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DekaBank Deutsche Girozentrale

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DekaBank Deutsche Girozentrale

SACP	bbb	+	Support	+3	+	Additional Factors	0

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

ALAC Support	0
GRE Support	0
Group Support	+3
Sovereign Support	0

Issuer Credit Rating
A/Stable/A-1

Credit Highlights

Overview

Strengths	Risks
Our expectation of ongoing and extraordinary group support from its owners, the German savings banks, if needed.	Revenue sensitivity to capital market conditions.
Position as one of the leading domestic asset managers, benefiting from its integration in the German savings bank sector.	Lower risk diversification and higher operational and reputational risks than peers, notable exposure to the transportation sector.
Strong capital and adequate liquidity.	Reliance on wholesale funding.

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

We expect DekaBank's strategic alignment and integration with the savings banks to remain high. DekaBank's importance to the German savings banks is underpinned by their reliance on each other in the production and distribution of retail mutual funds. We also note DekaBank's important role in holistically supporting the savings banks' securities investments and advisory production chains in the context of increasing regulatory and customer demands.

We expect that DekaBank will maintain its solid market position as one of Germany's largest asset managers and its strong capitalization. This is underpinned by our expectation that its risk-adjusted capital (RAC) ratio will remain in the 10.5%-11.0% range by 2023.

Outlook: Stable

The stable outlook on DekaBank reflects our view that the German savings banks--which own 100% of DekaBank--are well placed to withstand the ongoing effects of the COVID-19 pandemic over the next two years. The outlook also reflects our assumption that a material shift in DekaBank's strategy following its integration with the German savings banks is unlikely.

Downside scenario

Although it is a remote prospect, we could lower our ratings on DekaBank if the German savings banks' competitiveness and profitability were to erode more materially than we anticipate, preventing the group from covering its normalized credit losses, or if payouts to the savings banks' public-sector backers were to increase substantially and weaken the group's aggregate capitalization. We could also take a negative rating action if the savings banks deprioritized their sales of DekaBank's products over a prolonged period.

Upside scenario

An upgrade would require the German savings banks to strengthen their competitive position, franchise, and profitability. The improvement in competitive position could materialize if the fee-based businesses made stronger earnings contributions, or if the sector's central banks and product providers provided a more unified offering. Although less likely, an upgrade could also follow if we see the savings banks building very strong and sustainable capitalization.

Key Metrics

DekaBank Deutsche Girozentrale--Key Ratios And Forecasts

	--Fiscal year ended Dec. 31 --				
(%)	**2019a**	**2020a**	**2021f**	**2022f**	**2023f**
Growth in operating revenue	10.9	0.3	1.3-1.6	1.7-2.1	1.5-1.8
Growth in customer loans	20.5	(5.6)	3.6-4.4	1.8-2.2	1.8-2.2
Cost to income ratio	69.4	68.6	67.0-71.0	67.0-70.0	67.0-70.0
Return on average common equity	4.2	4.2	5.1-5.6	5.6-6.1	5.7-6.3
New loan loss provisions/average customer loans	0.0	0.8	0.3-0.5	0.2-0.4	0.1-0.3
Risk-adjusted capital ratio	9.3	10.4	10.4-10.9	10.5-11.0	10.5-11.0

All figures are S&P Global Ratings-adjusted. a--Actual. e--Estimate. f--Forecast. NIM--Net interest margin.

Anchor:'bbb+', Reflecting DekaBank's Operational Focus On Germany

Under our Banking Industry Country Risk Assessment (BICRA), our anchor for a commercial bank operating only in Germany is 'bbb+', based on an economic risk score of '1' and an industry risk score of '4'.

Our assessment of economic risk considers the strengths of Germany's highly diverse and competitive economy, with its demonstrated ability to absorb economic and financial shocks. We also anticipate that Germany's ample fiscal and monetary measures will continue to mitigate the pandemic-related cyclical shock to the economy, the banking system, and retail and corporate customers, as well as limit German banks' credit losses. That said, the high degree of openness, with exports accounting for 50% of GDP, makes the trajectory of recovery also dependent on broad-based international developments. Our stable trend on economic risk reflects our view that German households, corporates, and public finances will likely remain well-cushioned from the negative effects of the pandemic. Similarly, despite elevated German house-price growth in recent years, we consider a rapid correction after a period of rising house prices unlikely in the medium term.

Our assessment of industry risk considers the pandemic-related economic pressures on banks' balance sheets and the banking sector's longer-term profitability challenges due to poor cost efficiency, the rising risks from technological disruption, and low interest rates. We believe that German banks operate in a highly competitive and structurally overbanked market with low gross margins, and that the banks' progress in improving their structural revenue diversification, cost bases, and digitalization has widened the gap between the sector and leading banking systems.

