S&P Global
Ratings

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Deutsche Apotheker- und Aerztebank eG

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Deutsche Apotheker- und Aerztebank eG

SACP	bbb+

Anchor	a-	
Business Position	Adequate	0
Capital and Earnings	Adequate	0
Risk Position	Moderate	-1
Funding	Average	0
Liquidity	Adequate	

+

Support	+4
ALAC Support	0
GRE Support	0
Group Support	+4
Sovereign Support	0

+

Additional Factors	0

Issuer Credit Rating
AA-/Negative/A-1+

Major Rating Factors

Strengths:

- Membership of, and mutual support among core group members of the German cooperative banking sector and a comprehensive protection scheme.
- Robust superior market shares and proven expertise in dealing with medical professionals in Germany.
- Sound risk management and robust asset quality with low nonperforming loan book.

Weaknesses:

- Subpar returns on equity (ROE) by international standards, further pressured by the difficult market environment and lower-for-longer interest rate environment.
- Business and exposures are narrowly focused and dependent on developments in the broader health care industry.
- Somewhat higher reliance on wholesale funding.

Outlook

S&P Global Ratings' negative outlook on Deutsche Apotheker- und Aerztebank eG (Apobank) reflects the negative outlook on the Cooperative Banking Sector Germany ("Genossenschaftliche FinanzGruppe"; entities collectively rated AA-/Negative/A-1+.

Our negative outlook on Apobank indicates the possibility of a downgrade if increasing economic and industry risks put additional pressure on the cooperative banking sector's risk exposures and risk-adjusted profitability in the medium term. The negative outlook indicates that we could lower our ratings within the next two years.

Downside scenario

More specifically, if we revise our anchor for German banks to 'bbb+' from 'a-', we could lower our 'AA-' issuer credit rating (ICR) on the cooperative banking sector's core members including Apobank, and our related issue ratings on the banks' senior preferred debt, senior subordinated debt, and regulatory capital instruments. We could also lower the ratings if the sector's market position and ability to cover normalized credit losses weakened, its aggregate risk-adjusted capital (RAC) ratio declined to less than 10%, the sector shifted into higher-risk areas, or underwriting quality loosened.

We could also consider a negative rating action if, contrary to our base-case expectations, we observed significant weakening of Apobank's strategic importance to the sector, leading us to change our view of its core group status. However, we currently see this scenario as highly unlikely.

Upside scenario

We could revise our outlook to stable over the next 24 months if we were to see stable economic and industry risk trends for the German banking industry. Moreover, we could revise the outlook to stable if the sector's business model and risk profile remain robust, and the sector displays much higher resilience to a weakening economic cycle than other German banks or similarly rated international peers. We also believe the execution of a more holistic strategy and material progress in addressing structural weaknesses, such as cost efficiency and below-average market positions in corporate and private banking, remain pivotal.

Rationale

Our ratings on Apobank move in tandem with other core group members of Germany's cooperative banking sector, reflecting our firm expectation that Apobank would receive extraordinary group support from the Cooperative Banking Sector Germany under any foreseeable circumstances.

We also expect that Apobank will continue to successfully maintain its solid franchise and management quality, and prudently remain the German medical sector's market leader. We continue to see increasing risks for operating business conditions for core sector members, including Apobank, due to the Coronavirus pandemic and the sudden halt of the global economy, which has led us to revise our GDP forecast for the eurozone markedly in 2020. We expect that this will also affect the German economy and likely lead to rising loan loss provisions for German banks over 2020.

We consider Apobank's capitalization to be a neutral rating factor, mainly because we project that its RAC ratio, our main indicator for capital, will remain about flat around 8.5%-9.0% for the next 18-24 months, based on gradual improvements in profits broadly offset by capital consumption due to loan growth.

