

2025 Annual Report

Key figures

DZ BANK GROUP

€ million	2025	2024
FINANCIAL PERFORMANCE		
Income ¹	9,739	8,700
Loss allowances	-653	-845
Profit before taxes	4,282	3,303
Net profit	2,880	2,390
Cost/income ratio (percent)	49.3	52.3
	Dec. 31, 2025	Dec. 31, 2024
FINANCIAL POSITION		
Assets		
Loans and advances to banks	150,288	143,532
Loans and advances to customers	210,224	208,688
Financial assets held for trading	29,631	30,441
Investments	62,885	62,049
Investments held by insurance companies	125,690	122,625
Remaining assets	82,707	92,305
Equity and liabilities		
Deposits from banks	189,844	187,526
Deposits from customers	148,398	154,103
Debt certificates issued including bonds	111,452	109,810
Financial liabilities held for trading	41,148	42,234
Insurance contract liabilities	113,616	111,340
Remaining liabilities	21,771	22,049
Equity	35,196	32,578
TOTAL ASSETS/TOTAL EQUITY AND LIABILITIES	661,425	659,638
Volume of business	1,292,783	1,258,111

	Dec. 31, 2025	Dec. 31, 2024
RISK POSITION		
LIQUIDITY ADEQUACY		
DZ BANK Group		
Minimum liquidity surplus (€ billion)	24.7	22.7
DZ BANK banking group		
Liquidity coverage ratio (LCR, percent)	156.4	143.9
Net stable funding ratio (NSFR, percent)	126.5	125.0
CAPITAL ADEQUACY		
DZ BANK Group		
Economic capital adequacy (percent)	221.9	200.3
DZ BANK financial conglomerate		
Coverage ratio (percent)	154.3	136.1
DZ BANK banking group		
Common equity Tier 1 capital ratio (percent)	18.4	15.8
Tier 1 capital ratio (percent)	20.5	17.8
Total capital ratio (percent)	23.6	20.1
Leverage ratio (percent)	7.0	6.6
MREL ratio as a percentage of risk-weighted exposure amounts	40.8	36.2
MREL ratio as a percentage of the leverage ratio exposure	13.9	13.4
Subordinated MREL ratio as a percentage of risk-weighted exposure amounts	34.1	29.5
Subordinated MREL ratio as a percentage of the leverage ratio exposure	11.6	10.9
AVERAGE NUMBER OF EMPLOYEES	34,444	33,837
LONG-TERM RATING		
S&P® Global Ratings	A+	A+
Moody's Ratings	Aa2	Aa2
Fitch Ratings	AA-	AA-

¹ Total of net interest income, net fee and commission income, gains and losses on trading activities, gains and losses on investments, other gains and losses on valuation of financial instruments, gains and losses from the derecognition of financial assets measured at amortized cost, net income from insurance business, and other net operating income.

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Note

The figures in this report are rounded to the nearest whole number. This may give rise to small discrepancies between the totals shown in the tables and diagrams and totals calculated from the individual values shown.

The English version of this report is a convenience translation. In cases of doubt, the German original version shall prevail.



Dr. Cornelius Riese, Chief Executive Officer

Dear Shareholders,

The DZ BANK Group can look back on 2025 as an exceptionally good year. Profit before taxes amounted to €4.3 billion, significantly exceeding the prior year (2024: €3.3 billion). Combined with our capital base, this result sees us well equipped to actively shape our growth going forward, and therefore our future. This very encouraging performance was based on healthy customer business in almost every segment. More than ever, our shared success is founded on close collaboration with the cooperative banks. An exceptionally strong contribution in the reporting year has been made by the insurance segment thanks to its very good operating performance and a favorable claims environment.

The German economy faced several major challenges at once in 2025. Global conflicts and trade barriers led to uncertainty in economic relationships and weighed on German companies' export activities. Although energy prices stabilized, production costs continued to have a noticeable adverse impact on industry. Overall, the economy recorded only low growth despite support from stimulus packages. In contrast, the stock markets continued to show a high level of resilience and followed a positive trajectory.

In this environment, the DZ BANK Group's diversified business model proved its strength and adaptability. R+V Versicherung in particular made a decisive contribution to the very good overall results due to rising premiums and an unusually low claims rate in non-life insurance and reinsurance. Union Investment continued to see volume growth that was comparable to that of recent years and achieved another excellent profit before taxes, supported by the upbeat stock markets. In the banking business, DZ BANK – central institution and corporate bank strengthened its role as a reliable partner to our customers. On the whole, companies were reluctant to invest, which meant the focus was on solutions for working capital and liquidity. Nevertheless, DZ BANK – central institution and corporate bank was able to increase its lending volume by 8 percent.

Given the volatility of the markets, products to hedge against currency risks once again proved popular with corporate customers. Sales of money market products stood at a good level in all customer segments. In the Capital Markets business line, business with institutional customers was also very successful due to governments' strong demand for funding. Within the Transaction Banking business line, both payments processing and the volume of funds in the depository business saw growth. DZ HYP's operational business performance was stable. Valuation effects relating to own issues led to a lower profit before taxes compared to the previous year. DZ PRIVATBANK continued to increase its customer business and was able to maintain its profit before taxes at almost the prior-year level despite the fall in interest rates. For TeamBank and VR Smart Finanz, the ongoing weakness of the German economy remained a detrimental factor that was reflected in the loss before taxes that these two group entities reported.