Interest rates are likely to remain unsupportive in the medium term, putting further strain on German banks' depressed interest income. The pandemic has also accelerated the move toward digital banking services, an area in which we see German banks as lagging peers. We see cost pressures arising from the German banking industry's need to invest significantly in the core banking systems and digital customer services that are essential to avoid the risks of technological disruption and franchise damage from cyber attacks and customer-data mismanagement.

Business Position: A Leading Domestic Asset Manager With Ancillary Commercial Banking Activities

We consider DekaBank's business franchise to be slightly weaker than the franchises of its more diversified peers. This takes into account its sound market position as one of the largest asset managers in Germany; an earnings mix (see table 1 and chart 1) that is appropriately diversified but sensitive to capital-market conditions; and its below-average market position in commercial lending. Its business model also relies on the integration of its asset management and banking operations, for instance, in the area of commercial real estate (CRE).

Table 1

DekaBank Deutsche Girozentrale--Divisional Economic Pretax Profit Composition (Mil. €)

Business division	Main activities	2021*	2020	2019	2018	2017
Asset management securities	Actively managed securities, mutual funds, specialty funds	236.1	365.8	416.7	230.5	345.4
Asset management real estate	Open-ended mutual property funds	81.7	149.9	146.4	162.7	111
Asset management services	Provision of banking services for asset management	2.7	33.4	10.3	4.1	(4.8)
Capital markets	Money market, foreign exchange, certificates, derivatives, commission trading	75	54.6	107.1	85	206.8
Financing	Corporate finance, transportation & export finance, commercial property finance	50.3	(87)	90.3	67.4	50.5
Other	Other/consolidation	(129.9)	(247.3)	(336.8)	(97.8)	(259.9)
Economic pretax profit		342.9	269.4	434	451.8	448.9

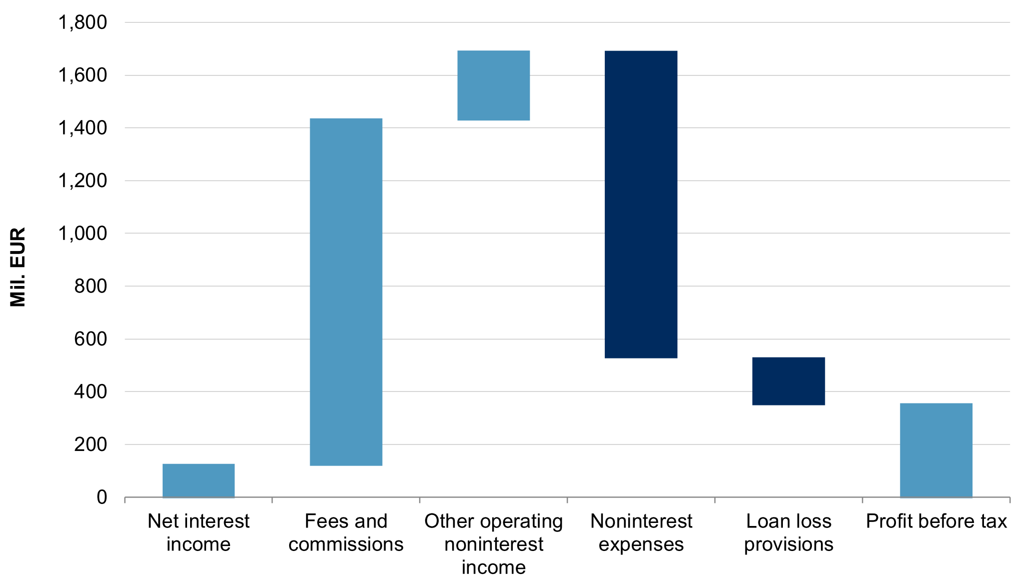
*2021 half-year figures.

DekaBank is one of Germany's four leading providers of asset management products, with total assets under management, advice, or administration of €368 billion as of June 30, 2021. This is roughly equally split between retail--mainly mutual funds with a domestic market share of 14.4% by assets under management--and institutional clients--mainly specialized funds and a 6.7% market share.

Chart 1

DekaBank's Low Interest Margin Dependence Eases Pressure From Lower For Longer Environment

Profit-and-loss breakdown per Dec-2020



Source: Company reporting, S&P Global Ratings.

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German savings banks are the exclusive third-party distributors of DekaBank's mutual fund products. Although these parties provide a large and stable distribution channel, the arrangement also restricts DekaBank's product distribution to third parties, as it is not supposed to actively sell mutual funds to retail customers outside the savings bank universe.

