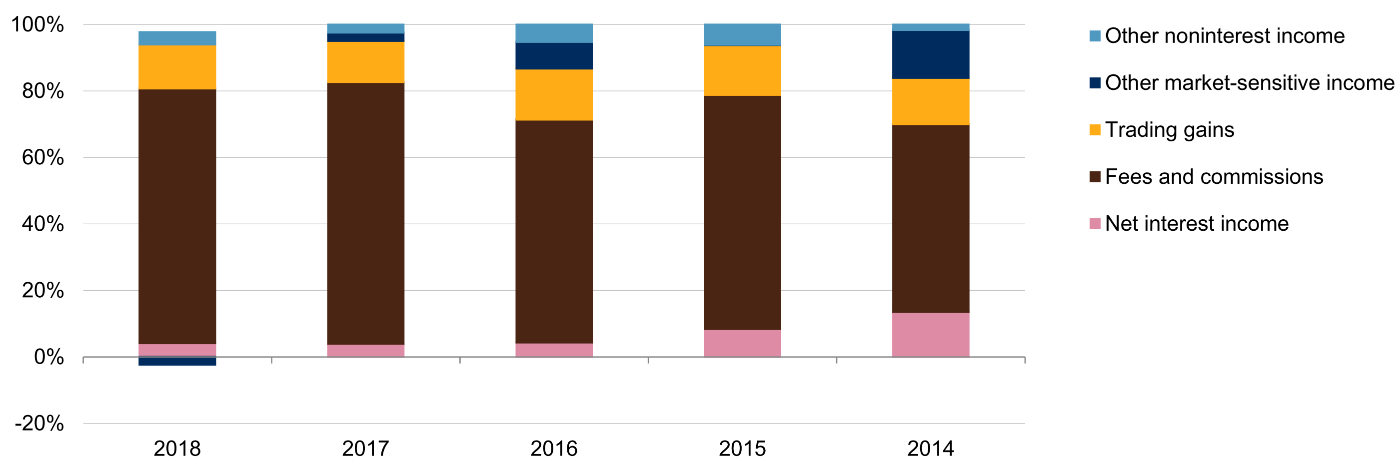
DekaBank is one of Germany's four leading providers of asset management products, with total assets under management, advice, or administration of €297.7 billion on June 30, 2019. Retail investment products, mainly mutual funds, account for just below 50% of assets (domestic market share 15.4% by assets under management). The other 50% are institutional investment products, which are mainly specialized funds (6.1% market share). Accordingly, net commission income represents the bulk of its operating revenues (see chart 1).

German savings banks are the exclusive third-party distributors of DekaBank's mutual fund products, and we also understand that the majority of all retail mutual funds distributed by the German savings banks are DekaBank products. The German savings banks sector collectively is the largest German retail banking group, with a network of about 13,016 branches (including self-service centers) and total assets of €1.2 trillion at year-end 2018. In 2018, net distribution of DekaBank products to retail clients, mainly by savings banks, reached €11.3 billion, and net new money generated by institutional clients--including the savings banks' own investments--was €0.5 billion, down from over €13 billion in the previous year due to the redemption of one large institutional investor.

Chart 1

DekaBank's Asset Management Income Is Its Major Source Of Operating Revenues

Components of operating revenues



Source: S&P Global Ratings.

Access to the German savings banks provides DekaBank with a large and stable distribution platform. However, it also restricts its access to other third parties, because DekaBank is not allowed to actively sell mutual funds to retail customers outside the savings bank universe. Moreover, compared with other asset managers, DekaBank has very limited franchise recognition abroad.

DekaBank's product suite is largely focused on actively managed funds--which generally tend to be subject to heightened cost-reward scrutiny--real estate funds, and certificates. It has a marginal position in the still-small but faster-growing market for exchange-traded funds.

Sustainable investment products, particularly for investors that invest according to environmental, social, and governance standards, remain an important element of DekaBank's product offering. After years of relatively strong growth since 2012, the volume of sustainable investment products has plateaued at around €11 billion.

Apart from fee income on asset management products, the largest profit contribution is from DekaBank's trading operations, mainly in money market and securities lending products, derivatives, and securities commission trading. We generally consider trading revenues to be less stable and more exposed to market confidence. However, at DekaBank, they also include earnings on the bank's certificates business, which are essentially market-linked asset management products issued by DekaBank to clients and are therefore on the bank's balance sheet. Stand-alone lending activities amounted to almost €24 billion at year-end 2018. More than half of that, €14 billion, comprised opportunistic exposures in infrastructure, transportation, and export finance, with the remainder related to commercial real estate loans (about €9.8 billion).

