

Genossenschaftliche FinanzGruppe

Key Rating Drivers

Leading German Retail Group: Genossenschaftliche FinanzGruppe's (GFG) ratings reflect the group's leading market shares and highly diversified business profile, strong capitalisation, low leverage, sound asset quality despite pressures, record of stable profitability, and outstanding funding profile by international standards. GFG's Viability Rating (VR) is one notch above the implied VR, reflecting the high importance of its strong business profile for the rating.

Mutual Support Mechanism: GFG is a cooperative banking network and not a legal entity. Its cohesion is ensured by an institutional protection scheme (IPS) managed by the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e.V. (BVR). GFG's Issuer Default Ratings (IDRs) are group ratings that apply to each member bank, including DZ BANK AG Deutsche Zentral-Genossenschaftsbank and its subsidiaries.

Diversified Business Model: The domestically focused, stable universal banking business model has delivered stable profits for GFG over several economic cycles. It is based on the local banks' strong domestic retail and small business banking franchises, supported by DZ BANK's capital-market business and product providers. These include leaders in insurance, asset management and real estate. There is strong strategic alignment among DZ BANK and the local banks, with tight cooperation and cross-selling.

Sound Asset Quality: GFG's asset quality benefits from the cooperative banks' generally prudent risk appetites, a high proportion of residential mortgage loans, and overall benign economic conditions in Germany over the past 15 years. Impaired loans have increased in the past three years, largely driven by real estate developer defaults, and Fitch Ratings expects GFG's impaired loans ratio to remain just below 3% in 2026-2027 as corporate insolvencies are likely to stay above the average of recent years.

Improved Revenues: Revenues have substantially benefitted from higher interest rates, as a large portion of these increases were not passed on to depositors, and will continue to benefit from repricing assets. We expect operating profit in 2025 remained strong and broadly in line with 2024, as DZ BANK's strong earnings should offset higher personnel expenses at the local cooperative banks.

Loan impairment charges and funds to support local cooperative banks in distress will likely remain above the historical average. However, GFG's average operating profit should comfortably remain above 1% of risk-weighted assets (RWAs) over the economic cycle, based on the group's conservative RWA calculation.

Strong Capitalisation: GFG's capitalisation is stronger than the German banking sector's average and reflects the cooperative banks' consistently high profit retention. Its common equity Tier 1 (CET1) capital ratio of 16.2% at end-2024 understates the strength of the group's capitalisation due to the high RWA density from the cooperative banks' use of the standardised approach for measuring credit risk. We expect higher RWAs from the implementation of Basel III endgame rules to be offset by earnings retention at end-2025.

Stable and Granular Deposits: The local banks are predominantly funded by granular, mostly price-inelastic domestic retail deposits, and their structurally large excess liquidity covers most of DZ BANK's short-term funding needs. As a frequent issuer of unsecured debt and the second-largest German covered bonds issuer to an established and geographically diversified investor base, DZ BANK provides GFG with reliable access to the wholesale markets.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

Negative rating pressure could arise from a persistent and material deterioration in asset quality or earnings, especially if this resulted in an impaired loans ratio above 3% or operating profit below 1% of RWAs, both on a sustained basis. A downward revision of our operating environment score for German banks (aa-/stable) would also put pressure on its ratings.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

An upgrade of GFG's Long-Term IDR is unlikely given the already-high ratings. In addition to a domestic environment that would allow higher lending margins, an upgrade would require greater cost efficiency, which is likely to necessitate further streamlining of the group's structure, especially at the local banks, beyond the current merger activity, as well as better asset quality and higher capitalisation.

Other Debt and Issuer Ratings

Rating Level	Rating
DZ BANK AG Deutsche Zentral-Genossenschaftsbank	
Deposits (long term/short term) ^a	AA/F1+
Long-term senior preferred debt ^a	AA
Short-term senior preferred debt ^a	F1+
Long-term senior non-preferred debt ^b	AA-
Tier 2 subordinated debt	A
Additional Tier 1 notes	BBB+
Muenchener Hypothekenbank eG	
Deposits (long term/short term)	AA/F1+
Local cooperative banks, Deutsche Apotheker- und Aerztebank eG	
Deposits (long term/short term)	AA-/F1+

^a Also applies to DZ BANK's subsidiaries DZ HYP AG and DZ Privatbank AG.
^b Also applies to DZ HYP AG

