# Sparkassen-Finanzgruppe (Sparkassen)

## Key Rating Drivers

**Leading Franchise, Stable Business Model:** Sparkassen-Finanzgruppe's (SFG) ratings reflect the group's leading domestic retail and SME franchise, underpinned by the savings banks' close ties to their local communities. They also reflect the group's stable business model, granular and mostly collateralised credit exposure, strong capitalisation, very stable deposit-driven funding and excess liquidity. SFG's improved profitability is supported by a high proportion of recurring operating revenue.

**Mutual Support Group:** SFG is not a legal entity but a savings banks network, whose cohesion is supported by an institutional protection scheme (IPS). Fitch Ratings assigns group ratings to SFG and its savings banks. The Issuer Default Ratings (IDRs) are based on the group's Viabiity Rating (VR) and apply to each individual savings bank. The group has an impeccable record of providing protection to depositors by safeguarding its member banks' viability. Members of the group share a common strategy, brand and joint marketing activities.

**Conservative Risk Profile:** Group risk controls were strengthened and centralised as part of the IPS reform in 2024, allowing for early identification of deteriorating financial profiles.

The savings banks' underwriting standards are generally prudent, underpinned by a high share of collateralised lending, a fairly standard product offering and longstanding client relationships. The savings banks' local focus also ensures granularity and increases diversification at group level. Interest-rate risk has declined in recent years but remains high compared with that of most international banks' loan and bond portfolios, due to their asset/liability duration mismatches.

**Sound Asset Quality:** SFG's asset quality benefits from the savings banks' generally prudent risk appetites, a high proportion of residential mortgage loans and overall benign economic conditions in Germany over the past 15 years. We expect SFG's impaired loans ratio to remain above 2% in 2026–2027 as insolvencies are likely to stay above the average of recent years, but to remain broadly in line with German banks' average.

**Improved Earnings:** Revenues have substantially benefitted from higher interest rates, as a large portion of these increases were not passed on to depositors. We estimate operating profit in 2025 to have remained strong but below 2024 levels, as lower deposit margins and higher costs should more than offset the reinvestment of loans and securities at higher interest rates. SFG's average operating profit should comfortably remain above 1% of risk-weighted assets (RWAs) over the economic cycle, based on the savings banks' conservative RWA calculation.

**Strong Capitalisation:** SFG's capitalisation is stronger than the German banking sector's average and reflects the savings banks' consistently high profit retention. Its common equity Tier 1 (CET1) capital ratio of 16.9% at end-2024 is robust, although it understates the strength of the group's capitalisation due to the high RWA density from the savings banks' use of the standardised approach for measuring credit risk. We estimate the impact of Basel III end-game rules was offset by earnings retention at end-2025. SFG's leverage ratio was a sound 9.9% at end-2024, and should have further improved in 2025.

**Stable and Granular Deposits:** The savings banks' large, stable retail and granular SME deposit base supports SFG's strong funding and structural excess liquidity. This ensures low funding costs and low sensitivity to market sentiment and underpins the group's 'F1+' Short-Term IDR.

