

## **FITCH AFFIRMS GUARANTEED PFANDBRIEFE AT 'AAA'; OUTLOOK STABLE**

Fitch Ratings-Frankfurt/London-29 April 2015: Fitch Ratings has affirmed the guaranteed public sector Pfandbriefe issued by Bayerische Landesbank (A+/Negative/F1+) and Landesbank Baden-Wuerttemberg (A+/Negative/F1+), the guaranteed mortgage and public sector Pfandbriefe issued by HSH Nordbank AG (A-/Negative/F1) and Landesbank Hessen-Thuringen Girozentrale (A+/Stable/F1+), and the public sector Pfandbriefe issued by NRW.BANK (AAA/Stable/F1+) at 'AAA' with Stable Outlooks.

### **KEY RATING DRIVERS**

The ratings of the Landesbanks' guaranteed Pfandbriefe are based on the scope of the guarantee (Gewährträgerhaftung) provided by the respective German federal states (Laender) of Bavaria, Baden-Wuerttemberg, Hamburg, Hesse, Schleswig-Holstein and Thuringia. They are also driven by the credit quality of the 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 and to bonds issued between 19 July 2001 and 18 July 2005, but maturing no later than 31 December 2015.

The rating of NRW.BANK's public sector Pfandbriefe is driven by the bank's Issuer Default Rating (IDR) of 'AAA', which has a Stable Outlook

### **RATING SENSITIVITIES**

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

The 'AAA' ratings of Bayerische Landesbank's guaranteed public sector Pfandbriefe, Landesbank Baden-Wuerttemberg's guaranteed public sector Pfandbriefe and Landesbank Hessen-Thuringen Girozentrale's guaranteed public sector and mortgage Pfandbriefe would be vulnerable to a downgrade, if both of the following occur: the German sovereign's IDR is downgraded to 'AA+' or below, and the ratings of the unguaranteed Pfandbriefe cross-collateralised with the guaranteed Pfandbriefe are 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 IDR is downgraded to 'AA+' or below.

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Additional information is available at [www.fitchratings.com](http://www.fitchratings.com).

Applicable criteria 'Covered Bonds Rating Criteria' dated 8 August 2014 are available at [www.fitchratings.com](http://www.fitchratings.com).

Applicable Criteria and Related Research:

Covered Bonds Rating Criteria

[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=753052](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=753052)

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