Source: Fitch Ratings

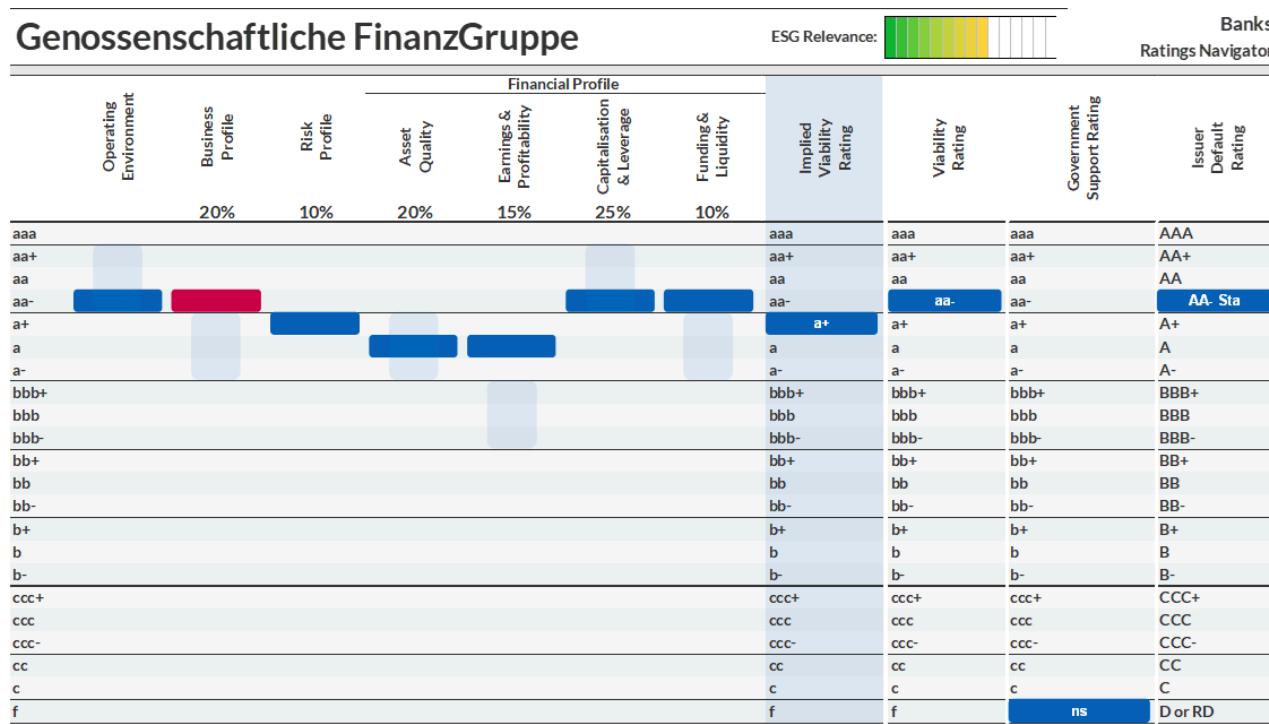
The long-term deposit ratings and long-term senior preferred debt ratings of DZ BANK and its banking subsidiaries, the long-term deposit rating of Muenchener Hypothekenbank, and DZ BANK's Derivative Counterparty Rating are one notch above their respective Long-Term IDRs because of the protection provided by resolution buffers to preferred creditors. In our view, resolution would only occur in the extremely unlikely event that GFG's mutual support scheme fails to protect group members' viability.

The deposit ratings of Deutsche Apotheker- und Aerztebank and of the local cooperative banks are aligned with GFG's IDRs due to the absence of sustainable significant resolution debt buffers at these entities. Each local bank is regulated individually as a less significant institution. Consequently, the German regulator's preferred resolution strategy for these banks consists of standard insolvency procedures, as opposed to the preferred bail-in resolution strategy for the DZ BANK group and Muenchener Hypothekenbank, each of which is directly under the authority of the European Single Resolution Board (SRB) and follows a single-point-of-entry approach.

Therefore, the mainly deposit-funded local banks have no incentive to build up resolution buffers. This is also the case for Deutsche Apotheker- und Aerztebank, which is directly under the authority of the SRB but is not required to maintain resolution buffers in excess of its capital requirements.

