

FMS Wertmanagement Anstalt des oeffentlichen Rechts (/gws/en/esp/issr/89787865)

Fitch Ratings

Fitch Affirms FMS WM at 'AAA'; Withdraws Ratings

Fitch Ratings-Frankfurt/London-17 January 2017: Fitch Ratings has affirmed the Long-Term Issuer Default Rating (IDR) of FMS Wertmanagement Anstalt des oeffentlichen Rechts (FMS WM) at 'AAA', with a Stable Outlook, the Short-Term IDR at 'F1+', the Support Rating (SR) at '1' and withdrawn the ratings for commercial reasons. Fitch will no longer provide ratings or analytical coverage for FMS WM.

A full list of rating actions is at the end of this rating action commentary.

KEY RATING DRIVERS

IDRS, SR, SUPPORT RATING FLOOR (SRF), SENIOR DEBT AND DCR

Germany-based FMS WM's IDRs and senior debt ratings reflect Fitch's view that there is an extremely high likelihood of support ultimately from Germany (AAA/Stable) through the German Financial Market Stabilisation Fund (SoFFin), if needed.

Fitch's view of support for FMS WM is based on SoFFin's loss-absorption obligation and explicit guarantee. SoFFin's statutory loss-absorption obligation is stipulated in Germany's Financial Market Stabilisation Fund Act and FMS WM's statutes. Since 1 January 2014, SoFFin has also guaranteed all liabilities of FMS WM. Germany is in turn directly liable for all of SoFFin's obligations. FMS WM's ratings are therefore aligned with those of Germany.

Fitch expects that Germany would provide timely support for FMS WM if needed because a failure to do so would involve huge reputational and financial risks. This view is further underpinned by Germany strong financial flexibility.

The AAA(dcr) is aligned with FMS WM's Long-Term IDR at the top of the rating scale.

Fitch does not assign a Viability Rating to FMS WM because it is a wind-down institution whose business model would not be viable without external support.

RATING SENSITIVITIES

IDRS, SR, SFR AND SENIOR DEBT

Not applicable

The rating actions are as follows:

FMS WM

Long-Term IDR affirmed at 'AAA'; Outlook Stable; withdrawn

Short-Term IDR affirmed at 'F1+'; withdrawn

SR affirmed at '1'; withdrawn

Support Rating Floor affirmed at 'AAA'; withdrawn

Commercial paper affirmed at 'F1+'; withdrawn

Senior unsecured affirmed at 'AAA'/F1+'; withdrawn

Derivative Counterparty Rating affirmed at AAA(dcr); withdrawn

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Additional information is available on www.fitchratings.com.

Applicable Criteria

Global Bank Rating Criteria (pub. 25 Nov 2016) (<https://www.fitchratings.com/site/re/891051>)

Additional Disclosures

Dodd-Frank Rating Information Disclosure Form

(https://www.fitchratings.com/creditdesk/press_releases/content/ridf_frame.cfm?pr_id=1017635&cft=eyJ0eXAiOiJKV1QiLCJhbGciOiJIUzI1NiJ9eyJzZXNzaW9uS2V5ljoNFdFUVhNUVdFUE5GVUdLT1c0TTZTVUJHTEIJWEJSQ0pCUVNOVVAYVCIsImV4cCI6MTQ4NTI2OTQwMywidXNlcikljoyNTgxMzU0fQ.DFbwun-fQjWKdGkWGIcdN9pCZjc94Xgl8h9jUKgdI)

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