Since 2011, when the German savings banks fully took over DekaBank, the bank has renewed its focus on the asset management business and reduced its risk appetite. Based on this updated strategy and its savings-banks ownership, we anticipate that DekaBank will continue to focus on transforming further into a servicer for the savings banks in all asset management and securities related issues, and continue its integration with the savings banks via its established liquidity exchange platform. We also anticipate that the share of its commercial banking exposures will remain minor, and long-term growth will be linked mainly to its asset management activities. These strategic priorities should provide stability to DekaBank's market position, although revenues will likely remain sensitive to capital market conditions.

Capital and earnings: Continued loan growth is main factor in DekaBank's declining RAC ratio

Table 4

DekaBank Deutsche Girozentrale--Capital And Earnings					
		--Year-ended Dec. 31--			
(%)	**2019***	**2018**	**2017**	**2016**	**2015**
Tier 1 capital ratio	16.8	17.1	18.8	19.2	14.4
S&P Global Ratings' RAC ratio before diversification	N/A	10.2	11.5	11.2	8.8
S&P Global Ratings' RAC ratio after diversification	N/A	9.6	10.7	11.4	8.7
Adjusted common equity/total adjusted capital	90.8	90.5	90.4	90.1	89.9
Net interest income/operating revenues	6.0	4.4	3.9	4.4	8.4
Fee income/operating revenues	73.1	80.2	78.0	66.9	70.2
Market-sensitive income/operating revenues	18.3	11.4	14.8	23.3	15.0
Noninterest expenses/operating revenues	69.4	72.5	70.2	61.3	60.8
Preprovision operating income/average assets	0.5	0.4	0.5	0.7	0.6
Core earnings/average managed assets	0.3	0.3	0.3	0.3	0.3

*Data as of June 30. N/A--Not applicable.

Our assessment of DekaBank's capital and earnings reflects our view that the bank's risk-adjusted capital (RAC) ratio before diversification will trend toward 9.0%-9.5% through to the end of our forecast horizon. We could see a more accelerated decline if our assessment of economic risk in Germany were to deteriorate.

The RAC ratio was 10.22% at year-end 2018 based on our "Risk-Adjusted Capital Framework Methodology", published

July 20, 2017.

We project accelerated growth in commercial real estate and asset finance loans will lead to a decline of DekaBank's RAC ratio, since risk exposure growth is likely to outpace earnings retention. Also underlying our projection is our assumption of an economic pretax profit (economic result) of €400 million-€450 million annually over 2019-2021. The economic result is DekaBank's management's earnings metric broadly equivalent to total comprehensive income under International Financial Reporting Standards. That said, this is on a pretax basis, with a few add-ons and forward-looking management adjustments. It is appropriate to consider this metric in addition to reported net income, given that roughly half of DekaBank's total balance sheet assets are held at fair value (including derivatives' credit amounts); and that the bank often does not apply hedge accounting, even though economic hedges exist.

Our RAC ratio for DekaBank is materially lower than the regulatory fully loaded Core Equity Tier 1 (CET1) ratio of 15.4% at year-end 2018. This primarily indicates our more conservative approach to its loan and securities portfolio, as well as higher charges for credit valuation adjustment, which require a higher buffer under our RAC framework. Overall, regulatory capitalization is well above the minimum requirement of 4.5% for the CET1 ratio and is positioned to meet current and future minimum requirements.

Table 4

DekaBank Deutsche Girozentrale--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	24,245.4	46.9	0.2	346.0	1.4
Of which regional governments and local authorities	1,125.8	0.0	0.0	48.6	4.3
Institutions and CCPs	32,601.9	4,100.2	12.6	5,309.2	16.3
Corporate	29,117.5	12,226.2	42.0	22,383.4	76.9
Retail	685.8	514.3	75.0	411.5	60.0
Of which mortgage	0.0	0.0	0.0	0.0	0.0
Securitization§	145.9	102.6	70.3	107.5	73.7
Other assets†	471.4	317.9	67.4	845.3	179.3
Total credit risk	87,267.9	17,308.2	19.8	29,402.8	33.7
Credit valuation adjustment					
Total credit valuation adjustment	--	564.9	--	1,135.9	--
Market Risk					
Equity in the banking book	640.1	1,435.7	224.3	4,545.0	710.0
Trading book market risk	--	6,347.8	--	10,236.1	--
Total market risk	--	7,783.5	--	14,781.1	--
Operational risk					
Total operational risk	--	3,364.8	--	3,540.6	--

Table 4

DekaBank Deutsche Girozentrale--Risk Adjusted Capital Framework Data (cont.)

	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global Ratings RWA	% of S&P Global Ratings RWA
Diversification adjustments					
RWA before diversification	--	29,021.4	--	48,860.5	100.0
Total Diversification/ Concentration Adjustments	--	--	--	3,365.3	6.9
RWA after diversification	--	29,021.4	--	52,225.8	106.9

	Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings RAC ratio (%)
Capital ratio				
Capital ratio before adjustments	4,954.3	17.1	4,994.0	10.2
Capital ratio after adjustments‡	4,954.3	17.1	4,994.0	9.6

*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, S&P Global Ratings.