The ratings of the subordinated Tier 2 and additional Tier 1 notes issued by DZ BANK and its subsidiaries are two and four notches below GFG's VR, respectively, which is the standard notching for these types of instruments under Fitch's criteria. We use the VR of GFG as the anchor rating as we believe that by protecting the viability of DZ BANK and its subsidiaries, GFG increases the likelihood that all due payments on these notes will continue to be met.

Ratings Navigator



The Key Rating Driver (KRD) weightings used to determine the implied VR are shown as percentages at the top. In cases where the implied VR is adjusted upwards or downwards to arrive at the VR, the KRD associated with the adjustment reason is highlighted in red. The shaded areas indicate the benchmark-implied scores for each KRD.

VR - Adjustments to Key Rating Drivers

The business profile score of 'aa-' is above the 'a' implied category score due to the following adjustment reason: business model (positive).

The earnings and profitability score of 'a' is above the 'bbb' implied category score due to the following adjustment reason: risk-weight calculation (positive).

The funding and liquidity score of 'aa-' is above the 'a' implied category score due to the following adjustment reason: deposit structure (positive).

Company Summary and Key Qualitative Factors

Business Profile

German Cooperative Banking Group

GFG is a large German financial network including banking, insurance and asset-management activities with an estimated total operating income of above EUR35 billion in 2025. It comprises about 650 local cooperative banks (as of end-2025), which focus on retail and small business banking, and their central institution DZ BANK, which also consolidates GFG's product suppliers. DZ BANK accounted for about 35% of GFG's aggregated assets at end-2024. It is more exposed than most local banks to higher-risk wholesale asset classes such as commercial real estate (CRE), but stable and low-risk retail businesses dominate its revenue mix.

There is strong strategic alignment among DZ BANK and the local banks, with tight cooperation and cross-selling as evidenced by growing fees paid by the product suppliers owned by DZ BANK to the local banks and increasing intra-group cooperation on digitalisation and IT harmonisation.

GFG's domestic market shares are close to 20% in most deposit and loan segments, second only to the savings banks (Sparkassen-Finanzgruppe). Moreover, close to 60% of GFG's over 30 million clients are also the local banks' owners. This significantly enhances the stability of GFG's client base, as does the local banks' strong commitment to their home regions. In the long term, a combination of GFG's traditional and innovative banking channels will be crucial to maintaining market shares as wealth and businesses are passed to younger generations and customer preferences change.

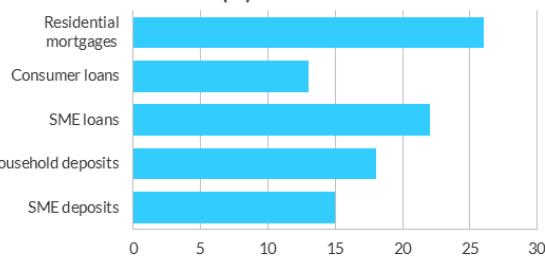
Decentralised Organisational Structure

GFG's local banks collectively own DZ BANK, control its supervisory board and define its strategic orientation in cooperation with DZ BANK's management. The local banks operate much more autonomously than in most European cooperative banking groups. This is because each local bank is legally independent, with its own management team and supervisory board, and the BVR has limited powers to influence their governance. In our view, this highly decentralised structure results in looser corporate governance at group level than at most other European cooperative banking groups.

We also believe that this autonomy and DZ BANK having no authority over the local banks explain the absence of regulatory capital and liquidity requirements at GFG's level. The ECB's formal direct supervision applies only to the domestic systemically important DZ BANK, Deutsche Apotheker- und Aerztebank eG and Muenchener Hypothekenbank, while the Bundesbank and BaFin supervise each local bank individually. In our view, this regulatory fragmentation prevents considerable efficiency gains and full operational cohesion at group level, as each local bank must maintain extensive regulatory reporting and back-office functions and fulfil minimum regulatory requirements on capital and liquidity.

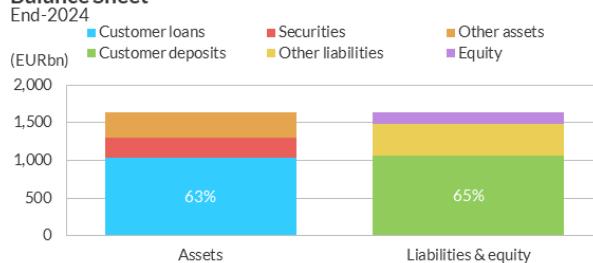
Despite these regulatory specifics, we expect GFG to remain strongly committed to its decentralised structure, the wide-ranging autonomy of local management, and its large (but rapidly decreasing) branch network, as long as the benefits from the strong local franchises outweigh the onerous regulatory costs and looser governance of the strict decentralised setup.

