# DZ Bank AG Deutsche Zentral-Genossenschaftsbank Frankfurt am Main

**October 13, 2026**

This report does not constitute a rating action.

**Issuer Credit Rating:**

A+/Stable/A-1

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## Credit Highlights

### Overview

| Key strengths | Key risks |
|---|---|
| DZ Bank's role as the central institute makes it integral to the German cooperative banking sector's identity and strategy. | More wholesale-focused risk profile than its owners, the local cooperative banks |
| Benefits from sectoral mutual sector support and the comprehensive institutional protection scheme. | Heightened competition in domestic corporate banking and earnings sensitivity to market valuations in insurance and asset management. |
| Solid German corporate banking position, with diversified and strong earnings from asset management and insurance subsidiaries. | |

**DZ Bank Group bolsters the competitive standing of the German cooperative banking sector.** As a corporate bank, DZ Bank serves as the central institution for Germany's cooperative banking sector. DZ Bank Group further consolidates several specialized institutions that hold leading domestic market positions, expanding the group's suite to include a comprehensive range of specialized banking, insurance, and asset management products. This enables local cooperative banks to cross-sell products, ultimately reaching over 30 million end customers through their extensive branch-based distribution networks. While we believe the group's activities enhance the competitiveness, profitability, and diversification of the cooperative banking sector, its business composition results in a credit profile that is inherently riskier than that of most local cooperative banks. This somewhat elevated risk profile stems from a combination of more corporate-centric and complex exposures, alongside higher revenue sensitivity to capital market volatility within its asset management and insurance operations.

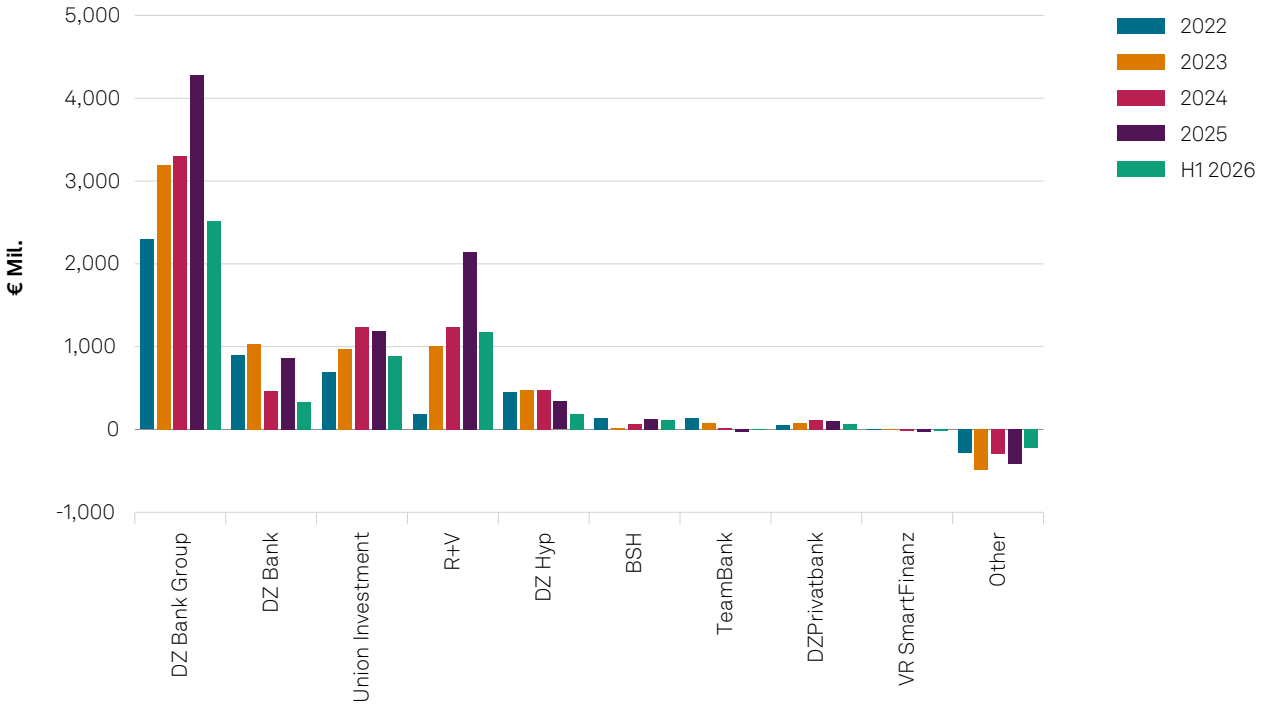
**DZ Bank plays an integral role in the German cooperative banking sector.** The critical services DZ Bank provides o the German Cooperative Banking Sector include liquidity management,

