S&P Global Ratings

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DekaBank Deutsche Girozentrale

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DekaBank Deutsche Girozentrale

Ratings Score Snapshot

Issuer Credit Rating
A/Stable/A-1

SACP: bbb → **Support: +3** → **Additional factors: 0**

Anchor	bbb+	
Business position	Moderate	-1
Capital and earnings	Strong	+1
Risk position	Moderate	-1
Funding	Adequate	0
Liquidity	Adequate	
CRA adjustment		0

ALAC support	0
GRE support	0
Group support	+3
Sovereign support	0

Issuer credit rating
A/Stable/A-1

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Key strengths	Key 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 in its lending book and higher operational and reputational risks in its asset management-related business than peers.
Strong capital and solid liquidity buffers.	Strong reliance on wholesale funding.

The ratings benefit from DekaBank's ownership by and integration with the German savings banks. This explains the three notches of uplift from the 'bbb' stand-alone credit profile (SACP), reflecting its core status for its ultimate 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 regulatory and customer demands.

Our 'bbb' SACP reflects DekaBank's 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 strong. We consider as constraining factors, the bank's revenue sensitivity to capital market conditions, its higher concentration risk in its lending portfolio, and a relatively higher reliance on wholesale funding than German peers.

Outlook

The stable outlook on DekaBank reflects our view that the German savings banks--which own 100% of DekaBank--remain well placed to withstand the challenging macroeconomic environment over the next two years. The outlook also reflects our assumption that a material shift in DekaBank's strategy and integration with the German savings banks is unlikely.

Downside scenario

Although it is an unlikely 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 for instance materialize 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 capitalization.

Key Metrics

DekaBank Deutsche Girozentrale--Key Ratios And Forecasts

	--Fiscal year ended Dec. 31--				
(%)	**2020a**	**2021a**	**2022f**	**2023f**	**2024f**
Growth in operating revenue	0.3	20.8	13-18	(10)-(14)	2-4
Growth in customer loans	(5.6)	7.0	2-4	2-4	2-4
Net interest income/average earning assets (NIM)	0.2	0.3	0.3-0.3	0.3-0.3	0.3-0.4
Cost to income ratio	68.6	61.2	54-57	64-68.0	65-69
Return on average common equity	4.2	9.8	10-12	5-8	6-9
New loan loss provisions/average customer loans	0.8	(0.0)	(0.1)-0.1	0.2-0.4	0.2-0.4
Gross nonperforming assets/customer loans	2.4	1.4	1.7-1.9	1.9-2.0	1.5-1.7
Risk-adjusted capital ratio	10.4	12.5	13.3-13.8	13.3-13.8	13.3-13.8

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

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

As part of our Banking Industry Country Risk Assessment (BICRA), the anchor for banks operating primarily in Germany is 'bbb+' reflecting our economic risk assessment of '1' and our industry risk assessment of '4' (on a scale of 1-10, with '10' signifying the highest risk). We view the trend for economic risk as negative, while we assess the industry risk trend as stable.

Our economic risk assessment considers that the German economy has a demonstrated ability to absorb large economic and financial shocks based on its wealth and the government's ample flexibility for countercyclical measures, including substantial fiscal stimulus and wide-ranging support, as was seen during the pandemic. Our negative economic risk trend signals our concerns that economic risks for the German economy are increasing due to the country's substantial exposure to energy sourcing from Russia, which makes it vulnerable to a to a gas shutdown. The potential resulting economic shock and implications for the country's growth potential over the medium term could impair asset quality for corporate and consumer loans, also given the country's export dependence and the longer-than-expected disruptions in global supply chains.

Our industry risk assessment of Germany considers pressures from the difficult operating conditions on banks' balance sheets, and the banking sector's structural longer-term profitability challenges due to poor cost efficiency, and ongoing risks from technology disruption. As a long-term offset to a potentially more difficult economic environment, we believe that German banks might see industry risk benefit more than some peers from net interest margin expansion owing to rising rates. At the same time, we continue to anticipate that disruption risks remain from German banks' comparatively slow adaptation to digital banking, given changing customer demands, while systems are less advanced than other international banking systems. Comparably low profitability in the German banking sector constrains incumbent banks' capacity to invest in developing sustainable business models supported by new technology, and reduces their capacity to absorb higher credit, market, or operational losses.