Domestic Market Shares (%)



Source: Fitch Ratings, Bundesbank

Balance Sheet



Source: Fitch Ratings, Fitch Solutions, GFG

Risk Profile

The cooperative banks focus on typically highly collateralised, granular and standardised lending, and their risk management is commensurate with the generally low complexity of their business. Their risk profiles also benefit from their proximity to their regions of operations and their longstanding business relationships, which result in extensive knowledge of their customers. Each cooperative bank defines its risk appetite, and underwriting decisions are not subject to GFG-wide centralised approvals or limits. The cooperative banks use a shared internal credit rating system for retail and SME loans, and a synthetic risk-diversification tool to manage single-name and sector concentrations, both managed by BVR and DZ BANK.

DZ BANK's risk profile is in line with that of German commercial bank peers of similar size, with modest capital-market activities and low traded market risk.

The regional cooperative banks associations and, ultimately, the BVR are responsible for data collection and risk monitoring, ensuring that members with deteriorating financial profiles are identified at an early stage. The BVR's monitoring system also indirectly influences the banks' risk-taking as their individual contributions to the IPS fund depend on the IPS's central monitoring body's assessment of each bank's risk profile. Since 2023, the IPS has significantly increased the funds allocated for restructuring measures to support a few local cooperative banks in financial distress. In some cases, weaknesses in the IPS's governance delayed the implementation of prevention and remediation measures. This prompted a reform of the IPS, which we expect to be finalised in 2027. The reform focuses on extending the IPS's monitoring tools, improving the efficiency of the decision-making process, and strengthening the intervention powers of the IPS's bodies and the role of DZ BANK as a lender of last resort.

The duration mismatch between the cooperative banks' assets and liabilities is higher than that of peers. Loans, deposits and securities are for the large majority not hedged, making them more vulnerable to rapid changes in interest rates than those of large universal banks. This is mitigated by the local banks' superior retail deposit franchises and excess liquidity. Higher interest rates in 2022 resulted in large temporary valuation losses in the bank's bond portfolios that year. Unrealised losses in the cooperative banks' banking books were largely reversed in 2024 and 2025 due to declining long-term interest rates and pull-to-par effects.

Financial Profile

Asset Quality

GFG's asset quality has been fairly resilient considering the sharp increase in interest rates, two years of recession in Germany, and weak economic growth in 2025. Fitch estimates GFG's impaired loans ratio to have increased to about 2.5% at end-2025, which is in line with the German banking sector average. Asset quality benefits from the cooperative banks' granular loan portfolio, which focuses on domestic mass retail and SME customers.

We expect impaired loans to rise further in 2026, driven by increasing micro and SME default rates. This will be balanced by resilient performance of residential mortgage loans, which accounted for more than 50% of loans to customers at end-1H25. This high share is due to a large proportion of owner-occupied homes, robust labour market indicators, adequate collateralisation and resilient house prices. Consumer and municipal loans form only a minor part of the loan book. DZ BANK's corporate and project finance loan books account for less than 10% of GFG's loans to customers and are well diversified by industry. The SME portfolio of the local cooperative banks (including self-employed clients and micro businesses; 39% of GFG's loans to customers) is granular and evenly spread across regions.

In the past three years, higher interest rates and inflation drove impairments in the local cooperative banks' construction (10% of SME loans) and CRE (8%) portfolios. These impairments drove the moderate increase in GFG's impaired loans ratio. Meanwhile, impaired loans ratios at Muenchener Hypothekenbank and DZ BANK's subsidiary DZ HYP – two of Germany's largest specialised CRE lenders with a combined loan volume of about EUR100 billion – remained under 2% despite the challenging market conditions. This was due to the two banks' high share of multi-family housing and focus on western Europe, with a modest exposure to real estate development.

Impaired loans coverage at DZ BANK is in line with commercial bank peers'. The local cooperative banks' coverage is lower than international peers' but should be assessed in the context of their large proportion of mortgage loans. Including collateral, we estimate that total coverage is reasonably close to 100%.

GFG's aggregate securities portfolio composition is stable and of high quality, but we do not rule out possible opportunistic investments at single local cooperative banks. Government bonds and covered bonds account for a large share of the portfolio.