Risk position: Lower level of diversification and higher potential operational and reputational risks than peers

Table 5

DekaBank Deutsche Girozentrale--Risk Position

		--Year-ended Dec. 31--			
(%)	2019*	2018	2017	2016	2015
Growth in customer loans	6.3	10.2	(0.0)	7.7	2.6
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	6.9	6.8	N/A	0.6
Total managed assets/adjusted common equity (x)	23.3	22.2	20.9	19.9	25.5
New loan loss provisions/average customer loans	0.1	(0.1)	0.2	1.1	0.4
Net charge-offs/average customer loans	0.0	0.1	1.1	0.6	0.2
Gross nonperforming assets/customer loans + other real estate owned	0.8	1.1	3.0	4.7	4.4
Loan loss reserves/gross nonperforming assets	43.7	38.8	26.4	39.1	30.2

*Data as of June 30. N/A--Not applicable. RWA--Risk weighted assets.

Our risk position assessment for DekaBank reflects the bank's lower-than-peers' level of risk diversification and focus on wholesale-oriented portfolios with higher single-name concentrations. In addition, we believe that our RAC ratio could understate certain risks, such as operational and reputational risks intrinsic to DekaBank's asset-management and trading businesses. Moreover, we consider that DekaBank's still-high use of derivatives indicates a greater operational complexity compared with domestic banks with similar economic risk exposure. Furthermore, credit spread risks from its securities holdings could contribute to earnings volatility.

In general, we regard DekaBank's commercial banking business as riskier than its core asset-management activities. In particular, considering that its exposures are in potentially more cyclical sectors such as commercial real estate and transportation finance (including shipping, with €1.2 billion gross credit volume at June 30, 2019). That said, the favorable economic cycle, some asset disposables, and moderate loan growth have helped the ratio of nonperforming assets to customer loans to decline to 1% on Dec. 31, 2018 from 3% the year before, a level which is in line with that of the German banking system. Moreover, the relatively small size of DekaBank's loan book compared with its equity base further mitigates the bank's low nonperforming assets ratio.

Funding and liquidity: Broadly matched funding and liquidity access through the savings banks

Table 6

DekaBank Deutsche Girozentrale--Funding And Liquidity

		--Year-ended Dec. 31--			
(%)	**2019***	**2018**	**2017**	**2016**	**2015**
Core deposits/funding base	28.4	28.0	28.4	29.5	27.3
Customer loans (net)/customer deposits	93.1	80.4	77.6	84.6	67.0
Long-term funding ratio	42.8	42.2	44.3	49.7	41.0
Stable funding ratio	81.6	89.9	90.9	97.1	89.9
Short-term wholesale funding/funding base	60.3	61.2	59.2	53.7	62.1
Broad liquid assets/short-term wholesale funding (x)	0.9	1.0	1.0	1.0	1.0
Net broad liquid assets/short-term customer deposits	(35.3)	(10.2)	(9.0)	6.7	(7.8)
Short-term wholesale funding/total wholesale funding	83.7	84.4	82.0	75.4	84.9
Narrow liquid assets/3-month wholesale funding (x)	0.9	1.0	1.0	1.0	1.1

*Data as of June 30.

Our overall assessment of both funding and liquidity clearly benefits from expected sustainable access to the savings banks and the liquidity DekaBank can raise through its asset-management business. It also benefits from a sizable portfolio of broad liquid assets representing about 51% of the bank's balance sheet. These factors mitigate the bank's strong reliance on short-term wholesale funding, which we consider a weakness compared with the average funding profile of German banks.

Given its lack of retail deposit franchise, DekaBank is likely to remain purely wholesale funded. In particular, short-term wholesale funding accounted for 61% of the funding base on Dec. 31, 2018. However, DekaBank largely applies a matched funding policy and maintains a large pool of liquid assets. We therefore consider that its funding profile is appropriate for its assets. This is further underpinned by its stable funding ratio (SFR) of 90% on Dec. 31, 2018, and a broad liquid assets-to-wholesale funding ratio (BLAST) of 0.96x on the same date. DekaBank's regulatory liquidity coverage ratio (group level) stood at 150% on Dec. 31, 2018, slightly down from 153% in 2017.

Qualitatively, the institutional nature of DekaBank's customer depositors is not fully reflected in DekaBank's SFR and BLAST ratios. Institutional customer deposits are less granular and more confidence-sensitive than retail deposits, and are therefore exposed to higher outflow risk than assumed in our ratios. This is mitigated by our understanding that Dekabank sources about €20 billion of its money market funding from either investment funds--partly those managed by DekaBank, which need to hold minimum amounts of statutory liquidity--or from the German savings bank sector, which should exhibit stronger permanence than other bank deposits.