We also observe the longer-term risk that the accelerating trend for passive investments, including exchange-traded funds and digital investment advice outside the branches, could make it increasingly challenging for DekaBank to market its actively managed and higher-margin funds to savings banks' customers. This could lead to a gradual erosion of DekaBank's asset management franchise. Moreover, compared with other asset managers, DekaBank has very limited franchise recognition outside Germany.

Overall, the net distribution of DekaBank products to retail clients, mainly by the savings banks, increased by 60% year on year in the first half of 2021 and reached €11 billion, benefitting from a recent revival in the demand for investment products in Germany. Net new money generated by institutional clients, including the savings banks' own investments, was weaker, and generally remains sensitive to larger single-client wins or losses.

We generally consider the contributions of DekaBank's trading operations and lending activities to its revenues as less stable and more exposed to market confidence. However, at DekaBank these contributions also include earnings from the bank's certificates business, which are essentially market-linked asset-management products issued by DekaBank to clients, and therefore on the bank's balance sheet. Stand-alone lending activities reduced slightly year on year and amounted to €25 billion at mid-year 2021. More than half of that, €14 billion, comprised opportunistic loans in infrastructure, transportation, and export finance, with the remainder relating to real estate loans (of which about €8 billion are CRE loans).

We anticipate that DekaBank will continue its transformation into a servicer for the savings banks in all issues relating to asset management and securities, and continue its integration with the savings banks via its established liquidity-exchange platform. We also anticipate that the share of DekaBank's commercial banking loans will remain comparably small, and that its long-term growth will derive mainly from its asset management activities. This implies that revenue will remain highly sensitive to capital-market conditions. We expect DekaBank's management to continue pursuing a conservative strategy in line with its owners' preference. This implies a focus on organic expansion and DekaBank's lack of intention to play an active role in market consolidation in the European asset management industry.

Capital And Earnings: We Expect DekaBank's Risk-Adjusted Capitalization To Remain Strong

Our assessment of DekaBank's capital and earnings as a rating strength reflects our view that the bank's RAC ratio before diversification will remain in the 10.5%-11.0% range through the end of our two-year forecast horizon.

The RAC ratio increased by 160 basis points (bps) year on year to around 10.6% at year-end 2020, as DekaBank reduced its lending portfolio and part of the securities it held in the banking book following a portfolio optimization amid the pandemic. Our capital forecast rests on our expectation that growth in DekaBank's loan book will be significantly lower than in the pre-pandemic years, which will help to stabilize its RAC ratio around current levels.

We expect DekaBank's pretax profit to come in between €400 million and €550 million annually over 2021-2023 and to improve gradually. However, DekaBank manages its earnings according to the metric economic pretax profit (economic result). This is broadly equivalent to total comprehensive income under International Financial Reporting Standards, and additionally considers items such as valuation gains and losses from hedged lending, actuarial gains and losses, and interest expense related to additional tier 1 issuances. Our base case also rests on loan loss provisions peaking in 2020 and gradually decreasing to about 20 bps in 2023.

Our RAC ratio for DekaBank remains materially lower than the regulatory fully loaded Core Equity Tier 1 ratio of 15.3% at end-June 2021. This primarily indicates reflects that we apply our higher risk weights for DekaBank's loan and securities portfolio, as well as higher charged market risks than the regulator.

We assess the quality of capital and earnings as neutral. Positively, adjusted common equity represents 91% of total adjusted capital, and we consider DekaBank's ownership structure as supportive of its capital quality, demonstrated by generally moderate dividend-payout requirements. Our assessment is partly mitigated by a relatively higher reliance on market-sensitive income.

Risk Position: A Lower Degree Of Diversification And Higher Operational And Reputational Risks Than Peers

