



Fitch Affirms 4 Landesbanks' Guaranteed Pfandbriefe and NRW.BANK's at 'AAA'; Withdraws HSH's Rating

Fitch Ratings - Frankfurt am Main - 22 February 2019: 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), 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). The last mortgage Pfandbrief from BayernLB will mature in May 2019.

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

The ratings of HSH's public sector Pfandbriefe were withdrawn with for commercial reasons.

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 i) the German sovereign's IDR was downgraded to 'AA+' or below; and ii) the ratings of the unguaranteed Pfandbriefe cross-collateralised with the guaranteed Pfandbriefe were downgraded to 'AA+' or below.

The 'AAA' ratings of BayernLB's guaranteed mortgage Pfandbriefe and LBBW's guaranteed public sector Pfandbriefe would be vulnerable to a downgrade if the German sovereign's IDR was 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 were both downgraded to 'AA+' or below.

RATING ACTIONS

ENTITY/DEBT	RATING	PRIOR
Bayerische Landesbank		
senior secured, Mortgage Covered Bonds, Guaranteed Mortgage Pfandbriefe	LT AAA ● Affirmed	AAA ●
senior secured, Public	LT	AAA ●

Sector Covered Bonds, Guaranteed Public Sector Pfandbriefe	AAA ● Affirmed	
HSH Nordbank AG		
senior secured, Public Sector Covered Bonds, Guaranteed Public Sector Pfandbriefe	LT AAA ● Affirmed	AAA ●
senior secured, Public Sector Covered Bonds, Guaranteed Public Sector Pfandbriefe	LT WD Withdrawn	AAA ●
Landesbank Baden- Wuerttemberg		
senior secured, Public Sector Covered Bonds, Guaranteed Public Sector Pfandbriefe	LT AAA ● Affirmed	AAA ●
NRW.BANK		
senior secured, Public Sector Covered Bonds, Guaranteed Public Sector Pfandbriefe	LT AAA ● Affirmed	AAA ●
Landesbank Hessen- Thueringen Girozentrale		
senior secured, Public Sector Covered Bonds, Guaranteed Public Sector Pfandbriefe	LT AAA ● Affirmed	AAA ●

Additional information is available on www.fitchratings.com

Applicable Criteria

Bank Rating Criteria (pub. 12 Oct 2018)

Covered Bonds Rating Criteria (pub. 11 Jan 2019)

Additional Disclosures

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

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