Moreover, a large share of DekaBank's non-derivative trading liabilities consist of certificates with maturities overwhelmingly longer than one year. Still, as some of these certificates might have early knock-out clauses that could allow for an early redemption, we treat them more conservatively as short-term funding. That said, we acknowledge that treating those certificates as long-term funding would make our funding and liquidity ratios more comparable with regulatory ratios and those of peers.

Support: Four notches of uplift for potential group support by German savings banks

We consider DekaBank to be a core subsidiary of its sole owner, the network of German savings banks, whose group credit profile (GCP) we assess at 'a+' (see "Credit FAQ: An Update On How We Rate German Savings Banks," published Sept. 26, 2019, on RatingsDirect). We believe that the savings banks would support DekaBank under any circumstances through the DSGV. As a result, the long-term issuer credit rating on DekaBank is four notches higher than its SACP.

German savings banks remain well-capitalized overall, partly owing to a marginal earnings payout requirement. In addition, they are the leading retail banking group in Germany by market share, benefiting from their extensive branch network,which supports their large and very granular retail deposit base. At the same time, these factors are partly offset by the lower strategic effectiveness of the savings banks compared with other domestic peers, limited fungibility of capital and liquidity in the group, and risks from their equity stakes in associated Landesbanks.

Generally, under our group rating methodology, we consider the savings banks to be a group, given the level of strategic cohesiveness, use of a common brand and services, common legal status as public law institutions, and the existence of a mutual protection scheme, which has prevented the failure of individual banks for decades. The German savings banks form a decentralized organization without a formal parent company. However, in our view, strategic coordination and access to group members' cash flows by their central association is sufficiently strong to consider all German savings banks to be group members.

The sector also enjoys the benefits of its joint liability scheme, the goal of which is to safeguard member institutions' liquidity and solvency. Ultimately, if a bank were to fail, the scheme would also serve as a deposit protection scheme, and EU authorities would recognize it as an institutional protection scheme.

We do not add any support uplift to the GCP of the savings banks sector (for more information, see "Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity," published April 27, 2015). We believe that regulators would apply a resolution framework to individual institutions of the sector and not to the group as a whole.

The German savings banks hold a 100% stake in DekaBank via their central association Deutscher Sparkassen- und Giroverband. In our view, the savings banks are unlikely to surrender control of DekaBank given the track record of increased strategic alignment since the complete takeover in 2011. Moreover, DekaBank's supervisory board comprises representatives of German savings banks and their regional associations, who are ultimately in charge of deciding, on behalf of the German savings banks' institutional protection scheme, whether support should be granted to DekaBank. We therefore believe that the German savings banks are able to detect problems early and organize support, as appropriate, in a timely fashion.

We understand that DekaBank's tools are firmly integrated into the savings banks' central IT system and standard process design. Ultimately, such deeper integration could also benefit DekaBank's SACP.

Hybrid issue ratings

We believe that the savings banks would seek to prevent a regulatory resolution scenario at DekaBank because of its important role for the sector. We therefore use the ICR as the starting point from which we derive the ratings on DekaBank's senior subordinated debt. We deduct one notch for subordination from the ICR, resulting in 'A' ratings on these debt obligations. A resolution scenario--and therefore a potential bail-in of DekaBank's senior subordinated debt instruments--might occur in the unlikely event that it were to reach a point of nonviability, without support from its owners. The German Federal Financial Supervisory Authority, BaFin, has classified DekaBank as an "other systemically important institution".

Additional rating factors:None

No additional factors affect the ratings.

Related Criteria

- General Criteria - Hybrid Capital: Methodology And Assumptions, July 1, 2019
- General Criteria: Group Rating Methodology, July 1, 2019
- 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: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Criteria - Financial Institutions - Banks: Banks: Rating 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

- Credit FAQ: An Update On How We Rate German Savings Banks, Sept. 26, 2019
- For German Landesbanken In 2019, The Risk Is Down, But Long-Term Questions Remain, Sept. 26, 2019
- Outlooks On Various German Banks Revised To Negative On Rising Banking Sector Risks; Ratings Affirmed, Sept. 18, 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 October 1, 2019)*

DekaBank Deutsche Girozentrale	
Issuer Credit Rating	A+/Negative/A-1
Commercial Paper	
Local Currency	A-1
Senior Subordinated	A
Senior Unsecured	A+
Short-Term Debt	A-1
Issuer Credit Ratings History	
17-Sep-2019	A+/Negative/A-1
09-Feb-2017	A+/Stable/A-1
14-Aug-2015	A/Positive/A-1
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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