funding, and wholesale banking. These functions are central to our assessment of DZ Bank's core group status; accordingly, we align our long-term issuer credit rating on the bank with the group credit profile of 'a+' (see to "Cooperative Banking Sector Germany," published Jan. 19, 2026, on RatingsDirect). Given the robust solidarity within the sector and the comprehensive institutional protection scheme (IPS) administered by the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR), we expect core members to receive mutual support under all foreseeable scenarios. The IPS is supervised by the ECB and regulated through European regulation, enabling support across member banks through liquidity and capital support, and guarantees.

**Solid financial performance exceeding management guidance.** DZ Bank Group reported a robust pre-tax profit of €2.5 billion for the first half of 2026, with a post-tax return on average equity of close to 11% based on our metrics, which matches the median of larger European banking groups. This performance surpassed initial management expectations, prompting it to raise its full-year pre-tax profit guidance to €3.5 billion-€4.0 billion. Growth was primarily driven by the asset management division, supported by strong inflows and favorable market valuations, and the insurance segment, which benefited from an unusually low frequency of larger claims during the first half of the year. While insurance earnings may moderate in the second half due to an increase in claim frequency and severity since July, the group's overall earnings strength provides a buffer against ongoing weakness in the consumer finance and small and midsize enterprise (SME) segments. These segments remain highly sensitive to Germany's challenging macroeconomic environment, characterized by persistent inflation, rising insolvency rates, and elevated unemployment, particularly among lower-income demographics. Furthermore, its cost base continues to increase, largely due to ongoing investment into the IT operating model, but also from higher regular contributions to the sector's reserve fund following the occurrence of several larger support cases at the level of local banks that depleted part of the immediately available funds.

**DZ Bank Group continues to deliver strong performance**

Pretax profits for the group and by segment between 2022-2026




Other--DZ Bank holding function + Other/Consolidation. BSH--Bausparkasse Schwäbisch Hall. R+V--R+V Versicherung.
Source: S&P Global Ratings.

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**Strong capitalization supports the group's financial profile.** We expect DZ Bank Group's risk-adjusted capital (RAC) ratio to remain strong, sustainably exceeding 10%. While it remains below the capitalization level of the consolidated cooperative banking sector, it is in line with domestic and corporate banking peers, such as Deutsche Bank AG and Commerzbank AG. As of mid-year 2026, the DZ Bank Group's regulatory Tier 1 ratio stood at a strong 21%, further up from 20.5% at year-end 2025, which is higher than many other European banking groups. The divergence between our RAC ratio and the regulatory CET1 ratio primarily stems from our treatment of its large insurance subsidiary, R+V. While we largely deduct the equity value of R+V from our capital measure, the regulatory framework allows for more favorable treatment via a 250% risk weight under Capital Requirements Regulation III and application of the Danish compromise (which allows banks owning insurance subsidiaries to apply a risk weight to those holdings instead of deducting them euro-for-euro from their core capital). Furthermore, we apply a higher risk weighting for the exposures to commercial real estate and project finance than under the regulatory treatment. These mostly relate to the business activities of DZ HYP, its specialized real estate lender and a core subsidiary. We expect capital levels to remain strong, supported by significant earnings retention following solid earnings prospects and modest dividend payouts. Furthermore, we believe DZ Bank has access to additional capital buffers within the wider cooperative sector should they be required during periods of stress.