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 more diversified peers such as Deutsche Bank AG or UniCredit Bank AG. This considers its sound market position as one of the largest asset managers in Germany; an earnings mix (charts 1 and 2) that is fee-centric but highly sensitive to capital-market conditions; and its less established market position in commercial lending. Its business model also relies on the integration of its asset management and banking operations, for instance, in commercial real estate (CRE).

DekaBank is one of Germany's four leading providers of asset management products, with total assets under management, advice, or administration of €367 billion as of June 30, 2022. This is roughly equally split between retail--mainly mutual funds with a domestic market share of 13.6% by assets under management--and institutional clients--mainly specialized funds and a 6.3% market share.

Table 1

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

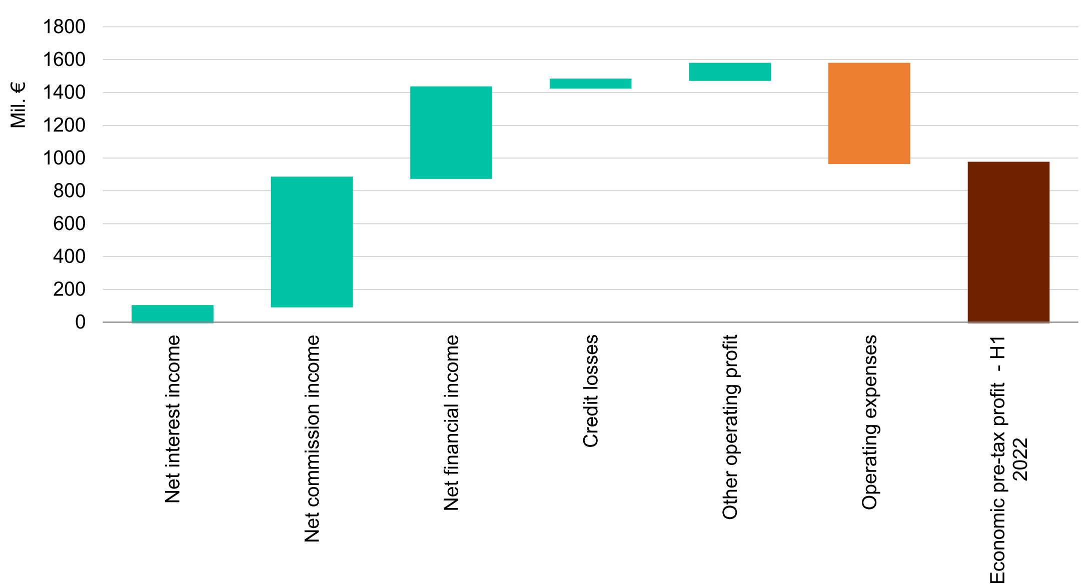
Business division	Main activities	2021	2020	2019	2018	2017
Asset management securities	Actively managed securities, mutual funds, specialty funds	606.3	365.8	416.7	230.5	345.4
Asset management real estate	Open-ended mutual property funds	188.6	149.9	146.4	162.7	111.0
Asset management services	Provision of banking services for asset management	21.4	33.4	10.3	4.1	(4.8)
Capital markets	Money market, foreign exchange, certificates, derivatives, commission trading	122.8	48.1	107.1	85.0	206.8
Financing	Corporate finance, transportation & export finance, commercial property finance	94.9	(87.0)	90.3	67.4	50.5
Other	Other/consolidation	(186.3)	(240.8)	(336.8)	(97.8)	(259.9)
Economic pretax profit*		847.8	269.4	434.0	451.8	448.9

*DekaBank manages its earnings according to the metric economic pre-tax 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.

Chart 1

Commission Income Remains DekaBank's Biggest Earning Driver

H1 2022 results strongly benefited from extraordinary actuarial gains on pension provisions and positive net income from own issues as part of net financial income



H1--First half. Source: Company's interim report.

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.

