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# PRESS RELEASE

## Fitch affirms the cooperative financial network's positive rating

Rating agency Fitch Ratings confirmed the network rating of the Volksbanken Raiffeisenbanken cooperative financial network on April 25, 2013, awarding a positive long-term issuer default rating of A+ with a stable outlook and a viability rating of a+. The quality of the cooperative financial network is underlined, above all, by the viability rating, which is based solely on the bank's own strength – i.e. excluding any government support. The cooperative financial network is one of only a few financial market participants to receive this good rating from Fitch.

"Unchanged over the past seven years, this positive rating continues to be proof positive of the enduring market success of the cooperative financial network's sustainable business model. This success is also reflected in the justification given for the rating, which has been reaffirmed repeatedly during this period. The cooperative financial network has proved to be a pillar of stability within the German financial sector, especially during the turmoil of the financial crisis and sovereign debt crisis," explained Uwe Fröhlich, President of the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR) [National Association of German Cooperative Banks].

Fitch states that, as one of the largest retail banking groups in Germany, the cooperative financial network has a strong sales network – supported by the primary institutions – through which it serves its retail customers, comprising private clients as well as small and medium-sized enterprises. Solid and steady financial performance sustained over a long period is, according to Fitch, enshrined in an effective business model with diversified divisions within a retail-focused financial services group. In line with the cooperative principle of division of labor, the cooperative financial network's companies provide the approximately 1,100 local banks with products and specialized services. Fitch expects the group to use its resilient performance in combination with prudent profit distribution to consolidate and enhance its already strong economic capitalization. The solid, granular lending business of the local banks also

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contributes to the quality of the cooperative financial network's assets, according to Fitch.

The group's funding and liquidity profile is underpinned by the local cooperative banks' stable retail deposits. Fitch adds that the group is not reliant on obtaining funding in the capital markets. Moreover, all customer deposits are fully guaranteed, including those exceeding €100,000, owing to the bank protection afforded by the BVR's protection scheme. The BVR has been successfully operating this comprehensive deposit guarantee scheme based on bank protection for more than 75 years.

The Fitch rating applies to all institutions covered by the BVR's protection scheme. This includes the local cooperative banks (Volksbanken and Raiffeisenbanken), Sparda banks, PSD banks, church cooperative banks, the cooperative central institutions DZ BANK and WGZ BANK, cooperative mortgage banks, and other specialized institutions in the cooperative financial network, such as the building society Bausparkasse Schwäbisch Hall and individual Union Investment companies. The institutions' ratings and the latest full rating report can be downloaded at [www.fitchratings.com](http://www.fitchratings.com) and [www.bvr.de/rating](http://www.bvr.de/rating).