



## Fitch Affirms 4 Landesbanks' Guaranteed and NRW.BANK's Pfandbriefe at 'AAA'/ Stable

Fitch Ratings-Frankfurt/London-29 March 2018: Fitch Ratings has affirmed the outstanding guaranteed Pfandbriefe issued by four Landesbanks at 'AAA' with Stable Outlook. They are the public sector Pfandbriefe issued by HSH Nordbank AG (HSH, BBB-/Rating Watch Negative/F3), Landesbank Baden-Wuerttemberg (LBBW, A-/Stable/F1) and Landesbank Hessen-Thuringen Girozentrale (Helaba, A+/Stable/F1+), and the mortgage and public sector Pfandbriefe issued by Bayerische Landesbank (BayernLB, A-/Stable/F1).

Fitch has also affirmed NRW.BANK's (AAA/Stable/F1+) outstanding public sector Pfandbriefe at 'AAA' with Stable Outlook.

### KEY RATING DRIVERS

The ratings of the four Landesbanks' guaranteed Pfandbriefe are based on the scope of the grandfathering (Gewährtraegerhaftung) provided by the respective German regional states (Laender) of Bavaria, Baden-Wuerttemberg, Hamburg, Hesse, Schleswig-Holstein and Thuringia. They are also driven by the credit quality of the respective states, which in Fitch's view, is underpinned by the stability of the German solidarity system linking their creditworthiness to that of the Federal Republic of Germany (AAA/Stable/F1+). The guarantee applies to bonds issued before 18 July 2001.

The rating of NRW.BANK's public sector Pfandbriefe is driven by the bank's 'AAA' Issuer Default Rating (IDR).

### RATING SENSITIVITIES

The 'AAA' ratings of BayernLB's and Helaba's guaranteed public sector Pfandbriefe would be vulnerable to a downgrade, if both of the following occur i) the German sovereign's IDR is downgraded to 'AA+' or below; and ii) the ratings of the unguaranteed Pfandbriefe cross-collateralised with the guaranteed Pfandbriefe are downgraded to 'AA+' or below.

The 'AAA' ratings of BayernLB's guaranteed mortgage Pfandbriefe, LBBW's and HSH's guaranteed public sector Pfandbriefe would be vulnerable to a downgrade if the German sovereign's IDR is downgraded to 'AA+' or below. The 'AAA' rating of NRW.BANK's public sector Pfandbriefe would be vulnerable to a downgrade if

NRW.BANK's and the German sovereign's IDRs are both downgraded to 'AA+' or below. For these four particular programmes Fitch does not currently receive sufficient information to conduct a full rating analysis.

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### **Applicable Criteria**

Bank Rating Criteria (pub. 23 Mar 2018)

(<https://www.fitchratings.com/site/re/10023430>)

Covered Bonds Rating Criteria (pub. 02 Mar 2018)

(<https://www.fitchratings.com/site/re/10021721>)

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