Overall, the net distribution of DekaBank products to retail clients, mainly by the savings banks, doubled year on year to €25 billion at year-end 2021, benefitting from a revival in the demand for retail investment products in Germany since the pandemic. However, it remains to be seen whether this momentum can be maintained in the current more challenging market environment. At the same time, net new money generated by institutional clients remains sensitive to larger single client wins or losses.

We consider the longer-term risk to DekaBank's business model is that the ongoing trend toward passive investments, including exchange-traded funds and increasingly digital investment advice outside the branches, could make it more difficult 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.

We consider contributions of DekaBank's trading operations and lending activities to its revenue 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 increased slightly year on year and amounted to about €27 billion at end-June 2022. Slightly more than half of that comprised opportunistic exposures in infrastructure, transportation, and export finance ("special financing"), with the remainder related to commercial real estate loans.

We anticipate that DekaBank will continue to primarily operate as the central servicer for the savings banks in all activities relating to asset management and securities, and to remain integrated 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 contained, and that its long-term growth will derive mainly from its asset management activities. We also expect DekaBank's management to continue pursuing a conservative strategy in line with its owners' preferences, which implies a focus on organic expansion exclusively in Germany.

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

Our assessment of DekaBank's capital and earnings as a strength for its SACP reflects our view that the bank's RAC ratio before diversification will develop toward 13%-14% through the end of our two-year forecast horizon. The RAC ratio increased year on year by about 210 basis points (bps) to about 12.5% at year-end 2021. This was mainly driven by a reduction of regulatory risk-weighted assets for market risks and ongoing high earnings retention. Our positive capital forecast rests on our expectation that growth in DekaBank's loan book will remain contained, which will stabilize its RAC ratio around current levels.

DekaBank's revenue capacity will benefit from rising interest rates, but given its limited lending franchise its revenue will predominately remain sensitive to capital market conditions and inflow of assets under management. We expect DekaBank's structural pretax profit to come in between €600 million and €700 million annually in 2023 and 2024. The results for 2022 will likely be significantly better due to market-driven valuation effects over the first six months of 2022 (e.g. actuarial gains on pension provisions and positive net income from own issues) and our expectation of overall minimal credit losses due to release of past provisions related to the pandemic. In our base case, we expect loan loss provisions of 20-30 bps in 2023 and 2024.

Our RAC ratio for DekaBank remains materially lower than its strong regulatory fully loaded core equity tier 1 ratio of 15.8% at end-June 2022. This primarily reflects that we apply higher risk weights for DekaBank's loan and securities portfolio, as well as higher charged market risks than the regulator.

We consider positively adjusted common equity, which represents 90% of our total adjusted capital measure, and we consider DekaBank's ownership structure as supportive of its capital quality, demonstrated by generally moderate dividend-payout requirements. Our assessment is partly offset by a relatively higher reliance on market-sensitive income than peers.