## Rating Sensitivities

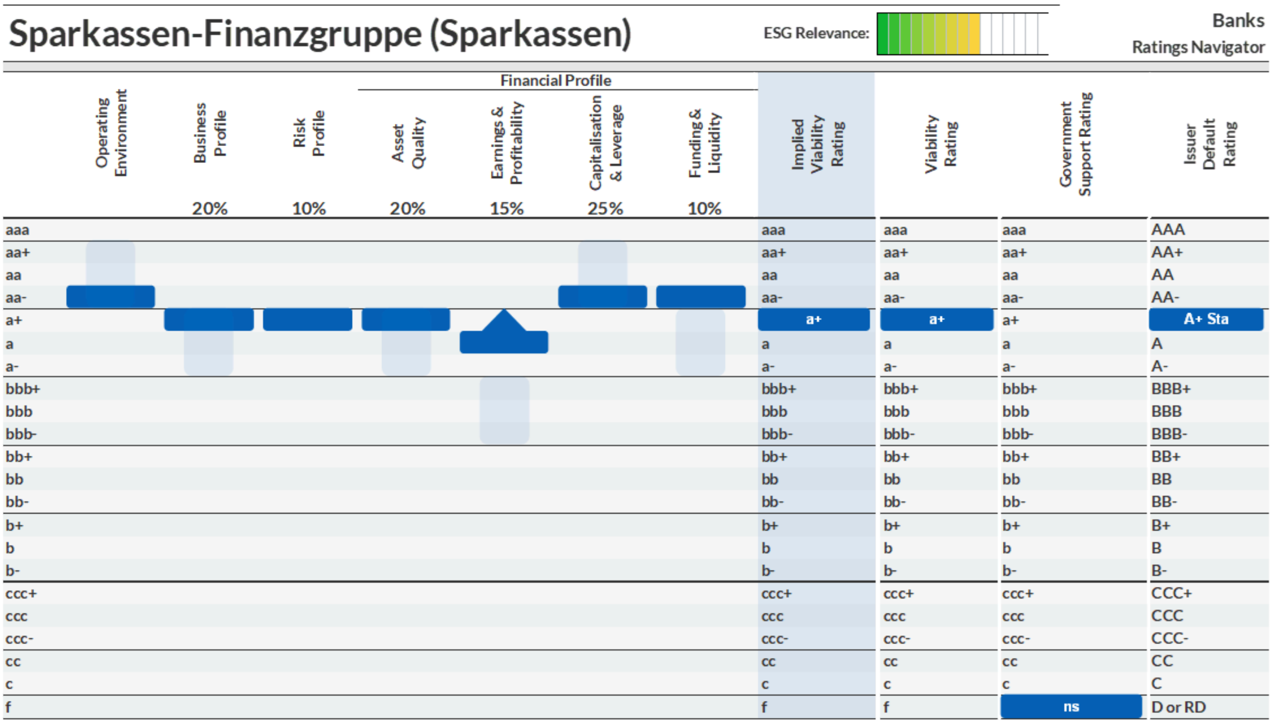
### Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

Negative rating pressure could arise from a persistent and material deterioration in asset quality and earnings, especially if this results in an impaired loans ratio above 3% and operating profit below 0.7% of RWAs, on a sustained basis.

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

An upgrade of SFG's Long-Term IDR would require a record of operating profit of 1.5% of RWAs, which may translate into an improved assessment of the group's business profile. An upgrade would also be contingent on SFG maintaining its sound asset quality and strong capitalisation.

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

The funding & 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

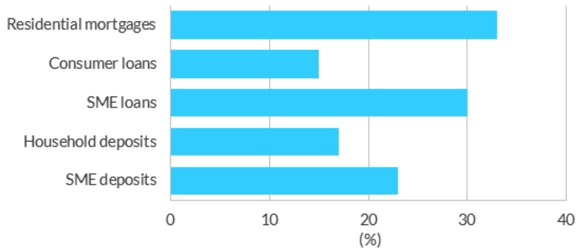
### Business Profile

Most savings banks are institutions under public law controlled by their respective municipalities. State laws define their mandate to serve local customers and support local economic development. They primarily provide basic financial services to the local population and SMEs through a dense branch network, and also have a presence in less densely populated or less economically dynamic regions, where competition is less intense. This ensures high client loyalty within their local communities, where the banks are also socially engaged, and contributes to SFG's strong brand recognition, underpinning its above-average market position. SFG has leading nationwide market shares in mortgage and SME lending and deposits, close to 30% in many products.

The savings banks' business model does not rely on volatile businesses and only few large savings banks engage in sizeable trading activities or offer complex products of their own. In general, they closely cooperate with specialist members of the broader public-sector banking group, including Landesbanken, insurers and asset managers, to broaden their product spectrum beyond standard retail and SME loans and deposits.

