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### Research Update:

## KfW 'AAA' Ratings Affirmed And Off CreditWatch Following Similar Action On Germany; Outlook Stable

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## Research Update:

# KfW 'AAA' Ratings Affirmed And Off CreditWatch Following Similar Action On Germany; Outlook Stable

## Overview

- We affirmed our unsolicited 'AAA' long-term sovereign credit ratings on the Federal Republic of Germany on Jan. 13, 2012.
- We equalize our long-term rating on KfW with those on Germany, reflecting our opinion of an "almost certain" likelihood that KfW would receive timely and sufficient extraordinary support from the German government.
- Consequently, we are affirming our 'AAA' long-term rating on KfW and removing it from CreditWatch negative. We are also affirming the 'A-1+' short-term rating.
- The stable outlook reflects that on the Federal Republic of Germany.

## Rating Action

On Jan. 17, 2012, Standard & Poor's Ratings Services affirmed its 'AAA' long-term issuer credit ratings on KfW. At the same time, we removed the ratings on KfW from CreditWatch with negative implications, where they were placed on Dec. 7, 2011. The outlook is stable. We also affirmed the 'A-1+' short-term rating on KfW.

## Rationale

The affirmation reflects a similar action on the Federal Republic of Germany (unsolicited ratings AAA/Stable/A-1+) on Jan. 13, 2012. In accordance with our criteria for government-related entities, we believe that there is an "almost certain" likelihood that KfW would receive timely and sufficient extraordinary support from the German government in the event of financial distress. As a result, we equalize the ratings on KfW with those on Germany.

Our opinion of an "almost certain" likelihood of support reflects our view that KfW:

- Plays a "critical" role for the German government through its public policy mandate; and
- Has an "integral" link with the German government.

## Outlook

The stable outlook reflects that on the Federal Republic of Germany.

## Related Criteria And Research

- Germany's Unsolicited 'AAA/A-1+' Ratings Affirmed; Off Watch Neg, Outlook Stable, Jan. 13, 2012
- Rating Government-Related Entities: Methodology And Assumptions, Dec. 9, 2010

## Ratings List

Ratings Affirmed; CreditWatch/Outlook Action

	To	From
KfW		
Issuer Credit Rating	AAA/Stable/A-1+	AAA/Watch Neg/A-1+
Senior Unsecured	AAA/	AAA/Watch Neg

NB: This list does not include all ratings affected.

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Complete ratings information is available to subscribers of RatingsDirect on the Global Credit Portal at [www.globalcreditportal.com](http://www.globalcreditportal.com). All ratings affected by this rating action can be found on Standard & Poor's public Web site at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column. Alternatively, call one of the following Standard & Poor's numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow 7 (495) 783-4009.

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