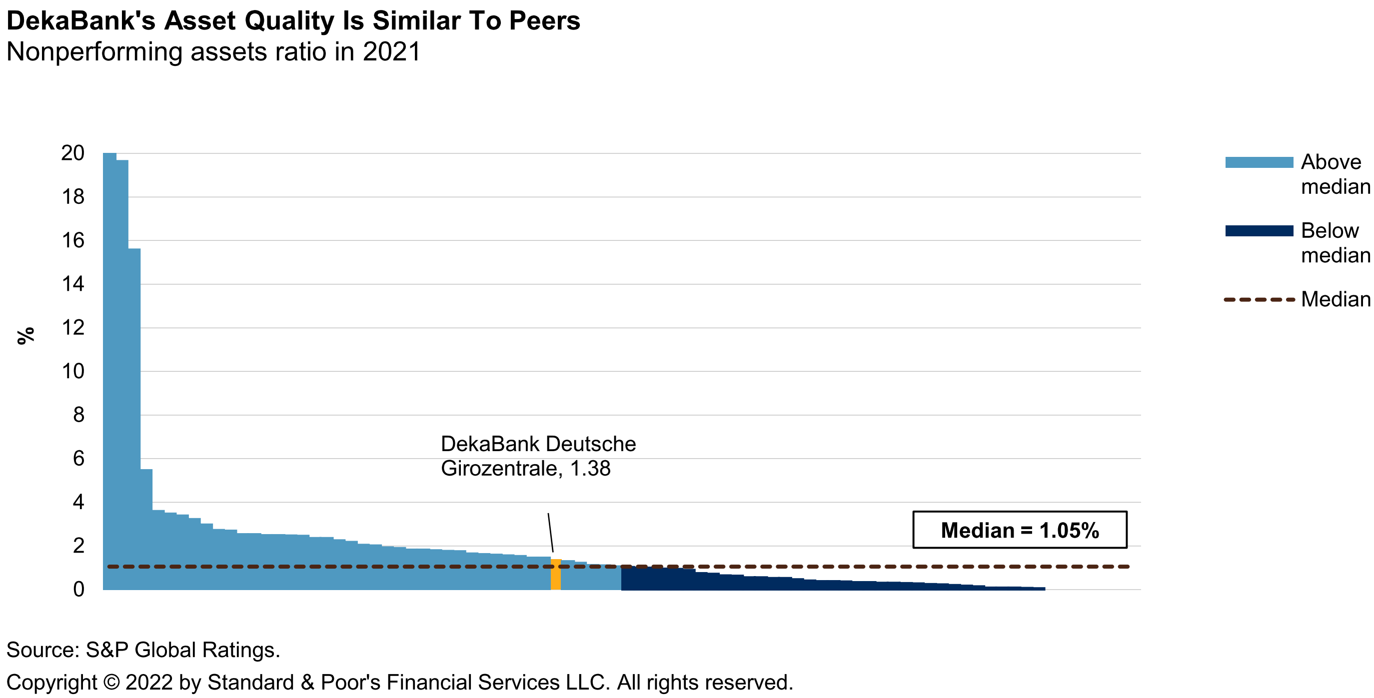
Risk Position: Limited Diversification, Opportunistic Lending Operations, And High Operational And Reputational Risks Are Constraining Factors

Our risk position assessment for DekaBank reflects the bank's lower risk diversification than its peers, and its focus on wholesale-oriented portfolios with significant 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 and interest rate 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 the continuing uncertainty about the future macroeconomic trajectory and the impact of persistent high inflation and rising rates on debt servicing capacity could lead to increasing credit losses in the bank's lending portfolio. In first-half 2022, however, rating improvements and the reversal of past provisions for aviation, hotel estate and shopping center lending have resulted in a net reversal of €48 million of risk provisions in the lending and securities business.

The ratio of nonperforming assets (NPA) to customer loans was a low 1.4% at mid-year 2022, partly related to the sale of NPAs. Considering our economic base case and our expectation of prudent underwriting standards, we expect only a moderate increase over the coming two years.