**Primary banks' excess liquidity supports DZ BANK's funding position.** Primary institutions typically channel excess liquidity to DZ Bank, which manages the aggregate liquidity surplus and treasury needs within the sector. While the broader DZ Bank Group benefits from a well-diversified funding base, it relies significantly on wholesale funding. This is primarily driven by covered bond issuances via DZ HYP or Bausparkasse Schwäbisch Hall, as well as the issuance of

DZ Briefe. DZ Bank can include claims against sector members within the cover pools for these instruments. Furthermore, DZ Bank issues wholesale instruments, primarily Tier 1 and Tier 2 capital, to local cooperative banks within the sector. This practice bolsters the group's stand-alone capital base and underscores the cohesion of the German cooperative sector.

DZ Bank maintains a $15 billion commercial paper program and retains access to the U.S. Federal Reserve through its New York branch. As of mid-year 2026, DZ Bank Group reported a regulatory liquidity coverage ratio of 143% and a net stable funding ratio of 123%. Our core funding and liquidity metrics are weaker because of the wholesale nature of DZ Bank Group. The stable funding ratio was at 98% at mid-year 2026, while the broad liquid assets-to-short-term funding multiple was at 1.0x. Both metrics are weaker than for typical European banks, but we view positively that it benefits from sector-wide funding and liquidity benefits.

**No uplift for additional loss-absorbing capacity (ALAC) due to stronger group support and an unlikely resolution scenario.** While DZ Bank is subject to the minimum requirement for own funds and eligible liabilities, we do not add any notches of uplift to the rating for ALAC. We consider group support within the cooperative banking sector to be the strongest support element. In addition, we see a bail-in scenario as unlikely; a bail in would not occur before the sector's group resources had been exhausted, as that would imply a lack of solidarity within the sector. We therefore do not assign resolution counterparty ratings to DZ Bank.

# Outlook

Our stable outlook on the Cooperative Banking Sector Germany, including DZ Bank and all other core group members, reflects our expectation that the sector will maintain its robust capitalization and solid operating profitability. These provide a strong buffer to absorb potential further valuation and credit losses.

## Downside scenario

We could lower our ratings on the sector's core members if a sudden repricing of deposits depresses structural profitability or if credit costs significantly outperform our current expectations.

We could also lower the ratings if the sector's market position deteriorates materially, leading to financial difficulties for several cooperative banks and weakening BVR's capacity to support them.

## Upside scenario

We are unlikely to take a positive rating action on DZ Bank. A prerequisite is that we revise upward the anchor for German domestic banks to 'a-', highlighting that the economic environment has become more supportive and structural challenges in German retail and SME banking have eased.

# Key Statistics

**DZ Bank AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main Key Figures**

| Mil. EUR | 2026* | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Adjusted assets | 539,040 | 531,626 | 532,435 | 524,851 | 520,423 |
| Customer loans (gross) | 214,170 | 210,224 | 208,688 | 204,776 | 203,646 |

**DZ Bank AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main Key Figures**

| | | | | | |
|---|---|---|---|---|---|
| Adjusted common equity | 22,859 | 20,847 | 26,320 | 19,301 | 20,905 |
| Operating revenues | 5,338 | 9,655 | 8,673 | 8,137 | 6,513 |
| Noninterest expenses | 2,506 | 4,804 | 4,552 | 4,597 | 4,447 |
| Core earnings | 1,753 | 2,824 | 2,370 | 2,226 | 1,052 |

*2026 data is for the 6 months to end-June. EUR--euro.

**DZ Bank AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main Business Position**

| (%) | 2026* | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Total revenues from business line (currency in millions) | 5,338 | 9,774 | 8,748 | 8,148 | 6,548 |
| Commercial & retail banking/total revenues from business line | 48.6 | 51.8 | 56.7 | 60.6 | 75.2 |
| Insurance activities/total revenues from business line | 22.1 | 21.9 | 14.2 | 12.4 | (4.1) |
| Asset management/total revenues from business line | 29.3 | 26.0 | 29.2 | 27.1 | 28.9 |
| Return on average common equity | 10.9 | 9.3 | 8.4 | 9.3 | 4.6 |

*2026 data is for the 6 months to end-June.