The national savings bank association's (DSGV) initiatives to encourage savings banks adhere to common strategic projects – including omnichannel banking, payments, digitalisation, data collection, analytics, and risk management – are producing positive results, even though the complexity of the organisation often results in protracted implementation times. We view the success of these initiatives as key for the group to maintain its market shares and profitability in the long term.

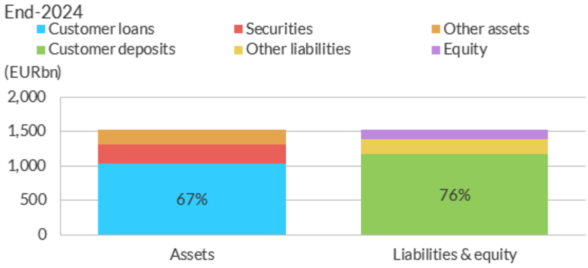
### Domestic Market Shares




Source: Fitch Ratings, Fitch Solutions, Bundesbank

### Balance Sheet

End-2024




Source: Fitch Ratings, Fitch Solutions, SFG

### Risk Profile

Each savings bank defines its risk appetite, and underwriting decisions are not subject to SFG-wide centralised approvals or limits. Instead, the savings banks use a shared internal credit rating system for retail and SME loans and centralised synthetic risk diversification tools to manage single-name and sector concentrations. The regional savings banks associations and, ultimately, the DSGV are responsible for data collection and risk monitoring, ensuring that members with deteriorating financial profiles are identified at an early stage. This enables prevention and remediation measures well ahead of support from the IPS. SFG does not produce consolidated, externally audited financial accounts, and its aggregated risk reporting is less sophisticated than that of peers.

The savings 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 long-standing business relationships, which result in extensive knowledge of their customers.

The duration mismatch between the savings banks' assets and liabilities is high compared to that of other large European banking groups. The savings banks have increased their use of derivatives in the past three years, but loans, deposits and securities are only partially hedged, which makes them more vulnerable to rapid changes in interest rates than large universal banks. The increase in interest rates in 2022 resulted in large temporary valuation losses in that year. Unrealised losses in the savings banks' banking books were largely reversed in 2024 and 2025 due to declining long-term interest rates and pull-to-par effects.

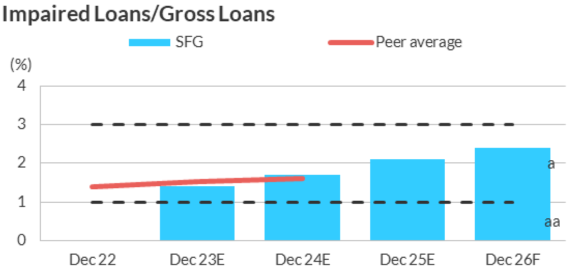
## Financial Profile

### Asset Quality

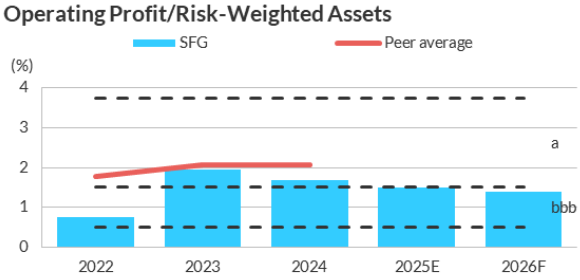
SFG's asset quality has been fairly resilient considering the sharp increase in interest rates, two recession years in Germany and weak economic growth in 2025. Fitch estimates the impaired loans ratio to have increased to about 2.1% at end-2025, which is slightly below the German banking sector average. Asset quality benefits from the savings banks' granular loan portfolio, which focuses on domestic mass retail and SME customers.