We continue to consider Apobank's profitability as a key weakness, and we expect it to remain subpar by international standards as indicated, for example, by its reported 2.5% ROE by second-quarter 2019. What is more, we continue to see severe earnings pressure from the much more difficult market environment in 2020 and the expected low interest rate environment until at least 2023, and hefty competition particularly in traditional domestic core products and customers. We also view Apobank's single sector concentration within the health care industry as a weakness compared with larger and more diversified international retail banks. To a large extent, Apobank mitigates our concerns by its proven solid expertise and prudent risk management, sound loan book expansion and historical low credit losses.

Anchor: 'a-', reflecting the German cooperative banking sector's main operations in Germany's diverse and resilient economy

Table 1

Deutsche Apotheker- und Aerztebank eG--Key Figures					
	--Fiscal year-ended Dec. 31--				
(Mil. €)	**2019***	**2018**	**2017**	**2016**	**2015**
Adjusted assets	47,932.4	45,313.9	41,353.2	38,595.7	36,446.3
Customer loans (gross)	36,129.1	34,652.3	32,258.5	29,812.2	27,892.9
Adjusted common equity	2,182.1	2,388.2	2,155.4	2,078.5	2,150.7
Operating revenues	461.1	812.5	788.7	825.7	817.1
Noninterest expenses	329.3	614.7	593.6	561.0	549.6
Core earnings	66.4	117.3	121.9	136.0	134.1

*Data as of June 30.

Our bank criteria use our Banking Industry Country Risk Assessment economic risk and industry risk scores to determine a bank's anchor, the starting point in assigning an ICR. Our anchor for banks operating mainly in Germany is 'a-'.

Our 'a-' anchor for Apobank reflects its domicile in Germany, where it is regulated, and our view of the exposures in the market in which it operates. The anchor is based on our understanding that Apobank's business will remain focused on Germany. This has a favorable impact on the anchor because we view Germany as having the lowest economic risk of all banking systems globally.

Despite strengthening headwinds for Germany's economy from the Coronavirus pandemic, potential trade tensions with the U.S., and a potentially disruptive Brexit, we maintain our view of the country's economy as highly diversified, competitive, and resilient. A strong fiscal and sizable net external creditor position would provide important buffers in a shock scenario. That said, the high degree of openness, with exports accounting for almost 50% of GDP in 2018, greatly exposes Germany to external risks. Moreover, risks of economic imbalances are starting to emerge. Real house price growth returned to 6.3%, after 3.9% in 2017, and price pressures remain high thanks to low unemployment levels and rising wages, very high levels of net immigration, and supply shortages. Given the emerging pockets of weakness in Germany's corporate sector, we expect the very favorable cycle of minimal- or non-existent-risk costs will end, although overall private-sector debt remains low at 107% of GDP in 2018

As is the case for many European banking industries, industry risk in Germany is intermediate, in our view. However, returns in the German banking industry are trailing the Northern and Eastern European banking industries. In addition, the lower-for-longer interest rate environment and very strong competition will continue to drag down profitability, while progress in cost-reducing and efficiency-enhancing measures has been slow to translate into meaningful savings. It is important to note that the need for significant investment in core banking systems and digital customer services will keep cost pressure high. Overall, German banks compare poorly in terms of cost efficiency with their European peers, and are increasingly exposed to the risks of tech disruption. Germany's retail banking market will continue to be dominated by well-funded and strongly capitalized savings and cooperative banking groups that have about 50% of the market share in this segment. As a result, large banks typically carry higher concentration and business risk, but have become significantly less vulnerable to economic risks due to substantial deleveraging, de-risking, and recapitalization in recent years. We continue to consider the institutional framework for the German banking system as intermediate, because regulatory reforms and expected progress are resolving major deficiencies and improving accountability and transparency in the German banking system.

Business position: German market leader in the medical profession niche, with predictable revenues and sticky client base

Table 2

Deutsche Apotheker- und Aerztebank eG--Business Position					
	--Fiscal year-ended Dec. 31--				
(%, unless stated otherwise)	**2019***	**2018**	**2017**	**2016**	**2015**
Total revenues from business line (Mil. €)	461.1	830.2	786.4	825.7	817.0
Commercial and retail banking/total revenues from business line	100.0	100.0	100.0	100.0	100.0
Return on average common equity	2.5	2.6	2.6	2.7	2.8

*Data as of June 30.