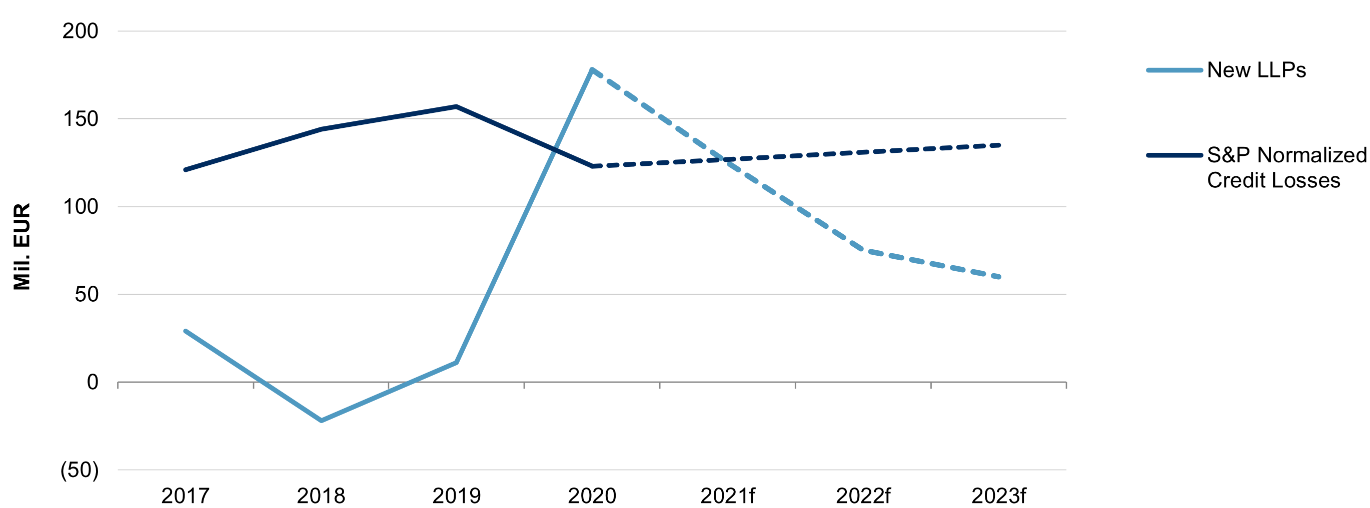
Our risk position assessment for DekaBank reflects the bank's lower risk diversification than its peers, and its focus on wholesale-oriented portfolios with higher single-name concentrations. In addition, we believe that our RAC ratio could understate certain risks, such as operational and reputational risks intrinsic to DekaBank's asset management and trading businesses. Furthermore, credit-spread risks from the bank's large securities holdings contribute to earnings volatility.

In general, we regard DekaBank's commercial banking business as riskier than its core asset management activities. That said, we recognize that the bank's exposure to more cyclical sectors, such as CRE or transportation, have only led to a moderate increase in loss provisioning amid the pandemic. However, we think that pandemic-related structural changes could lead to future credit losses, particularly in the CRE portfolio over the medium term.

DekaBank reported credit releases amounting to €18 million in the first half of 2021, after reporting credit losses of €178 million in 2020. We expect credit losses to have peaked in 2020 and remain below our S&P Global Ratings-adjusted normalized credit losses over our two-year forecast horizon (see chart 2).

Chart 2

Cost Of Risk Expected To Have Peaked In 2020
Normalized credit losses expected to exceed LLPs no later than 2022



LLPs--Loan loss provisions. f--Forecast. Source: S&P Global Ratings.

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In our view, DekaBank has entered the pandemic-triggered global economic downturn with a robust balance sheet, benefiting from a favorable economic cycle before the pandemic, and we expect the ratio of nonperforming assets to customer loans to remain moderate. The nonperforming exposure ratio reduced further to 1.4% at end-June 2021, but we understand this partly relates to the sale of nonperforming assets.

Funding And Liquidity: Access To The Savings Banks Provides Stability

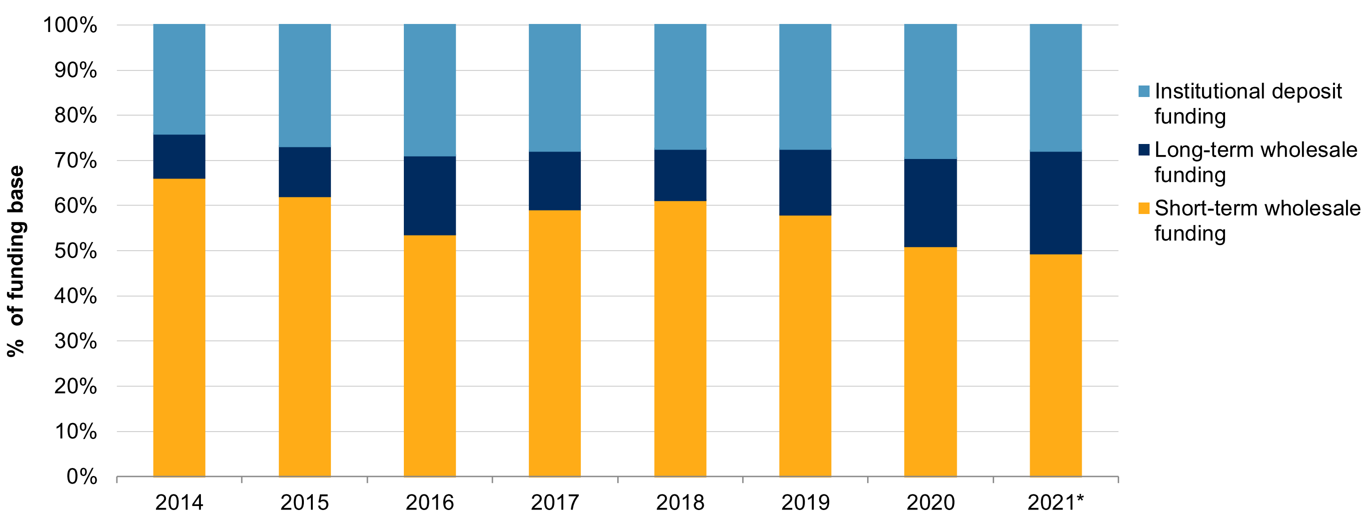
Our overall assessment of DekaBank's funding and liquidity strengths mainly reflects the bank's sustainable access to the savings banks' substantial financial resources in case of need. We also incorporate the bank's sizable portfolio of broad liquid assets that represents a significant share of its balance sheet. These factors mitigate the bank's stronger reliance on short-term wholesale funding.