We expect impaired loans to rise further in 2026, driven by an increase in micro and small SME default rates, but no pressure on residential mortgage loans, which account for 40% of loans to customers at end-September 2025. This 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. The SME portfolio, including self-employed clients and micro businesses, is granular and accounts for 56% of total loans. The highest sector concentrations are to housing companies (21% of SME loans at end-September 2025), commercial real estate (CRE; 17%) and construction (7%). Only the large savings banks finance large, non-recourse CRE transactions on their own, while others cooperate as part of syndicates with the Landesbanken. In general, the savings banks' good knowledge of their regional markets and a large proportion of recourse structures or municipal sponsors limit the risk in this business, and the portfolio has so far performed better than German peers'.

SFG's aggregate securities portfolio composition is stable and of very high quality, but we do not rule out possible opportunistic investments at single savings banks. Government bonds and covered bonds account for a large share of the portfolio, while the Landesbanken account for most unsecured financial institution bonds.



Source: Fitch Ratings, Fitch Solutions, banks



Source: Fitch Ratings, Fitch Solutions, banks

## Earnings and Profitability

Our assessment of SFG'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 the savings banks' loans and securities portfolios and have substantially benefitted from higher interest rates in 2023 and 2024, as a large portion of these increases were not passed on to depositors and derivatives boosted income. Price adjustments in retail current accounts and historically high turnovers in customer's securities accounts drove the increase in commission income in 2024.

We expect operating profit in 2025 to remain strong but below 2024 levels. Loans to customers increased by 1.7% in 10M25 and the roll-over of loans and securities portfolios at higher interest rates should offset lower deposit margins. However, we expect costs to increase significantly due to growth in staff numbers and the effect of the new collective agreement, the first-time contribution to the IPS's second fund, and continued investments in digitalisation. The cost/income ratio has improved on higher revenue in the past three years, but will remain above those of similarly rated international peers due to the group's decentralised structure and commitment to its dense branch network, which constrain savings potential. In the longer term it will be key for the savings banks' revenue diversification to convert a higher proportion of their deposits into assets under management.

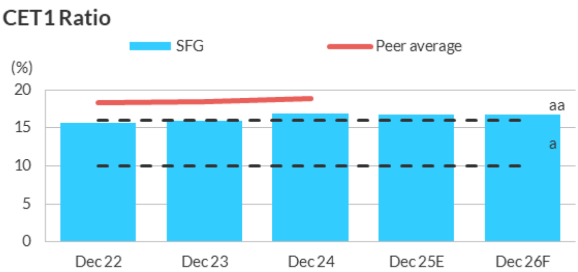
## Capitalisation and Leverage

SFG's CET1 capital ratio improved to a sound 16.9% at end-2024 (end-2023: 15.9%) on strong earnings retention and low RWA growth, broadly in line with the 1.0% loan growth. The ratio has likely been dented by the revision of the standardised approach for credit risk under the Capital Requirements Regulation III at the beginning of 2025, but we expect this to be offset by SFG's strong earnings retention at year-end, which should also support the CET1 capital ratio above 16% in the medium term.

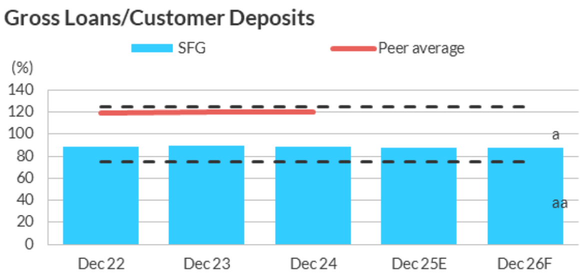
Most saving banks' use of the standardised approach for the calculation of credit-risk RWAs for all asset classes means the vulnerability of SFG's capital ratios is limited to negative rating migration and regulatory RWA inflation. However, this understates the group's CET1 and total capital ratios by about a third compared with European mutual banking groups that operate with similar risk profiles, but that make extensive use of the internal rating-based approach. SFG's sound Basel leverage ratio (end-2024: 9.9%) is much stronger than that of most domestic and foreign peers.