In the difficult marked environment, we expect Apobank will continue to successfully defend its key strength in superior franchise as the market leader in its niche of lending business and payment services for the medical sector in Germany. We believe that the bank's niche focus bears higher concentration risk in its business model than many German universal banks'. However, our concerns are somewhat mitigated by the resilience of the German health care sector, as demonstrated throughout past difficult cycles. As a result, we consider Apobank's revenue predictability and stickiness of the client base better than many other banks with a similar concentrated franchise.

Apobank is the largest of about 841 cooperative banks in Germany, with total assets of €48 billion and roughly 470,300 customers as of June 30, 2019 (see charts 3 and 4). Apobank's core customer groups are self-employed doctors, dentists, and pharmacists, but the bank has increasingly diversified in recent years into corporate lending to medical organizations, hospitals, long-term care facilities, and corporations acting in pharmaceuticals, medical technology, and dentistry. We view this clientele as a long-standing customer base because of Apobank's recognized expertise in the medical professions segment, which underpins its business stability and predictability.

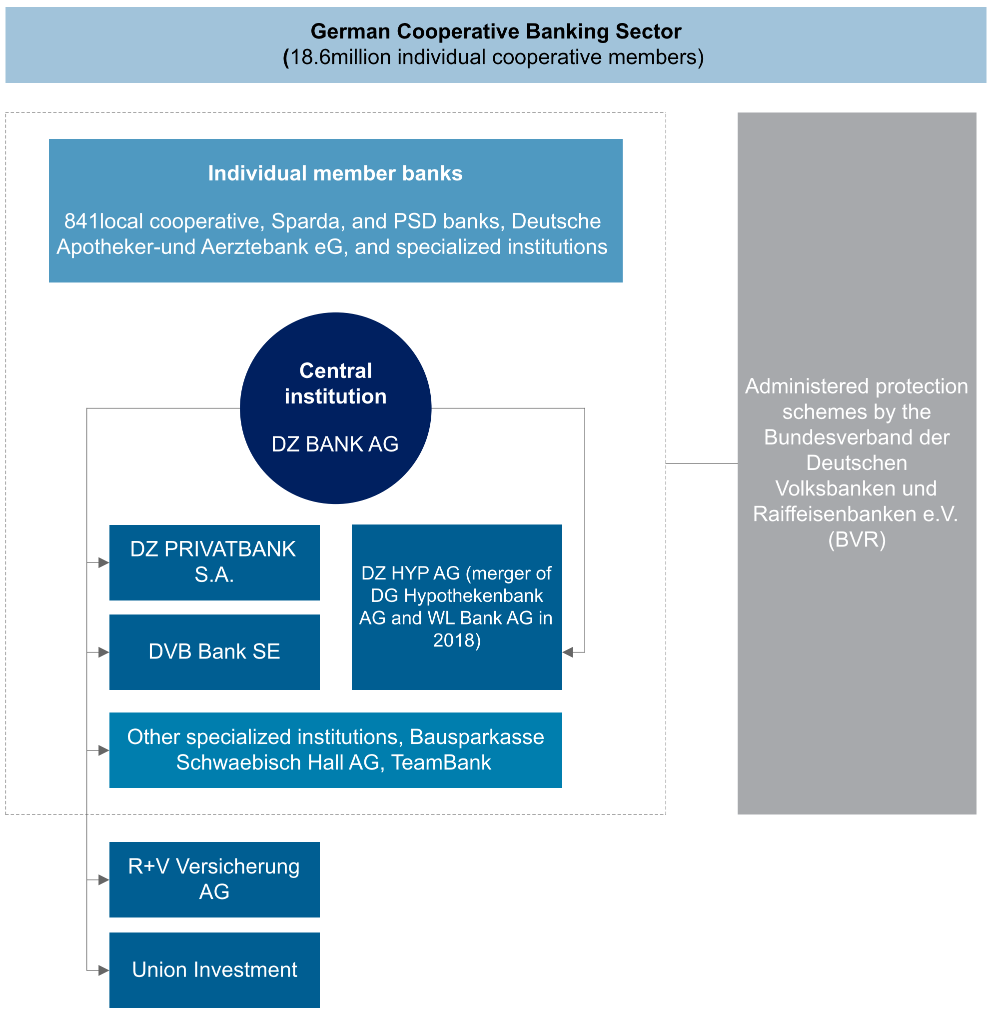
We view positively Apobank's ability to adapt to the changes in the German health care system. Despite the bank's strong focus on lending-driven activities, its client base also provides cross-selling potential that could allow it to strengthen its position in private wealth management.