Despite some adjustments in the funding mix over recent years (see chart 3), DekaBank remains a largely wholesale-funded institution. However, we consider its funding profile as appropriate for its asset profile. We expect DekaBank to continue its matched funding policy and maintain a large pool of liquid assets.

Chart 3

DekaBank Has Reduced Its Reliance On Short-Term Funding Over Time

Funding profile split of DekaBank



*As of June 2021. Source: S&P Global Ratings.

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DekaBank's stable funding ratio (SFR) was 97% as of end-June 2021 and its ratio of broad liquid assets to short-term wholesale funding (BLAST) was 0.98x on the same date. These ratios are weaker than those of most peers, but to a certain degree, they understate the quality of DekaBank's funding and liquidity. We conservatively treat all its nonderivative trading liabilities as short-term funding. This is because some of them have knock-out clauses that allow for early redemption. However, in the past, we have observed these liabilities as having maturities of far longer than one year. If we were to treat these liabilities as long-term funding, DekaBank's metrics would be more in line with those of its peers.

On the other hand, the institutional nature of DekaBank's customer depositors is not fully reflected in its SFR and BLAST metrics. Institutional customer deposits are less granular and more confidence-sensitive than retail deposits and are therefore exposed to higher outflow risk than our ratios assume. This is mitigated by our understanding that DekaBank sources a larger part of its money market funding either from investment funds--partly those that DekaBank manages, which need to hold minimum amounts of statutory liquidity--or from the German savings bank sector. Funds from the savings bank sector should exhibit stronger permanence than other bank deposits. We consider this structure to demonstrate DekaBank's strategic importance to the savings banks. We also believe that DekaBank has adequate stress-testing capabilities, which include several extreme scenarios to determine its liquidity needs in times of severe market stress.

Support: Three Notches Of Uplift For Potential Support From The 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'. We believe that the savings banks would support DekaBank under any circumstances through the DSGV. As a result, our long-term issuer credit rating on DekaBank is three notches higher than its SACP.

The German savings banks are 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, 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 their domestic peers, the limited fungibility of capital and liquidity in the group, and risks arising from their equity stakes in the associated Landesbanks.

Generally, under our group rating methodology, we consider the savings banks to be a group, given their 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 through their central association, are 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 the 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, as 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, DSGV. In our view, the savings banks are unlikely to surrender control of DekaBank, given the track record of increased strategic alignment since the takeover in 2011. Moreover, DekaBank's supervisory board comprises representatives of German savings banks and their regional associations, which 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 can detect problems early and organize support, as appropriate, in a timely fashion.