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

The savings banks' status as public-law institutions constrains their ability to raise capital. Instead, capital weaknesses at individual savings banks are generally proactively addressed by merging them into stronger neighbouring savings banks.



Source: Fitch Ratings, Fitch Solutions, banks



Source: Fitch Ratings, Fitch Solutions, banks

## Funding and Liquidity

SFG's customer deposits increased by 2.9% to EUR1.18 trillion at end-2024. Lower inflation, along with an increase in household incomes and subdued consumer spending, contributed to the higher deposit volumes. Deposit volumes were broadly stable in 10M25. Clients' demand for term and savings deposits has abated after term deposits peaked at end-March 2025, and represented about 17% of SFG's customer deposits at end-September 2025 (end-2021: 3%). Granular and sticky household deposits account for about 54% of total deposits.

Only 45 savings banks (about 12%) issue covered bonds, with about EUR30 billion outstanding at end-2024. As a result, most of the group's loan book is unencumbered. Savings banks typically have large liquid securities portfolios, which are reflected in SFG's high aggregated liquidity coverage ratio of 196% at end-2024.

### *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 Genossenschaftliche FinanzGruppe (VR: aa-), Raiffeisen Group (a+), Credit Agricole (a+), Groupe BPCE (a), Credit Mutuel Alliance Federale (a+), Desjardins Group (aa-), Svenska Handelsbanken AB (aa).

## Financials

### Financial Statements

| | 31 Dec 21 | 31 Dec 22 | 31 Dec 23 | 31 Dec 24 | 31 Dec 25E | 31 Dec 26F |
|---|---|---|---|---|---|---|
| | (EURm) | (EURm) | (EURm) | (EURm) | (EURm) | (EURm) |
| **Summary income statement** | | | | | | |
| Net interest and dividend income | 19,262 | 22,210 | 28,160 | 28,710 | - | - |
| Net fees and commissions | 8,974 | 9,340 | 9,660 | 10,300 | - | - |
| Other operating income | 14 | 10 | 10 | 10 | - | - |
| Total operating income | 28,250 | 31,560 | 37,830 | 39,020 | 39,522 | 40,188 |
| Operating costs | 19,597 | 19,050 | 20,570 | 21,600 | 23,079 | 23,771 |
| Pre-impairment operating profit | 8,653 | 12,510 | 17,260 | 17,420 | 16,444 | 16,418 |
| Loan and other impairment charges | 1,200 | 6,090 | 400 | 2,840 | 2,603 | 2,668 |
| Operating profit | 7,453 | 6,420 | 16,860 | 14,580 | 13,841 | 13,749 |
| Other non-operating items (net) | -3,110 | -2,420 | -10,030 | -7,490 | - | - |
| Tax | 2,687 | 2,610 | 4,310 | 4,540 | - | - |
| Net income | 1,656 | 1,390 | 2,520 | 2,550 | 2,668 | 2,632 |
| | | | | | | |
| **Summary balance sheet** | | | | | | |
| **Assets** | | | | | | |
| Net loans | 954,990 | 1,009,507 | 1,020,423 | 1,030,880 | - | - |
| Interbank | 50,721 | 164,597 | 153,771 | 159,408 | - | - |
| Other securities and earning assets | 300,955 | 301,325 | 291,416 | 299,554 | - | - |
| Total earning assets | 1,306,666 | 1,475,429 | 1,465,610 | 1,489,842 | - | - |
| Cash and due from banks | 171,124 | 25,232 | 23,584 | 25,365 | - | - |
| Other assets | 17,552 | 18,842 | 20,271 | 20,941 | - | - |
| Total assets | 1,495,342 | 1,519,503 | 1,509,465 | 1,536,148 | 1,568,703 | 1,605,420 |
| | | | | | | |
| **Liabilities** | | | | | | |
| Customer deposits | 1,115,898 | 1,145,930 | 1,138,534 | 1,171,088 | 1,200,365 | 1,236,376 |
| Interbank and other short-term funding | 190,237 | 173,717 | 158,669 | 140,452 | - | - |
| Other long-term funding | 17,292 | 17,391 | 21,710 | 21,843 | - | - |
| Total funding and derivatives | 1,323,427 | 1,337,038 | 1,318,913 | 1,333,383 | - | - |
| Other liabilities | 42,316 | 47,740 | 52,197 | 54,970 | - | - |
| Total equity | 129,599 | 134,725 | 138,355 | 147,699 | - | - |
| Total liabilities and equity | 1,495,342 | 1,519,503 | 1,509,465 | 1,536,148 | 1,568,703 | 1,605,420 |
| Exchange rate | USD1= EUR0.8842 | USD1= EUR0.9376 | USD1= EUR0.9127 | USD1= EUR0.9622 | - | - |