We view management's business strategy as positive, as Apobank remains focused on maintaining and strengthening its domestic market leadership in its niche market, for which we expect the bank to defend its strong position, with high and slightly increasing market shares of about 60% in its core business, despite increased strong competition. We also believe that management is well equipped with sector expertise to master future trends in the medical profession market. This is demonstrated by Apobank's continued investment in digital health content and the subsequent IT infrastructure inherent in such content, allowing the bank to weather changing habits of clients and the competitive threat of other players in the industry.

Our main concern, however, remains the bank's profitability. We believe that Apobank needs to sustainably improve its profitability in line with its superior niche market position. For example, Apobank's ROEs are relatively low by international standards, and we expect further pressures from low interest rates until at least 2023. Accordingly, we expect that interest rates will remain a particular drain on the Apobank's earnings. Similarly, we believe ApoBank needs to develop its cost discipline to reduce the efficiency gap between itself and the top 100 European banks. We see that Apobank's cost-to-income ratio at about 72% in 2019 is worse than the 59% average cost-to-income ratio of the top 100 European banks.

Chart 1

German Cooperative Banking Sector Simplified StructureYear-End 2019



Capital and earnings: Adequate capitalization on a stand-alone basis, despite the risks posed by future regulatory capital ratios from the new Basel III floor

Table 3

Deutsche Apotheker- und Aerztebank eG--Capital And Earnings					
	--Fiscal year-ended Dec. 31--				
(%)	2019*	2018	2017	2016	2015
Tier 1 capital ratio	15.0	16.7	19.5	22.6	22.0

Table 3

Deutsche Apotheker- und Aerztebank eG--Capital And Earnings (cont.)

	--Fiscal year-ended Dec. 31--				
(%)	**2019***	**2018**	**2017**	**2016**	**2015**
S&P Global Ratings' RAC ratio before diversification	N/A	8.6	8.3	8.9	8.5
S&P Global Ratings' RAC ratio after diversification	N/A	7.6	7.3	7.9	8.2
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Net interest income/operating revenues	72.9	76.0	74.9	73.8	80.7
Fee income/operating revenues	19.6	20.3	19.8	16.8	16.3
Market-sensitive income/operating revenues	3.3	0.3	(3.9)	2.0	(4.5)
Noninterest expenses/operating revenues	71.4	75.7	75.3	67.9	67.3
Preprovision operating income/average assets	0.6	0.5	0.5	0.7	0.7
Core earnings/average managed assets	0.3	0.3	0.3	0.4	0.4

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

Table 4

Deutsche Apotheker- und Aerztebank eG--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	6,057,277	43,711	1	94,142	2
Of which regional governments and local authorities	1,896,491	0	0	68,274	4
Institutions and CCPs	3,862,853	866,505	22	664,658	17
Corporate	5,405,615	3,006,893	56	3,653,755	68
Retail	40,243,332	7,629,552	19	18,519,571	46
Of which mortgage	14,129,654	1,322,695	9	2,851,364	20
Securitization§	0	0	0	0	0
Other assets†	295,224	295,849	100	265,702	90
Total credit risk	55,864,301	11,842,510	21	23,197,828	42
Credit valuation adjustment					
Total credit valuation adjustment	--	0	--	0	--
Market Risk					
Equity in the banking book	414,298	819,496	198	3,032,027	732
Trading book market risk	--	0	--	0	--
Total market risk	--	819,496	--	3,032,027	--
Operational risk					
Total operational risk	--	1,171,325	--	1,556,135	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	13,869,718.5	--	27,785,989.8	100.0
Total Diversification/ Concentration Adjustments	--	--	--	3,560,502.2	12.8