Chart 2

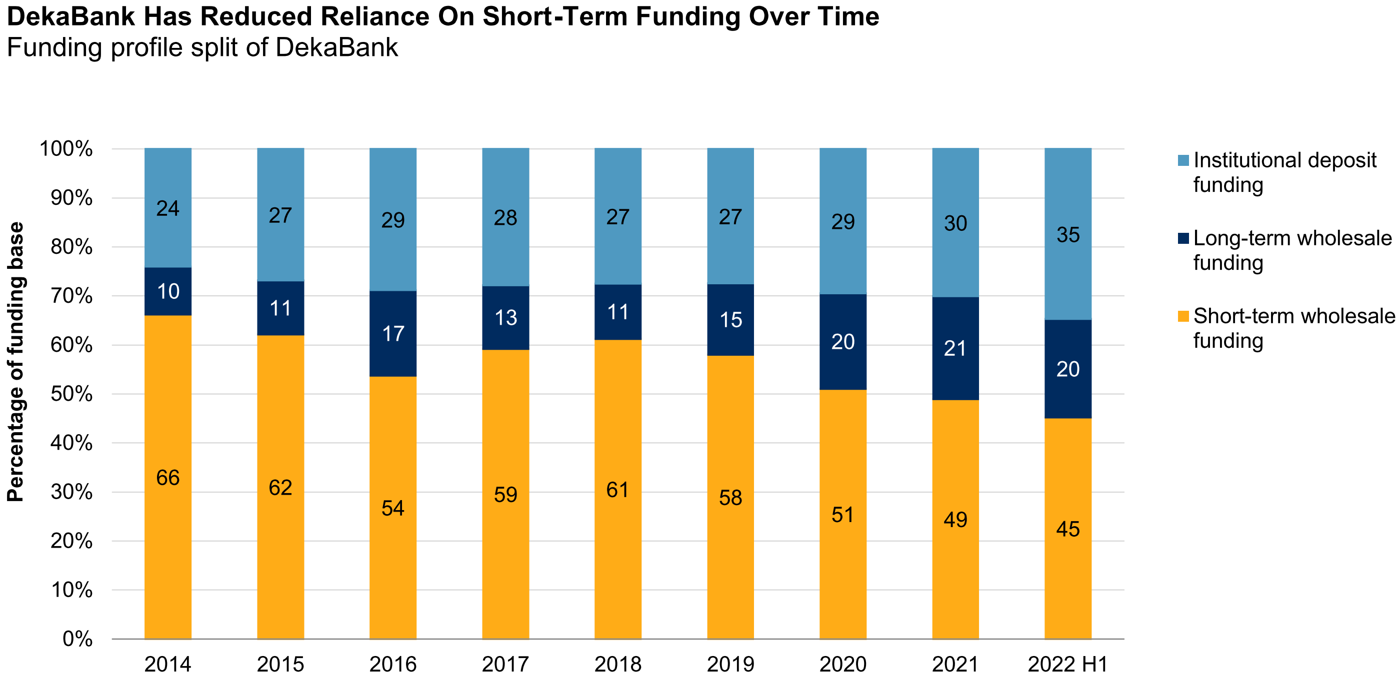


Funding And Liquidity: Access To The Savings Banks Provides Stability

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.

DekaBank remains a largely wholesale-funded institution (chart 4). 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



H1--First half. Source: S&P Global Ratings.

DekaBank's stable funding ratio (SFR) was 99% on Dec. 31, 2021 and its ratio of broad liquid assets to short-term wholesale funding (BLAST) was 1.04x 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 performance 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 marginal earnings-payout demands. 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. However, in January 2022, the decision to revamp the institutional protection scheme has been taken to meet regulatory demands. The overhaul includes the establishment of a second reserve fund which is intended to serve as an additional and immediately available capital buffer in times of stress. The agreement also includes a simplification of decision-making when support becomes necessary.

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.

Environmental, Social, And Governance

ESG Credit Indicators

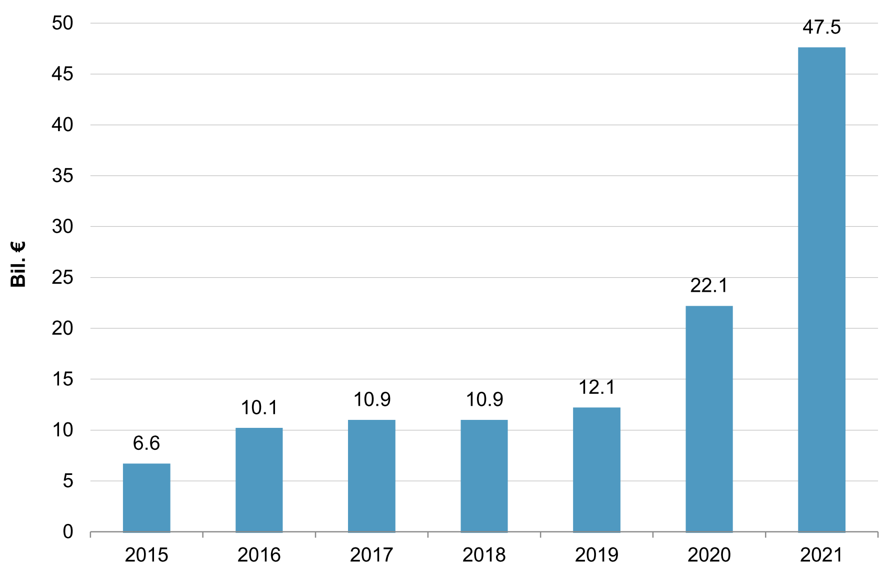
E-1	**E-2**	E-3	E-4	E-5	S-1	**S-2**	S-3	S-4	S-5	G-1	**G-2**	G-3	G-4	G-5