Source: Fitch Ratings, Fitch Solutions, SFG

## 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 | 0.9 | 0.8 | 2.0 | 1.7 | 1.5 | 1.4 |
| Net interest income/average earning assets | 1.5 | 1.6 | 1.9 | 1.9 | 1.9 | 1.9 |
| Non-interest expense/gross revenue | 69.4 | 60.4 | 54.4 | 55.4 | 58.4 | 59.1 |
| Net income/average equity | 1.3 | 1.1 | 1.9 | 1.8 | - | - |
| | | | | | | |
| **Asset quality** | | | | | | |
| Growth in gross loans | 5.5 | 5.7 | 1.1 | 1.0 | 2.0 | 3.0 |
| Loan impairment charges/average gross loans | 0.0 | 0.0 | 0.3 | 0.2 | 0.3 | 0.3 |
| | | | | | | |
| **Capitalisation** | | | | | | |
| Common equity Tier 1 ratio | 15.6 | 15.7 | 15.9 | 16.9 | 16.8 | 16.8 |
| Tangible common equity/tangible assets | 8.7 | 8.9 | 9.2 | 9.6 | - | - |
| Basel leverage ratio | 9.2 | 9.0 | 9.3 | 9.9 | - | - |
| | | | | | | |
| **Funding and liquidity** | | | | | | |
| Gross loans/customer deposits | 85.6 | 88.1 | 89.6 | 88.0 | - | - |
| Liquidity coverage ratio | - | - | 186.3 | 195.8 | - | - |
| Customer deposits/total non-equity funding | 84.3 | 85.7 | 86.3 | 87.8 | - | - |
| Net stable funding ratio | - | - | 127.2 | 131.1 | - | - |

Source: Fitch Ratings, Fitch Solutions, SFG

## 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 | Positive |
| Ownership | Neutral |

The colours indicate the weighting of each KRD in the assessment.
Influence: Light blue = lower; Dark blue = moderate; Red = higher

SFG'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.

## Subsidiaries and Affiliates

The Long- and Short-Term IDRs of SFG savings banks members are aligned with SFG's IDRs.

The savings banks' deposit ratings are aligned with their IDRs due to the banks' lack of material resolution debt buffers that would provide their depositors with additional protection in the highly unlikely event of SFG's IPS failing to protect their viability. The German regulators' preferred resolution strategy for most savings banks consists of standard insolvency procedures, and most savings banks therefore have no incentive to build up resolution buffers.