Table 4

Deutsche Apotheker- und Aerztebank eG--Risk-Adjusted Capital Framework Data (cont.)					
RWA after diversification	--	13,869,718.5	--	31,346,491.9	112.8
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		2,310,000.0	16.7	2,388,154.3	8.6
Capital ratio after adjustments‡		2,310,000.0	16.7	2,388,154.3	7.6

*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). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of Dec. 31, 2018, S&P Global Ratings.

We anticipate that Apobank will maintain its adequate capital and earnings position, mainly reflecting our expectation that the bank's RAC ratio will remain in the range of 8.0%-8.5% over the next 18-24 months, compared with 8.6% on Dec. 31, 2018. This is because we expect S&P Global Ratings' risk-weighted assets (RWA) and Apobank's capital base to move largely in tandem. We predict stronger business growth benefitting the bank's net interest and commission income, which is somewhat offset by higher IT migration costs and Apobank's optimization investments in its branch network.

In our view, cost of risk will pick up over the next two years, in light of tighter financial conditions and a more difficult economic cycle. Our expectation of dividend payouts is about €25 million, and that Apobank will allocate the remaining profits to its capital base.

Apobank exceeds current and expected future regulatory capital requirements, with a Tier 1 ratio of 15.0% as of June 2019. We expect that the bank's RWAs will be negatively affectedby the new Basel III floor in its retail portfolio after 2022. We expect future regulatory capital ratios to decline as a result of higher RWAs in the long run, but do currently not see any constraints to the bank's growth story.

We consider the quality of Apobank's capital to be high. Our measure of the bank's eligible capital for our RAC measure--S&P Global Ratings' total adjusted capital--only comprises equity that is loss absorbing in all circumstances. The bank has no hybrid instruments in our capital considerations. We view Apobank's quality of earnings as high, although the persistent low interest rate environment squeezed the bank's net interest margins to 1.5% by June 30, 2019.

The bank's capacity for earnings to cover normalized losses is somewhat weaker than universal bank peers'. However, we do not consider this a rating constraint. We estimate normalized credit losses by using banks' credit loss experiences during past economic downturns for particular credit risk assets. In the case of Apobank, the model may not fully consider the bank's low-risk retail business in Germany's resilient health care sector.

Risk position: Solid asset quality of loan book, but concentration in health care business

Table 5

Deutsche Apotheker- und Aerztebank eG--Risk Position

	--Fiscal year-ended Dec. 31--				
(%)	**2019***	**2018**	**2017**	**2016**	**2015**
Growth in customer loans	8.5	7.4	8.2	6.9	3.2
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	12.8	12.9	12.7	3.3
Total managed assets/adjusted common equity (x)	22.0	19.0	19.2	18.6	16.9
New loan loss provisions/average customer loans	0.2	0.1	0.0	0.1	0.1
Gross nonperforming assets/customer loans + other real estate owned	0.0	0.0	1.4	1.9	2.2
Loan loss reserves/gross nonperforming assets	N/A	N/A	53.8	56.5	N/A

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

Compared with more diversified retail banks, Apobank's narrow focus on a single sector leads to concentration risks and a potential higher sensitivity of credit risk costs to adverse scenarios, in our opinion.

The bank's risk profile is dependent on developments in the broader health care industry. This makes Apobank susceptible to regulatory changes, and any subsequent potentially adverse impacts they might have on the German health care sector, in our view. That said, we think the health care sector will experience long-term expansion, based on Germany's aging society and the increasing importance of medical care.