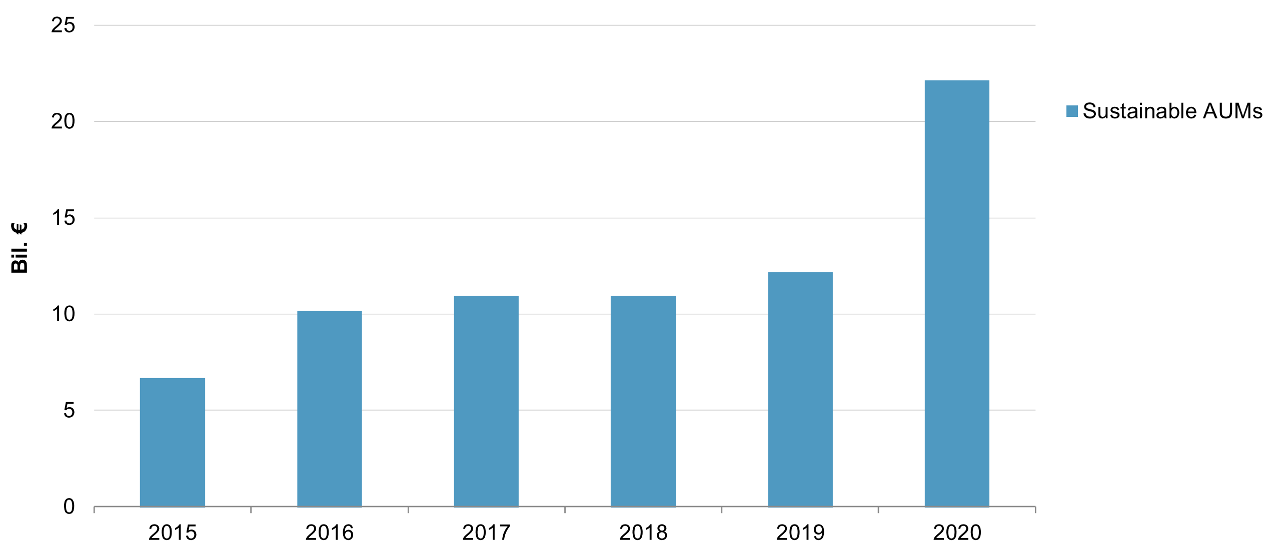
We understand that DekaBank's tools are firmly integrated into the savings banks' central IT system and standard process design. Ultimately, such deeper integration could also benefit DekaBank's SACP in the long term.

Environmental, Social, And Governance

Overall, we see ESG credit factors for DekaBank as broadly in line with those of the industry, including its German peers, and not a differentiating factor. The bank's management team aims to position DekaBank as an innovative and sustainable asset manager for the savings banks by 2025. We therefore expect ESG to become an increasingly important element of DekaBank's product offering (see chart 4). In our view, DekaBank's integration into the German savings banks network and its public service mandate help to promote future compliance with ESG principles.

Chart 4

The Importance Of Sustainable Investment Products Increased Significantly In 2020



Source: DekaBank sustainability reporting, S&P Global Ratings.
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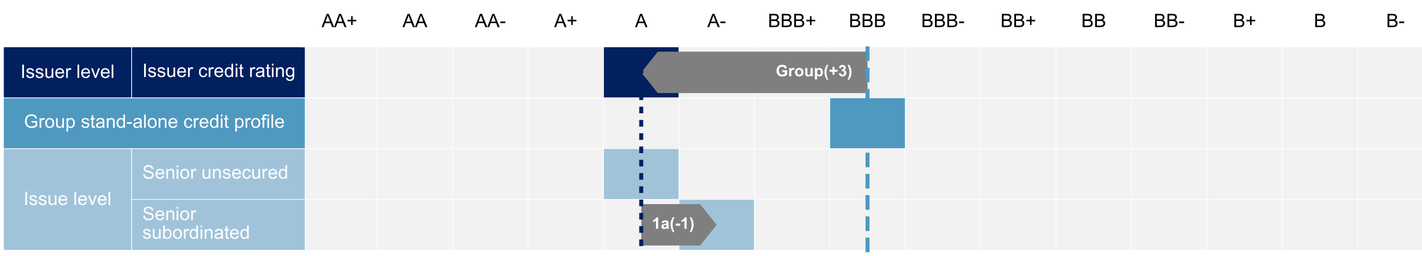
As part of its sustainability strategy, DekaBank has established a framework that will allow for the issuance of green bonds, the proceeds of which can be used for purposes such as building, renovation, and renewable energy projects.

Hybrids

We believe that the savings banks would seek to prevent a regulatory resolution at DekaBank because of its important role for the sector. We therefore use the issuer credit rating as the starting point from which we derive the ratings on DekaBank's senior subordinated debt (see chart 5).

Chart 5

DekaBank Deutsche Girozentrale: Notching



Key to notching

- - - - - Group stand-alone credit profile
- - - - - - Issuer credit rating
Group Group support
1a Contractual subordination

Note: The number-letter labels in the table above are in reference to the notching steps we apply to hybrid capital instruments, as detailed in table 3 of our "Hybrid Capital: Methodology And Assumptions" criteria, published on July 1, 2019.
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Key Statistics

Table 2

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	19,870.9	9.1	0.0	388.8	2.0
Of which regional governments and local authorities	8,863.0	0.0	0.0	321.7	3.6
Institutions and CCPs	25,825.4	2,803.4	10.9	4,465.2	17.3
Corporate	24,446.3	11,902.6	48.7	19,283.7	78.9
Retail	220.2	157.3	71.4	132.1	60.0
Of which mortgage	0.0	0.0	0.0	0.0	0.0
Securitization§	0.0	0.0	130.6	0.0	64.1
Other assets†	736.3	433.3	58.8	1,518.8	206.3
Total credit risk	71,099.1	15,305.7	21.5	25,788.6	36.3
Credit valuation adjustment					
Total credit valuation adjustment	--	638.4	--	1,450.0	--