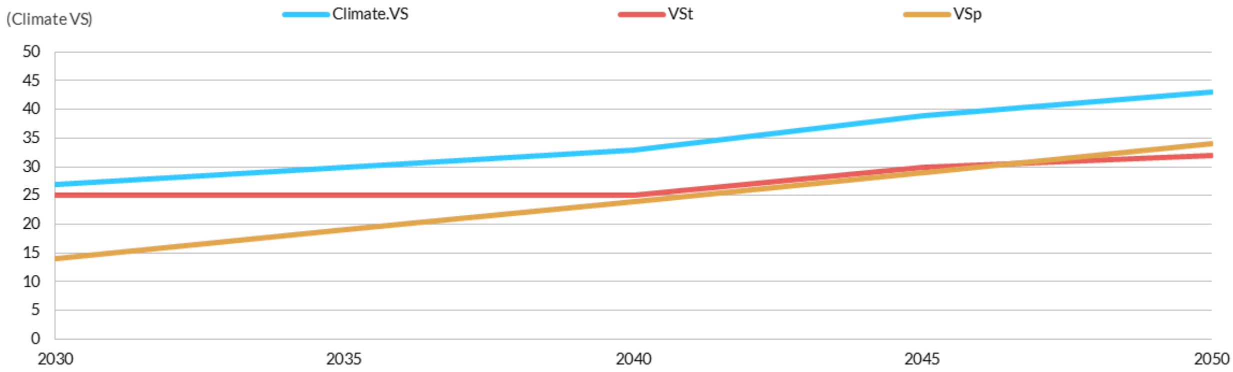
The savings banks' IDRs and deposit ratings are sensitive to changes to SFG's IDRs.

## 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 SFG for 2035 is 30, which indicates that climates 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 25 and a transition risk (VSt) component signal of 19. 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 Sparkassen-Finanzgruppe (Sparkassen)**




Source: Fitch Ratings

## Environmental, Social and Governance Considerations

FitchRatings **Sparkassen-Finanzgruppe (Sparkassen)**

Banks
Ratings Navigator

### Credit-Relevant ESG Derivation

| Sparkassen-Finanzgruppe (Sparkassen) has 6 ESG potential rating drivers | | | | ESG Relevance to Credit Rating |
|---|---|---|---|---|
| Sparkassen-Finanzgruppe (Sparkassen) 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. | key driver | 0 | issues | 5 |
| Sparkassen-Finanzgruppe (Sparkassen) 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. | driver | 0 | issues | 4 |
| Governance is minimally relevant to the rating and is not currently a driver. | potential driver | 6 | issues | 3 |
| | not a rating driver | 4 | issues | 2 |
| | | 4 | issues | 1 |

### Environmental (E) Relevance Scores

| General Issues | E Score | Sector-Specific Issues | Reference | E Relevance |
|---|---|---|---|---|
| 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 |
| Energy Management | 1 | n.a. | n.a. | 4 |
| 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 |

**How to Read This Page**
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.

**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.

**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.h scores of 3, 4 or 5) and provides a brief explanation for the score.

**Classification** of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

### Social (S) Relevance Scores

| General Issues | S Score | Sector-Specific Issues | Reference | S Relevance |
|---|---|---|---|---|
| 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 |
| 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 |
|---|---|---|---|---|
| Management Strategy | 3 | Operational implementation of strategy | Business Profile | 5 |
| 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 |
| Group Structure | 3 | Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership | Business Profile | 3 |
| Financial Transparency | 3 | Quality and frequency of financial reporting and auditing processes | Business Profile | 2 |
| | | | | 1 |

**CREDIT-RELEVANT ESG SCALE**

**How relevant are E, S and G issues to the overall credit rating?**

| | |
|---|---|
| 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. |
| 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. |
| 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. |
| 2 | Irrelevant to the entity rating but relevant to the sector. |
| 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 www.fitchratings.com/topics/esg/products#esg-relevance-scores.

## Ratings

| | |
|---|---|
| Long-Term IDR | A+ |
| Short-Term IDR | F1+ |
| | |
| Viability Rating | a+ |
| | |
| 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): 25
Physical (VSp): 19

## Applicable Criteria

Bank Rating Criteria (March 2025)
Financial Institutions Rating Criteria: Climate Vulnerability Signals (December 2025)

## Related Research

Fitch Affirms Sparkassen-Finanzgruppe at 'A+'; Outlook Stable (January 2026)
Western European Banks Outlook 2026
Global Economic Outlook – December 2025

## Analysts

Marco Diamantini
+49 69 768076 114
marco.diamantini@fitchratings.com

Christian Scarafia
+44 20 3530 1012
christian.scarafia@fitchratings.com

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