Impaired Loans/Gross Loans



Source: Fitch Ratings, Fitch Solutions, banks

Operating Profit/Risk-Weighted Assets



Source: Fitch Ratings, Fitch Solutions, banks

Earnings and Profitability

Our assessment of GFG's profitability reflects its leading franchise in lower-risk domestic activities, strong execution through several credit cycles, and well-above-average resilience during previous crises.

Revenue is highly dependent on net interest income from local cooperative banks' loans and securities portfolios. This income substantially benefitted from higher interest rates in 2023 and 2024, as a large portion of these increases were not passed on to depositors.

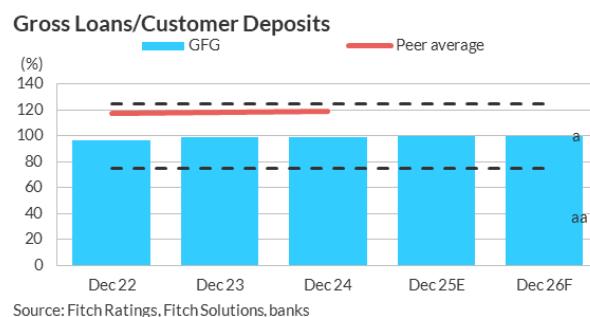
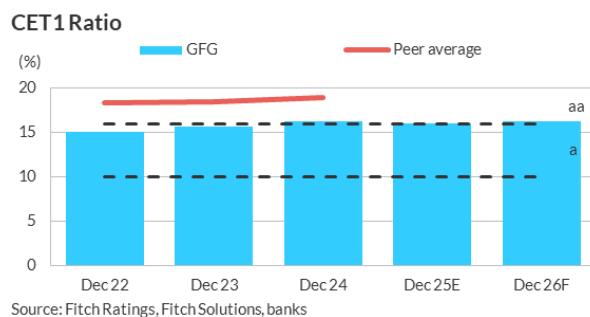
We estimate operating profit in 2025 to have remained close to the 2024 level. Costs are likely to have increased significantly due to growth in staff numbers, the effect of a new collective wage agreement, and continued investments in digitalisation. However, loans to customers at the local cooperative banks grew by 3.7% in 1H25, and the rollover of loans and securities portfolios at higher interest rates should offset lower deposit margins. GFG's earnings should also be supported by record profits at DZ BANK (EUR2.1 billion pre-tax profit in 1H25, up 24% year on year), mainly driven by a boost in insurance earnings and continued strong revenue in the asset management business. We therefore expect DZ BANK's share in GFG's pre-tax profit to increase above the 21% of 2024.

Capitalisation and Leverage

Credit-risk RWAs increased at the local cooperative banks and decreased at DZ BANK in 2025 on the back of the implementation of Capital Requirements Regulation III. As a result, DZ BANK's CET1 capital ratio improved to 18.1% at end-September 2025 (end-2024: 15.6%). This, combined with the local cooperative banks' conservative dividend distribution, should support GFG's CET1 capital ratio at around 16% at end-2025, while also offering room for loan growth in the medium term. GFG's CET1 capital ratio improved to a sound 16.2% at end-2024 (end-2023: 15.6%) on low RWA growth – broadly in line with the 2.6% loan growth – and strong earnings retention.

The local cooperative banks' use of the standardised approach for the calculation of credit-risk RWAs for all asset classes means that the vulnerability of GFG's capital ratios to negative rating migration and regulatory RWA inflation is limited. However, this also understates the group's CET1 and total capital ratios by about a third compared with European mutual banking groups that operate with similar risk profiles but that make extensive use of the internal ratings-based approach. GFG's sound Basel leverage ratio (end-2024: 8.4%) is much stronger than those of most domestic and foreign peers.

GFG is not regulated as a group. Therefore, it is not subject to regulatory capital or resolution-planning requirements at group level. Each cooperative bank is subject to individual Supervisory Review and Evaluation Process requirements, which vary mainly depending on vulnerability to interest-rate risks in the banking books.