Our assessment also takes into account that the general economic cycle has a less pronounced effect on Apobank's risk profile than it does on the risk profiles of larger commercial banks. During the 2007-2009 financial crisis, Germany's health care market proved its independence from larger economic swings. Germany's robust health insurance system, with mandatory health insurance for citizens, supports this. In our view, Apobank's good market knowledge and proximity to its customers also reduces concentration risks.

Our assessment also incorporates Apobank's sound asset quality, as demonstrated by the low nonperforming asset ratio of 1.2% in June 2019. The strength of the bank's granular clientele and prudent risk management drive this asset quality. We expect loan provisioning to customer loans, as well as any final losses in Apobank's lending portfolio, will remain below the industry average because of borrowers' high credit quality.

In 2019, new loan-loss provisions were again very low, at 0.01% of average customer loans, but we expect they will manageably rise on the back of increased headwinds from Germany's more difficult economic cycle.

The loan portfolio benefits from Apobank's focus on high-income borrowers, long-standing experience within this sector, and a fair proportion of residential mortgage collateral. Single-name concentrations are low in the bank's loan book, despite the expanding health care sector and sizable borrowers with demand for larger loan tickets. We understand that the bank has no bond exposures to more cyclical emerging market economies.

Funding and liquidity: Benefits from Apobank's membership of the Cooperative Banking Sector Germany

Table 6

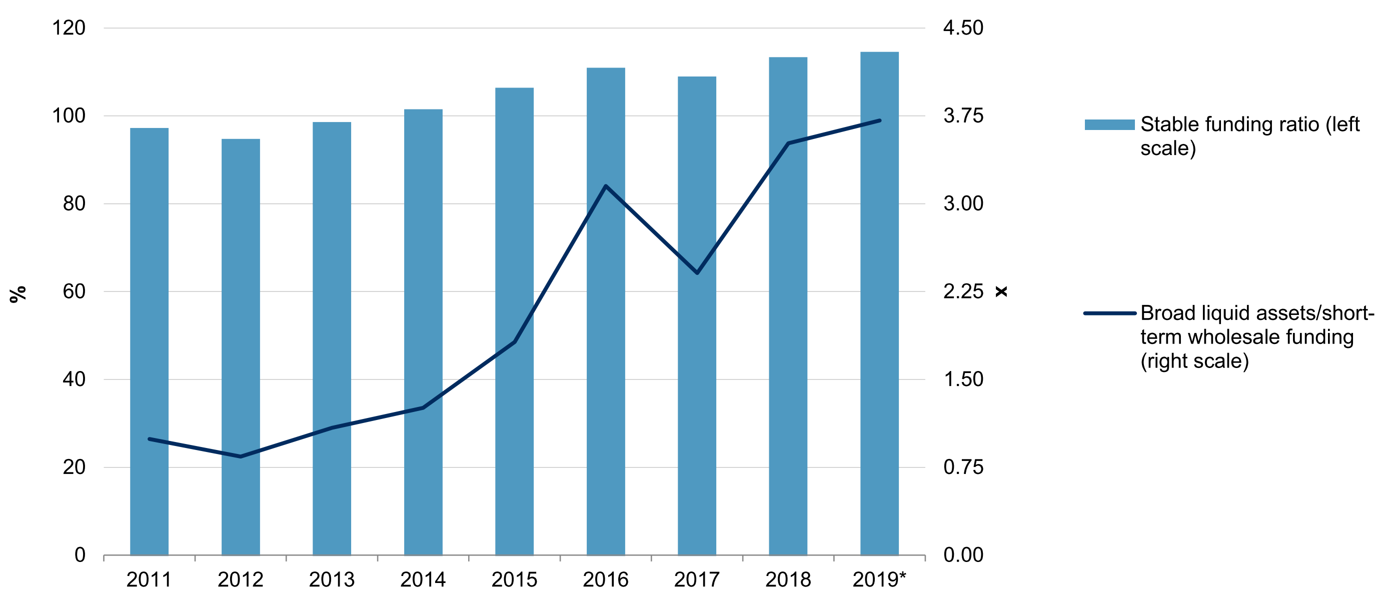
Deutsche Apotheker- und Aerztebank eG--Funding And Liquidity