**DZ Bank AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main Capital And Earnings**

| (%) | 2026* | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Tier 1 capital ratio | 21.0 | 20.5 | 17.8 | 17.7 | 15.2 |
| Adjusted common equity/total adjusted capital | 87.4 | 86.4 | 88.9 | 85.4 | 90.7 |
| Net interest income/operating revenues | 33.4 | 39.4 | 53.3 | 52.7 | 50.6 |
| Fee income/operating revenues | 37.9 | 34.9 | 36.8 | 34.5 | 42.2 |
| Market-sensitive income/operating revenues | 6.0 | 1.9 | (6.7) | 1.0 | 6.5 |
| Cost to income ratio | 47.0 | 49.8 | 52.5 | 56.5 | 68.3 |
| Preprovision operating income/average assets | 0.9 | 0.7 | 0.6 | 0.6 | 0.3 |
| Core earnings/average managed assets | 0.5 | 0.4 | 0.4 | 0.4 | 0.2 |

*2026 data is for the 6 months to end-June. N.M.--Not meaningful.

**DZ Bank AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main Risk Position**

| (%) | 2026* | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Growth in customer loans | 3.8 | 0.7 | 1.9 | 0.6 | 4.1 |
| Total diversification adjustment/S&P Global Ratings' RWA before diversification | N/A | N/A | (9.1) | (9.0) | (7.0) |
| Total managed assets/adjusted common equity (x) | 29.6 | 31.7 | 25.1 | 33.4 | 30.0 |
| New loan loss provisions/average customer loans | 0.3 | 0.3 | 0.4 | 0.2 | 0.1 |
| Net charge-offs/average customer loans | 0.0 | (0.0) | (0.0) | (0.0) | (0.0) |
| Gross nonperforming assets/customer loans + other real estate owned | 2.3 | 2.0 | 2.2 | 1.6 | 1.3 |
| Loan loss reserves/gross nonperforming assets | 63.1 | 65.9 | 60.7 | 66.0 | 71.9 |

*2026 data is for the 6 months to end-June. N/A—Not available.

**DZ Bank AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main Funding And Liquidity**

| (%) | 2026* | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Core deposits/funding base | 30.9 | 30.8 | 31.87 | 33.4 | 34.7 |
| Customer loans (net)/customer deposits | 139.6 | 139.7 | 133.6 | 128.3 | 126.5 |
| Long-term funding ratio | 67.6 | 66.9 | 67.7 | 71.2 | 72.4 |

**DZ Bank AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main Funding And Liquidity**

| | | | | | |
|---|---|---|---|---|---|
| Stable funding ratio | 97.6 | 99.7 | 100.3 | 105.2 | 107.0 |
| Short-term wholesale funding/funding base | 34.8 | 35.5 | 34.4 | 30.7 | 29.0 |
| Regulatory net stable funding ratio | 122.5 | 126.5 | 125.0 | 126.5 | 122.3 |
| Broad liquid assets/short-term wholesale funding (x) | 1.0 | 1.0 | 1.0 | 1.2 | 1.3 |
| Broad liquid assets/total assets | 24.7 | 26.6 | 26.1 | 26.6 | 28.1 |
| Broad liquid assets/customer deposits | 110.3 | 118.5 | 111.5 | 108.6 | 110.3 |
| Net broad liquid assets/short-term customer deposits | (4.6) | 7.4 | 7.4 | 34.4 | 58.0 |
| Regulatory liquidity coverage ratio (LCR) (x) | 143.2 | 156.4 | 143.9 | 145.8 | 145.9 |
| Short-term wholesale funding/total wholesale funding | 49.8 | 50.8 | 50.0 | 45.6 | 44.1 |
| Narrow liquid assets/3-month wholesale funding (x) | 1.1 | 1.1 | 1.2 | 1.5 | 1.5 |

*2026 data is for the 6 months to end-June.

# Related Criteria

- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, May 5, 2026,
- General Criteria: Hybrid Capital: Methodology And Assumptions, Oct. 13, 2025,
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

# Related Research

- Banking Industry Country Risk Assessment: Germany, Sept. 1, 2026
- DZ HYP AG, July 28, 2026
- R+V Versicherung AG, May 13, 2026
- Cooperative Banking Sector Germany, Jan. 19, 2026
- Deutsche Apotheker- und Aerztebank eG, Oct. 13, 2025

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