Funding and Liquidity

The local banks are mainly funded by granular domestic retail deposits. The loans/deposits ratio slightly increased in line with interest rates, but deposit growth at local banks accelerated in 2025. The proportion of term and savings deposits stabilised at about 37% of the local cooperative banks' customer deposits at end-1H25, slightly above domestic peers'. Granular and sticky household deposits account for over 60% of total deposits. GFG has had above-average stickiness of its deposit base through various interest-rate cycles, maintaining its deposit market shares (the second-largest in Germany, behind Sparkassen-Finanzgruppe). It has fended off aggressive competitors during phases of higher interest rates and steeper yield curves, when competition for cheap retail deposits is particularly strong.

GFG meets most of its external wholesale funding needs with covered bonds. Its members (mainly its mortgage lenders DZ HYP and Muenchener Hypothekenbank) are collectively, and by a wide margin, the largest issuers of German covered bonds. However, a material share of this aggregated volume is placed within GFG.

DZ BANK pools the local banks' excess deposits in its capacity as GFG's central institution, and some of its subsidiaries (especially its housing lender Bausparkasse Schwaeisch Hall) are large deposit-takers. Therefore, its wholesale funding needs are limited relative to its size, even though it is a frequent issuer of unsecured debt. DZ BANK places a significant share of its senior unsecured debt at GFG's local banks. Most of its external unsecured issuance is in the form of small private placements, often as reverse enquiries, to a diversified pool of international investors. This limits the bank's exposure to funding market volatility.

Additional Notes on Charts

Black dashed lines represent boundaries for indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'aa' category. Peer average includes Sparkassen-Finanzgruppe (Sparkassen) (VR: a+), Raiffeisen Group (a+), Credit Agricole (a+), Groupe BPCE (a), Credit Mutuel Alliance Federale (a+), Desjardins Group (aa-), Svenska Handelsbanken AB (aa).

Financials

Financial Statements

(EURm)	31 Dec 21	31 Dec 22	31 Dec 23	31 Dec 24	31 Dec 25E	31 Dec 26F
Summary income statement						
Net interest and dividend income	18,232	20,546	24,107	24,316	-	-
Net fees and commissions	8,675	8,646	8,829	9,481	-	-
Other operating income	1,610	-4,858	3,618	2,648	-	-
Total operating income	28,517	24,334	36,554	36,445	36,894	36,624
Operating costs	18,577	19,079	20,488	21,547	22,204	22,675
Pre-impairment operating profit	9,940	5,255	16,066	14,898	14,690	13,949
Loan and other impairment charges	-337	1,363	1,691	4,140	3,631	2,909
Operating profit	10,277	3,892	14,375	10,758	11,059	11,040
Other non-operating items (net)	245	0	0	0	-	-
Tax	3,017	1,790	3,570	3,223	-	-
Net income	7,505	2,102	10,805	7,535	7,746	7,733
Other comprehensive income	133	-5,151	144	54	-	-
Fitch comprehensive income	7,638	-3,049	10,949	7,589	-	-

Summary balance sheet

Assets	944,028	999,937	1,023,602	1,050,269	1,081,777	1,114,230
Gross loans	944,028	999,937	1,023,602	1,050,269	1,081,777	1,114,230
Loan loss allowances	9,170	9,860	11,669	15,391	-	-
Net loans	934,858	990,077	1,011,933	1,034,878	-	-
Interbank	15,794	45,097	38,022	58,380	-	-
Derivatives	19,695	18,880	15,278	15,723	-	-
Other securities and earning assets	411,846	376,881	376,854	395,362	-	-
Total earning assets	1,382,193	1,430,935	1,442,087	1,504,343	-	-
Cash and due from banks	156,973	117,964	119,757	98,256	-	-
Other assets	27,285	32,205	35,336	35,125	-	-
Total assets	1,566,451	1,581,104	1,597,180	1,637,724	1,679,844	1,717,030

Liabilities

Customer deposits	984,926	1,032,861	1,033,200	1,061,003	1,087,528	1,120,154
Interbank and other short-term funding	207,032	180,418	153,373	160,666	-	-
Other long-term funding	77,280	82,859	109,039	107,155	-	-
Trading liabilities and derivatives	21,932	28,191	23,254	18,101	-	-
Total funding and derivatives	1,291,170	1,324,329	1,318,866	1,346,925	-	-
Other liabilities	145,720	129,190	135,062	140,486	-	-
Preference shares and hybrid capital	176	233	241	239	-	-
Total equity	129,385	127,352	143,011	150,074	-	-
Total liabilities and equity	1,566,451	1,581,104	1,597,180	1,637,724	1,679,844	1,717,030
Exchange rate	USD1 =	USD1 =	USD1 =	USD1 =	-	-