	--Fiscal year-ended Dec. 31--				
(%, unless stated otherwise)	**2019***	**2018**	**2017**	**2016**	**2015**
Core deposits/funding base	61.1	61.1	63.8	68.1	67.8
Customer loans (net)/customer deposits	131.6	133.9	130.5	121.1	122.1
Long-term funding ratio	95.0	95.0	93.5	94.9	91.3
Stable funding ratio	114.4	113.2	108.8	110.7	106.2
Short-term wholesale funding/funding base	5.3	5.3	6.9	5.4	9.3
Broad liquid assets/short-term wholesale funding (x)	3.7	3.5	2.4	3.2	1.8
Net broad liquid assets/short-term customer deposits	24.3	22.7	16.2	18.5	12.6
Short-term wholesale funding/total wholesale funding	13.5	13.5	19.1	16.8	28.8
Narrow liquid assets/3-month wholesale funding (x)	6.9	6.6	6.2	6.3	3.1

*Data as of June 30.

Chart 4

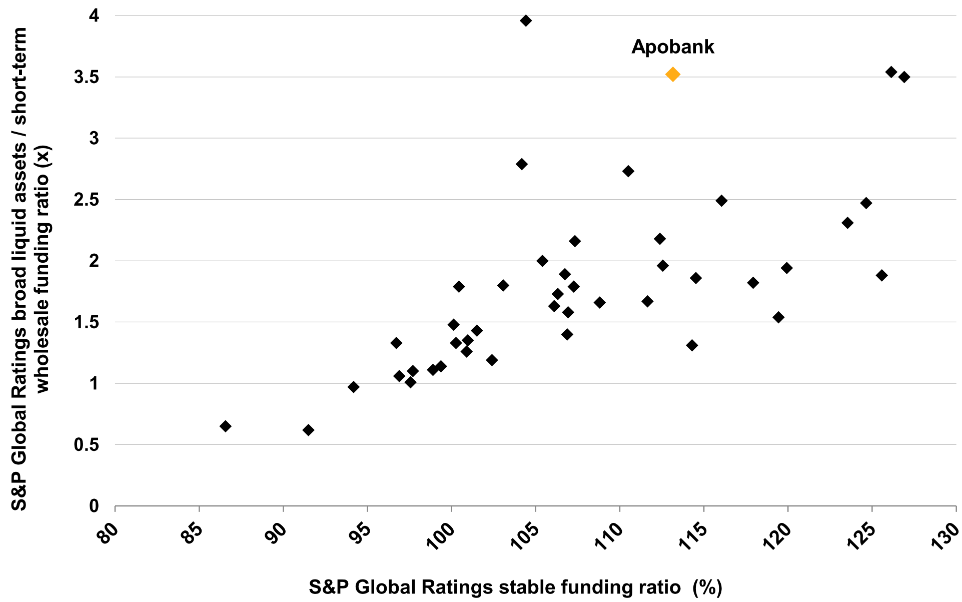
Apobank's Stable Funding Ratio And Broad Liquid Assets To Short-Term Wholesale Funding
2011-H1 2019



*Data as of June 2019.

Chart 5

Apobank's Key Funding And Liquidity Metrics Are Superior To Most Top 50 European Banks At Year-End 2018



We continue to anticipate that Apobank's funding and liquidity will remain neutral for the ratings. The bank benefits from the Cooperative Banking Sector's comprehensive protection scheme and the solidarity system, underpinned by the sector's supporting measures for its member banks. We view this ongoing support mechanism as a key positive factor for Apobank's funding and liquidity profile. That said, Apobank acts relatively independently from the cooperative sector, not least because of its distinctive customer structure and brand name.