ESG credit indicators provide additional disclosure and transparency at the entity level and reflect S&P Global Ratings' opinion of the influence that environmental, social, and governance factors have on our credit rating analysis. They are not a sustainability rating or an S&P Global Ratings ESG Evaluation. The extent of the influence of these factors is reflected on an alphanumerical 1-5 scale where 1 = positive, 2 = neutral, 3 = moderately negative, 4 = negative, and 5 = very negative. For more information, see our commentary "ESG Credit Indicators: Definition And Applications," published Oct. 13, 2021.

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. We therefore expect ESG to become an increasingly important element of DekaBank's product offering (chart 4). In our view, DekaBank's integration into the German savings banks network and its public service mandate are important to promote future compliance with ESG principles.

Chart 4

The Importance Of Sustainable Investment Products Increased Significantly In 2021
Volume of sustainable investment products over time



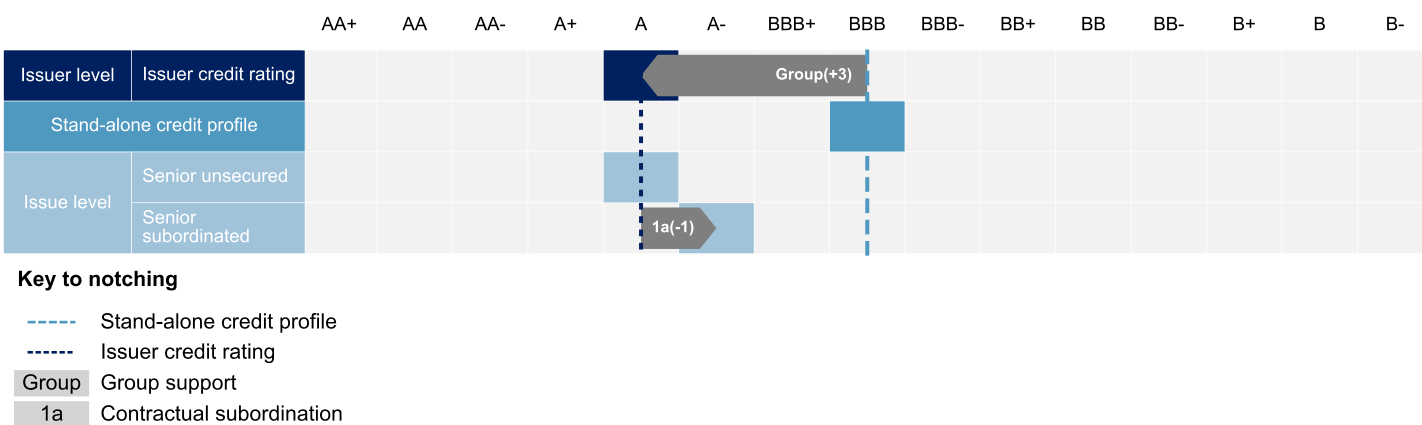
Source: DekaBank sustainability reporting, S&P Global Ratings.

As part of its sustainability strategy, DekaBank has established a framework that allows the issuance of green bonds, the proceeds of which will 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.

DekaBank Deutsche Girozentrale: Notching



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 2 of our "Hybrid Capital: Methodology And Assumptions" criteria, published on March 2, 2022.
ICR--Issuer credit rating.