Financial Statements

(EURm)	31 Dec 21	31 Dec 22	31 Dec 23	31 Dec 24	31 Dec 25E	31 Dec 26F
	Euro0.8842	Euro0.9376	Euro0.9127	Euro0.9622		

Source: Fitch Ratings, Fitch Solutions, GFG

Key Ratios

(%; annualised as appropriate)	31 Dec 21	31 Dec 22	31 Dec 23	31 Dec 24	31 Dec 25E	31 Dec 26F
Profitability						
Operating profit/risk-weighted assets	1.4	0.5	1.8	1.3	1.3	1.2
Net interest income/average earning assets	1.3	1.5	1.7	1.7	1.6	1.6
Non-interest expense/gross revenue	65.1	78.7	55.5	59.0	60.2	61.9
Net income/average equity	6.0	1.6	8.0	5.1	-	-
Asset quality						
Growth in gross loans	6.0	5.9	2.4	2.6	3.0	3.0
Loan impairment charges/average gross loans	-0.1	0.1	0.2	0.4	0.3	0.3
Capitalisation						
Common equity Tier 1 ratio	15.1	15.1	15.6	16.2	16.0	16.3
Tangible common equity/tangible assets	8.2	8.0	8.9	9.1	-	-
Basel leverage ratio	8.0	7.4	8.0	8.4	-	-
Funding and liquidity						
Gross loans/customer deposits	95.9	96.8	99.1	99.0	-	-
Gross loans/customer deposits + covered bonds	91.2	92.2	93.8	93.7	-	-
Liquidity coverage ratio	160.1	158.5	185.9	161.6	-	-
Customer deposits/total non-equity funding	77.4	79.5	79.4	79.7	-	-
Net stable funding ratio	-	-	-	121.1	-	-

Source: Fitch Ratings, Fitch Solutions, GFG

Support Assessment

Commercial Banks: Government Support

Typical D-SIB GSR for sovereign's rating level (assuming high propensity)	A+ to A-
Actual jurisdiction D-SIB GSR	ns
Government Support Rating	ns

Government ability to support D-SIBs

Sovereign Rating	AAA/ Stable
Size of banking system	Negative
Structure of banking system	Neutral
Sovereign financial flexibility (for rating level)	Positive

Government propensity to support D-SIBs

Resolution legislation	Negative
Support stance	Negative

Government propensity to support bank

Systemic importance	Neutral
Liability structure	Neutral
Ownership	Neutral

The colours below indicate the influence of each support factor in our assessment.

Influence: Light blue = lower; Dark blue = moderate; Red = higher

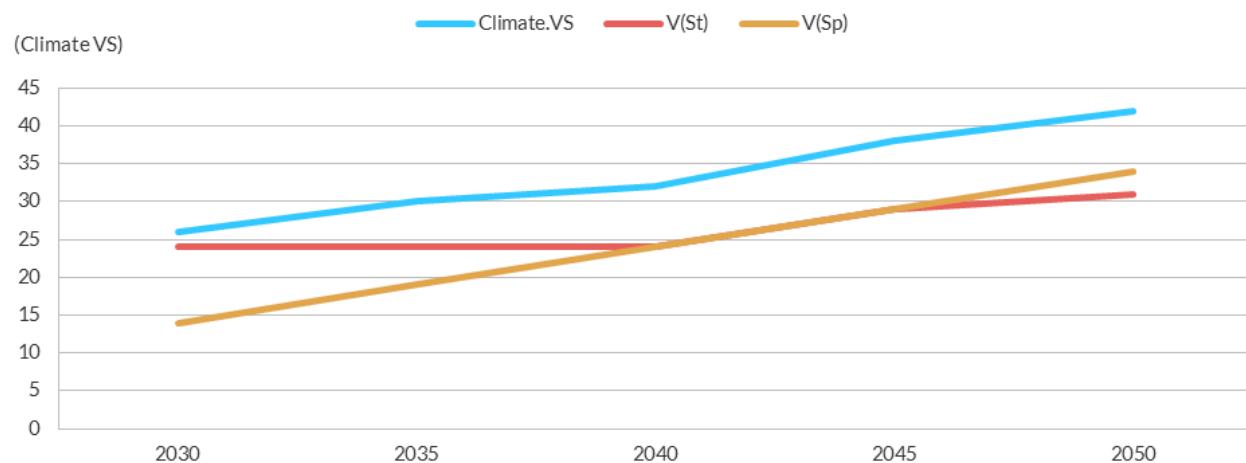
GFG's Government Support Rating of 'no support' (ns) reflects our view that although external extraordinary sovereign support is possible, it cannot be relied upon. The EU's Bank Recovery and Resolution Directive and the Single Resolution Mechanism for eurozone banks provide a framework for resolving banks that requires senior creditors participating in losses, if necessary, instead of, or ahead of, a bank receiving sovereign support.

Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify issuers whose credit profiles have a higher potential exposure to climate-related risks, and to subject those ratings to additional analysis and consideration in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk).

The Climate.VS for GFG for 2035 is 30, which indicates that climate risk factors are not expected to materially affect the credit profile, but some adaptation may be needed. This reflects a physical risk (VSp) component signal of 19 and a transition risk (VSt) component signal of 24. Any potential effect on the rating may differ from the illustrative rating impact in the Climate.VS framework. For more information on Climate.VS, see Fitch's [FI Climate-Related Risk Rating Criteria](#).

Climate Vulnerability Signals for Genossenschaftliche FinanzGruppe



Source: Fitch Ratings

Environmental, Social and Governance Considerations

Fitch Ratings

Genossenschaftliche FinanzGruppe

Banks
Ratings Navigator
ESG Relevance to Credit Rating

Credit-Relevant ESG Derivation

Genossenschaftliche FinanzGruppe has 6 ESG potential rating drivers		key driver	0	issues	5	
Genossenschaftliche FinanzGruppe has exposure to regulatory risks, emissions fines or compliance costs related to owned, financed or managed assets, which could impact asset prices, profitability etc., but this has very low impact on the rating.		driver	0	issues	4	
Genossenschaftliche FinanzGruppe has exposure to compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security) but this has very low impact on the rating.		potential driver	6	issues	3	
Governance is minimally relevant to the rating and is not currently a driver.			4	issues	2	
		not a rating driver	4	issues	1	

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance	How to Read This Page	
GHG Emissions & Air Quality	3	Regulatory risks, emissions fines or compliance costs related to owned, financed or managed assets, which could impact asset prices, profitability etc.	Operating Environment; Business Profile; Risk Profile; Asset Quality	5	ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.	
Energy Management	1	n.a.	n.a.	4	The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.	
Water & Wastewater Management	1	n.a.	n.a.	3		
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2		
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Business Profile; Risk Profile; Asset Quality	1		

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance	How to Read This Page	
Human Rights, Community/Relations, Access & Affordability	2	Services for underbanked and underserved communities; SME and community/development programs; financial literacy programs	Business Profile; Risk Profile	5	The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact. Scores of 3, 4 or 5 and provides a brief explanation for the score.	
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Business Profile; Risk Profile	4		
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile	3		
Employee Wellbeing	1	n.a.	n.a.	2		
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile; Financial Profile	1		

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference	G Relevance	CREDIT-RELEVANT ESG SCALE	
Management Strategy	3	Operational implementation of strategy	Business Profile	5	5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal/compliance risks; business continuity; key person risk; related party transactions	Business Profile; Earnings & Profitability; Capitalisation & Leverage	4	4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile	3	3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile	2	2	Irrelevant to the entity rating but relevant to the sector.
				1	1	Irrelevant to the entity rating and irrelevant to the sector.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

Ratings

Long-Term IDR	AA-
Short-Term IDR	F1+
Viability Rating	aa-
Government Support Rating	ns
Sovereign Risk (Germany)	
Long-Term Foreign-Currency IDR	AAA
Long-Term Local-Currency IDR	AAA
Country Ceiling	AAA
Outlooks	
Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

ESG and Climate

Highest ESG Relevance Scores	
Environmental	3
Social	3
Governance	3

Climate Vulnerability

2035 Climate Vulnerability Signal: 30
Transition (VSt): 24
Physical (VSp): 19

Applicable Criteria

[Bank Rating Criteria \(March 2025\)](#)

[Financial Institutions Rating Criteria: Climate Vulnerability Signals \(December 2025\)](#)

Related Research

[Fitch Affirms German Cooperative Banks and DZ BANK at 'AA-'; Outlook Stable \(March 2025\)](#)

[Western European Banks Outlook 2026 \(December 2025\)](#)

[Global Economic Outlook – December 2025](#)

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