Apobank's funding benefits from the bank's retail branch network and close relationships with domestic institutional clients related to the health care sector, which provide a fairly high proportion of customer deposits. Although this represents some concentration risk in funding compared with pure retail deposit funding, we view positively the bank's funding profile and deposit stability, considering its historically close association with these relatively price-insensitive health care groups. We also note the satisfactory volume of liquid assets that could offset sudden swings in deposits. Core deposits as a percentage of Apobank's funding base declined from a peak value of 68% in 2016, to 61% by year-end 2018. At the same time, the bank's reported customer loan-to-deposit ratio stood at 131% by mid-year 2019, after a low of 121% in 2016.

Apobank's stable funding ratio--S&P Global Ratings' measure of available stable funding over stable funding needs--reached 114% as of June 2019, which is in line with peers. We also view as positive that Apobank has somewhat reduced its dependence on wholesale funding since 2011 by solidifying its customer deposit base. This is also demonstrated by our funding and liquidity metrics, which show steady gradual improvements in recent years (see charts 5 and 6).

Since 2008, Apobank has diversified its funding through its right to issue German covered bonds ("Pfandbriefe"), which we view as positive for the bank's funding profile. Asset liability mismatches are immaterial in light of what we see as well-diversified funding sources that are appropriate for the bank's asset profile.

External support: Four notches of uplift as a core group member of Germany's Cooperative Banking Sector

The long-term rating on Apobank is four notches higher than its stand-alone credit profile (SACP) because we align the rating with that on the Cooperative Banking Sector Germany. This is based on our view of Apobank as a core strategic member of the Cooperative Banking Sector, according to our group rating methodology.

This four-notch uplift from Apobank's 'bbb+' SACP incorporates our expectation that Apobank would likely receive additional extraordinary support in the future, under any foreseeable circumstances, from the German Cooperative Banking Sector, if needed. Our group classification is based on Apobank's role as the largest cooperative bank in Germany, its core membership of the sector's protection scheme, and its earnings and capital support demonstrated in recent years through the sector's guarantee, which safeguarded Apobank from risks related to its legacy structured finance portfolios until mid-2014.

While we regard Apobank's importance to the German banking system as moderate, we do not incorporate notches of uplift for additional loss absorbing capacity. We consider group support to be the strongest support element in our ratings on individual group members.

Issue credit ratings: We expect the sector will make payments on Apobank's subordinated securities, if needed

We notch down the 'A+' issue rating on Apobank's senior subordinated debt and 'A' issue rating on its nondeferrable subordinated debt from our 'AA-' issuer credit rating, given that the bank is a core subsidiary of the German cooperative banking sector and because we expect the group will support these instruments. The senior subordinated debt instruments are plain-vanilla unsecured term obligations by Apobank, which have been statutorily subordinated to other senior unsecured debt in liquidation and resolution under the German Credit Act, paragraph 46f since January 2017. We believe that Germany's legal and regulatory framework allows the authorities to instigate restructuring of a failing bank to the detriment of subordinated debt.

Additional rating factors:None

No additional factors affect this rating.

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- 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: Guarantee Criteria, Oct. 21, 2016
- Criteria | Financial Institutions | Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
- Criteria | Financial Institutions | Banks: Assessing Bank Branch Creditworthiness, Oct. 14, 2013
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria | Financial Institutions | Banks: Commercial Paper I: Banks, March 23, 2004

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 April 2, 2020)*

Deutsche Apotheker- und Aerztebank eG	
Issuer Credit Rating	AA-/Negative/A-1+
Commercial Paper	
Local Currency	A-1+
Senior Secured	AAA/Stable
Senior Subordinated	A+
Senior Unsecured	AA-
Short-Term Debt	A-1+
Subordinated	A
Issuer Credit Ratings History	
17-Sep-2019	AA-/Negative/A-1+

Ratings Detail (As Of April 2, 2020)*(cont.)	
05-Dec-2011	AA-/Stable/A-1+
12-Dec-2006	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.

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