Table 2

DekaBank Deutsche Girozentrale--Risk-Adjusted Capital Framework Data (cont.)					
Market Risk					
Equity in the banking book	800.6	2,299.4	287.2	5,726.1	715.2
Trading book market risk	--	9,578.1	--	14,740.7	--
Total market risk	--	11,877.6	--	20,466.8	--
Operational risk					
Total operational risk	--	3,484.9	--	3,772.0	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	31,306.6	--	51,477.4	100.0
Total Diversification/ Concentration Adjustments	--	--	--	3,684.4	7.2
RWA after diversification	--	31,306.6	--	55,161.9	107.2
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		4,911.0	15.7	5,343.3	10.4
Capital ratio after adjustments‡		4,911.0	15.7	5,343.3	9.7

*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). CCP--Calling party pays. RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of 'Dec. 31 2020', S&P Global Ratings.

Table 3

DekaBank Deutsche Girozentrale Business Position					
		--Year-ended Dec. 31--			
(%)	**2021***	**2020**	**2019**	**2018**	**2017**
Total revenues from business line (currency in millions)	920.7	1,688.8	1,683.2	1,571.4	1,545.4
Commercial banking/total revenues from business line	27.1	24.9	29.1	29.5	34.8
Asset management/total revenues from business line	75.1	73.7	75.8	71.7	75.1
Other revenues/total revenues from business line	(2.2)	1.4	(4.8)	(1.3)	(9.9)
Return on average common equity	7.7	4.2	4.2	5.8	5.5

*Data as of June 30.

Table 4

DekaBank Deutsche Girozentrale Capital And Earnings					
		--Year-ended Dec. 31--			
(%)	**2021***	**2020**	**2019**	**2018**	**2017**
Tier 1 capital ratio	16.8	15.7	15.7	17.1	18.8
S&P Global Ratings' RAC ratio before diversification	N/A	10.4	9.3	10.2	11.5
S&P Global Ratings' RAC ratio after diversification	N/A	9.7	8.7	9.6	10.7
Adjusted common equity/total adjusted capital	91.6	91.1	91.0	90.5	90.4
Net interest income/operating revenues	5.9	7.3	7.3	4.4	3.9

Table 4

DekaBank Deutsche Girozentrale Capital And Earnings (cont.)					
		--Year-ended Dec. 31--			
(%)	**2021***	**2020**	**2019**	**2018**	**2017**
Fee income/operating revenues	80.2	77.5	79.8	80.2	78.0
Market-sensitive income/operating revenues	13.1	14.3	10.2	11.4	14.8
Cost to income ratio	68.4	68.6	69.4	72.5	70.2
Preprovision operating income/average assets	0.6	0.6	0.5	0.4	0.5
Core earnings/average managed assets	0.5	0.2	0.3	0.3	0.3

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

Table 5

DekaBank Deutsche Girozentrale Risk Position					
		--Year-ended Dec. 31--			
(%)	**2021***	**2020**	**2019**	**2018**	**2017**
Growth in customer loans	5.5	(5.6)	20.5	10.2	(0.0)
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	7.2	7.1	6.9	6.8
Total managed assets/adjusted common equity (x)	18.3	17.6	20.3	22.2	20.9
New loan loss provisions/average customer loans	(0.2)	0.8	0.0	(0.1)	0.2
Net charge-offs/average customer loans	0.4	0.2	0.0	0.1	1.1
Gross nonperforming assets/customer loans + other real estate owned	1.4	2.4	1.0	1.1	3.0
Loan loss reserves/gross nonperforming assets	46.8	34.6	36.8	38.8	26.4

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

Table 6

DekaBank Deutsche Girozentrale Funding And Liquidity					
		--Year-ended Dec. 31--			
(%)	**2021***	**2020**	**2019**	**2018**	**2017**
Core deposits/funding base	28.4	30.1	28.0	28.0	28.4
Customer loans (net)/customer deposits	101.3	104.9	101.5	80.4	77.6
Long-term funding ratio	53.8	52.6	45.5	42.2	44.3
Stable funding ratio	97.0	87.0	78.5	89.9	90.9
Short-term wholesale funding/funding base	49.5	51.0	58.0	61.2	59.2
Broad liquid assets/short-term wholesale funding (x)	1.0	0.8	0.8	1.0	1.0
Net broad liquid assets/short-term customer deposits	(3.0)	(29.8)	(50.0)	(10.2)	(9.0)
Short-term wholesale funding/total wholesale funding	68.5	72.3	79.9	84.4	82.0
Narrow liquid assets/3-month wholesale funding (x)	1.0	0.9	0.8	1.0	1.0

*Data as of June 30.