Key Statistics

Table 1

DekaBank Deutsche Girozentrale--Key Figures					
		--Year ended Dec. 31--			
(Mil. €)	**2022***	**2021**	**2020**	**2019**	**2018**
Adjusted assets	101,705.6	88,665.3	85,327.1	97,098.3	100,256.0
Customer loans (gross)	24,963.2	24,177.2	22,601.4	23,934.7	19,869.2
Adjusted common equity	5,957.6	5,323.4	4,869.7	4,793.9	4,520.4
Operating revenues	1,494.3	2,040.1	1,688.8	1,683.2	1,517.8
Noninterest expenses	627.5	1,249.3	1,158.9	1,168.2	1,099.8
Core earnings	608.3	536.5	212.3	289.7	267.9

*Data as of June 30.

Table 2

DekaBank Deutsche Girozentrale--Business Position

		--Year ended Dec. 31--			
(%)	**2022***	**2021**	**2020**	**2019**	**2018**
Total revenues from business line (mil. €)	1,494.3	2,040.1	1,688.8	1,683.2	1,571.4
Commercial banking/total revenues from business line	29.6	24.3	24.9	29.1	29.5
Asset management/total revenues from business line	50.6	75.7	73.7	75.8	71.7
Other revenues/total revenues from business line	19.8	(0.0)	1.4	(4.8)	(1.3)
Return on average common equity	20.4	9.8	4.2	4.2	5.8

*Data as of June 30.

Table 3

DekaBank Deutsche Girozentrale--Capital And Earnings

		--Year ended Dec. 31--			
(%)	**2022***	**2021**	**2020**	**2019**	**2018**
Tier 1 capital ratio	17.6	17.2	15.7	15.7	17.1
S&P Global Ratings' RAC ratio before diversification	N/A	12.5	10.4	9.3	10.2
S&P Global Ratings' RAC ratio after diversification	N/A	11.8	9.7	8.7	9.6
Adjusted common equity/total adjusted capital	90.9	89.9	91.1	91.0	90.5
Net interest income/operating revenues	6.8	8.4	7.3	7.3	4.4
Fee income/operating revenues	52.4	79.6	77.5	79.8	80.2
Market-sensitive income/operating revenues	39.6	10.8	14.3	10.2	11.4
Cost to income ratio	42.0	61.2	68.6	69.4	72.5
Preprovision operating income/average assets	1.8	0.9	0.6	0.5	0.4
Core earnings/average managed assets	1.3	0.6	0.2	0.3	0.3

*Data as of June 30. N/A--Not applicable. RAC--Risk-adjusted capital.

Table 4

DekaBank Deutsche Girozentrale--Risk-Adjusted Capital Framework Detailed Results

	EAD (1)	**Basel III RWA (2)**	**Average Basel III RW (%)**	**S&P Global Ratings RWA**	**Average S&P Global Ratings RW (%)**
Government and central banks	27,113.7	22.2	0.1	437.2	1.6
Of which regional governments and local authorities	8,013.4	0.0	0.0	288.5	3.6
Institutions and CCPs	17,182.6	1,968.5	11.5	3,764.2	21.9
Corporate	27,494.2	16,312.3	59.3	21,065.4	76.6
Retail	132.1	97.6	73.9	79.3	60.0
Of which mortgage	0.0	0.0	0.0	0.0	0.0
Securitization (3)	0.0	0.2	1,139.8	0.2	1,138.7
Other assets (4)	1,024.3	731.9	71.5	1,756.7	171.5
Of which deferred tax assets	289.0	--	--	1,083.8	3.8
Of which amount of over (-) or under (+) capitalization of insurance subsidiaries	0.0	--	--	0.0	0.0
Total credit risk	72,947.0	19,132.7	26.2	27,103.0	37.2
Total credit valuation adjustment	--	358.1	--	1,074.9	--

Table 4

DekaBank Deutsche Girozentrale--Risk-Adjusted Capital Framework Detailed Results (cont.)					
Equity in the banking book	856.6	2,366.3	276.2	6,009.6	701.6
Trading book market risk	--	5,587.7	--	8,789.2	--
Total market risk	--	7,954.0	--	14,798.8	--
Total operational risk	--	3,499.5	--	4,348.0	--
RWA before diversification	--	30,944.4	--	47,324.7	100.0
Single name (on corporate portfolio) (5)	--	--	--	54.8	0.3
Sector (on corporate portfolio)	--	--	--	633.6	3.0
Geographic	--	--	--	(619.1)	(1.8)
Business and risk type	--	--	--	2,758.0	5.8
Total diversification/ concentration adjustments	--	--	--	2,827.3	6.0
RWA after diversification	--	30,944.4	--	50,152.0	106.0
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		5,314.4	17.2	5,922.0	12.5
Capital ratio after adjustments (6)		5,314.4	17.2	5,922.0	11.8