Related Criteria

- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017

- Criteria | Financial Institutions | Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
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- For German Landesbanken In 2019, The Risk Is Down, But Long-Term Questions Remain Sept. 26, 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 7, 2021)*	
DekaBank Deutsche Girozentrale	
Issuer Credit Rating	A/Stable/A-1
Commercial Paper	
Local Currency	A-1
Senior Subordinated	A-
Senior Unsecured	A
Short-Term Debt	A-1
Issuer Credit Ratings History	
24-Jun-2021	A/Stable/A-1
17-Sep-2019	A+/Negative/A-1
09-Feb-2017	A+/Stable/A-1
Sovereign Rating	
Germany	AAA/Stable/A-1+
Related Entities	
Berlin Hyp AG	
Issuer Credit Rating	--/--/A-1
Commercial Paper	
Local Currency	A-1
Frankfurter Sparkasse	
Issuer Credit Rating	A-/Stable/A-2
Kasseler Sparkasse	
Issuer Credit Rating	A-/Stable/A-2
Kreissparkasse Eichsfeld	
Issuer Credit Rating	A-/Stable/A-2
Kreissparkasse Gelnhausen	
Issuer Credit Rating	A-/Stable/A-2
Kreissparkasse Gotha	
Issuer Credit Rating	A-/Stable/A-2
Kreissparkasse Gross-Gerau	
Issuer Credit Rating	A-/Stable/A-2
Kreissparkasse Hildburghausen	
Issuer Credit Rating	A-/Stable/A-2
Kreissparkasse Limburg	
Issuer Credit Rating	A-/Stable/A-2
Kreissparkasse Nordhausen	
Issuer Credit Rating	A-/Stable/A-2
Kreissparkasse Saale-Orla	
Issuer Credit Rating	A-/Stable/A-2
Kreissparkasse Saalfeld-Rudolstadt	
Issuer Credit Rating	A-/Stable/A-2
Kreissparkasse Schluechtern	
Issuer Credit Rating	A-/Stable/A-2

Ratings Detail (As Of October 7, 2021)*(cont.)	
Kreissparkasse Schwalm-Eder	
Issuer Credit Rating	A-/Stable/A-2
Kreissparkasse Weilburg	
Issuer Credit Rating	A-/Stable/A-2
Kyffhaeusersparkasse	
Issuer Credit Rating	A-/Stable/A-2
Landesbank Hessen-Thueringen Girozentrale	
Issuer Credit Rating	A-/Stable/A-2
Commercial Paper	
Foreign Currency	A-2
Senior Subordinated	BBB+
Senior Unsecured	A-
Nassauische Sparkasse	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Altenburger Land	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Arnstadt-Ilmenau	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Bad Hersfeld-Rotenburg	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Battenberg	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Bensheim	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Dieburg	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Dillenburg	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Fulda	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Gera-Greiz	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Giessen	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Gruenberg	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Hanau	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Jena-Saale-Holzland	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Langen-Seligenstadt	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Laubach-Hungen	
Issuer Credit Rating	A-/Stable/A-2

Ratings Detail (As Of October 7, 2021)*(cont.)	
Sparkasse Marburg-Biedenkopf	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Mittelthueringen	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Oberhessen	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Odenwaldkreis	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Rhoen-Rennsteig	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Sonneberg	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Starkenburg	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Unstrut-Hainich	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Waldeck-Frankenberg	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Werra-Meissner	
Issuer Credit Rating	A-/Stable/A-2
Sparkasse Wetzlar	
Issuer Credit Rating	A-/Stable/A-2
Stadtsparkasse Borken	
Issuer Credit Rating	A-/Stable/A-2
Stadtsparkasse Grebenstein	
Issuer Credit Rating	A-/Stable/A-2
Stadtsparkasse Schwalmstadt	
Issuer Credit Rating	A-/Stable/A-2
Stadt- und Kreis-Sparkasse Darmstadt	
Issuer Credit Rating	A-/Stable/A-2
Staedtische Sparkasse Offenbach am Main	
Issuer Credit Rating	A-/Stable/A-2
Taunus-Sparkasse	
Issuer Credit Rating	A-/Stable/A-2
Wartburg-Sparkasse	
Issuer Credit Rating	A-/Stable/A-2

*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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