Footnotes: (1) EAD: Exposure at default. (2) RWA: Risk-weighted assets. (3) Securitisation exposure includes the securitisation tranches deducted from capital in the regulatory framework. (4) Other assets includes deferred tax assets (DTAs) not deducted from ACE. (5) For public-sector funding agencies, the single name adjustment is calculated on the regional government and local authorities portfolio. (6) For Tier 1 ratio, adjustments are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons).

Table 5

DekaBank Deutsche Girozentrale--Risk Position					
		--Year ended Dec. 31--			
(%)	**2022***	**2021**	**2020**	**2019**	**2018**
Growth in customer loans	6.5	7.0	(5.6)	20.5	10.2
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	6.0	7.2	7.1	6.9
Total managed assets/adjusted common equity (x)	17.1	16.7	17.6	20.3	22.2
New loan loss provisions/average customer loans	(0.4)	(0.0)	0.8	0.0	(0.1)
Net charge-offs/average customer loans	(0.0)	0.2	0.2	0.0	0.1
Gross nonperforming assets/customer loans + other real estate owned	1.4	1.4	2.4	1.0	1.1
Loan loss reserves/gross nonperforming assets	38.4	51.9	34.6	36.8	38.8

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

Table 6

DekaBank Deutsche Girozentrale--Funding And Liquidity					
		--Year ended Dec. 31--			
(%)	**2022***	**2021**	**2020**	**2019**	**2018**
Core deposits/funding base	35.5	30.9	30.1	28.0	28.0
Customer loans (net)/customer deposits	86.8	104.4	104.9	101.5	80.4
Long-term funding ratio	58.2	54.8	52.6	45.5	42.2
Stable funding ratio	106.5	99.0	87.0	78.5	89.9
Short-term wholesale funding/funding base	45.2	49.0	51.0	58.0	61.2

Table 6

DekaBank Deutsche Girozentrale--Funding And Liquidity (cont.)

		--Year ended Dec. 31--			
(%)	**2022***	**2021**	**2020**	**2019**	**2018**
Regulatory net stable funding ratio	123.0	118.9	N/A	N/A	N/A
Broad liquid assets/short-term wholesale funding (x)	1.3	1.0	0.8	0.8	1.0
Broad liquid assets/total assets	45.1	42.5	35.5	39.9	51.4
Broad liquid assets/customer deposits	160.6	164.4	142.1	165.3	209.7
Net broad liquid assets/short-term customer deposits	34.9	5.9	(29.8)	(50.0)	(10.2)
Regulatory liquidity coverage ratio (LCR) (x)	184.4	160.3	N/A	N/A	N/A
Short-term wholesale funding/total wholesale funding	69.2	70.0	72.3	79.9	84.4
Narrow liquid assets/3-month wholesale funding (x)	1.2	0.9	0.9	0.8	1.0

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

DekaBank Deutsche Girozentrale--Rating Component Scores

Issuer Credit Rating	**A/Stable/A-1**
SACP	bbb
Anchor	bbb+
Economic risk	1
Industry risk	4
Business position	Moderate
Capital and earnings	Strong
Risk position	Moderate
Funding	Adequate
Liquidity	Adequate
Comparable ratings analysis	0
Support	+3
ALAC support	0
GRE support	0
Group support	+3
Sovereign support	0
Additional factors	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. SACP--Stand-alone credit profile.

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, March 2, 2022
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- 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
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Proposed Overhaul Of Institutional Protection Scheme Could Benefit German Savings Banks Sector Integration, Aug. 27, 2021
- German Banks Downgraded On Persistent Profitability Challenges And Slow Digitalization Progress, June 24, 2021
- 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

Ratings Detail (As Of November 10, 2022)*	
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+

*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.