The key results in detail:

The DZ BANK Group's **net interest income** amounted to €3.84 billion. This was significantly lower than the figure for the prior year (2024: €4.67 billion), which had been unusually high due to accounting-related effects that had a positive impact on net interest income but a countervailing negative impact on gains and losses on trading activities. Customer business performed well, with the central institution and corporate bank, DZ HYP, and Bausparkasse Schwäbisch Hall making a particularly strong contribution to net interest income. **Net fee and commission income** rose to €3.37 billion (2024: €3.19 billion). This was primarily due to robust inflows into fund products at Union Investment and also to the customer business at the central institution and corporate bank. **Gains and losses on trading activities** amounted to a net gain of €281 million (2024: net loss of €842 million). In the prior year, gains and losses on trading activities had been adversely impacted by negative valuation effects relating to own issues at the central institution and corporate bank and by accounting-related effects. The central institution and corporate bank's capital markets business continued to perform well in all customer segments. **Gains and losses on investments** improved to a net gain of €105 million (2024: net gain of €65 million). **Other gains and losses on valuation of financial instruments** deteriorated to a net loss of €127 million (2024: net gain of €229 million) owing to negative valuation effects. Due to a strong rise in premiums coupled with a low volume of claims in non-life insurance and reinsurance, **net income from insurance business** rose to €2.02 billion (2024: €1.15 billion). **Loss allowances** came to €653 million (2024: €845 million) and remained unremarkable in most areas of the DZ BANK Group. The weak economic climate was only evident at TeamBank and VR Smart Finanz. Increased investment in personnel and IT infrastructure meant that **administrative expenses** rose to €4.80 billion (2024: €4.55 billion).

The DZ BANK Group's capital adequacy remains very good, with a common equity Tier 1 capital ratio of 18.4 percent. This strong increase compared to the prior year (December 31, 2024: 15.8 percent) was due in part to Capital Requirements Regulation III, which came into force at the start of 2025.

This record financial performance reflects the hard work of all employees of the DZ BANK Group. On behalf of the entire Board of Managing Directors, I would like to express our deepest gratitude to them.

Given this positive performance, our shareholders will be benefiting appropriately. In keeping with the principles of responsible capital management, we will once again propose a dividend of 25 cents per share to the Annual General Meeting.

Although tensions continue to run high in the international arena, the first weeks of 2026 saw a positive trend overall, including brisk funding activities in the capital markets. The German economy is also starting to send out positive signals. The ZEW index, for example, rose significantly at the start of the year. Stimulus from the German government's special off-budget infrastructure fund should play a particularly key role in the anticipated recovery and could also revive foreign investors' interest in Germany. However, these investors are now rightly expecting to see the imminent arrival of reforms and actual projects – in areas such as infrastructure – in which they can invest. Our economists are predicting growth of 1.2 percent for the German economy. In terms of our own results, we are unlikely to see a repetition of the one-off items that had a

positive effect in 2025, particularly in the insurance segment. On this basis, we anticipate a profit before taxes for 2026 of around €3.0 billion.

The DZ BANK Group is channeling its efforts into strengthening its market position. To this end, we are expanding our presence and our service offering in international business, especially in key growth markets. We are also enhancing our products and services with regard to digitalization and the tokenization of assets. We firmly believe that these technologies will become established as a core element of modern financial market infrastructure. That is why DZ BANK Group began working in this area at an early stage and has been successfully implementing projects in the capital markets for years, for example on the basis of distributed ledger technology. With "meinKrypto" we have created a service that enables retail customers of cooperative banks to trade cryptoassets. Our participation in Qivalis, a European consortium to launch a euro-pegged stablecoin, underlines our ambition in this fast-moving ecosystem.

These and other innovations require robust foundations, which is why we continually invest in our digital infrastructure. We are also forging ahead with the deployment of innovative technologies of the future, such as generative artificial intelligence. Our focus is on boosting our group's ability to innovate and on making our service provision even more efficient.

As a nation, Germany needs to face the facts and internalize some uncomfortable truths. We have always thought of ourselves as a country that sets the global standards in many fields. But today, regardless of specific areas of excellence, we are confronted with a change to our competitive position. Compared to the countries that we should be using as benchmarks, we are seeing a relative loss of prosperity. These days, we have a lot to learn from others. We must do more than just decisively tackle Germany's structural weaknesses. We also need a change of mindset. We need the willingness to make up ground rather than simply defend our position. This is the only option if we are to secure tomorrow's growth.

The Cooperative Financial Network has the capability and the broad impact to be able to actively support Germany's economic renewal.

Kind regards,



Chief Executive Officer



Group management report

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I DZ BANK Group fundamentals

1 Business model and strategic focus

(The following chapter contains disclosures relating to ESRS disclosure requirement ESRS 2 SBM-1 paragraphs 40 a) i, ii and 42 a) b).)

The DZ BANK Group focuses its strategy on the local cooperative banks. In doing so, it pursues the objective of consolidating the positioning of the Cooperative Financial Network over the long term as one of the leading financial services providers in Germany. The DZ BANK Group supports the cooperative banks by providing an extensive range of financial products and services in the Retail Banking, Corporate Banking, Capital Markets, and Transaction Banking business lines. This partnership is built on the principles of subsidiarity, decentralization, and regional market responsibility. Strategic initiatives and programs are developed and implemented at the following three levels in the DZ BANK Group: firstly, at the level of the Cooperative Financial Network, with the leading role taken by the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e. V., Berlin, (BVR) [National Association of German Cooperative Banks]; secondly, at the level of the DZ BANK Group; and thirdly, at the level of the individual entities in the DZ BANK Group, which may draw up their own specific strategic programs.

With regard to overarching strategic projects and initiatives for the entire Cooperative Financial Network, the entities in the DZ BANK Group work in partnership with the cooperative banks, Atruvia AG, Frankfurt am Main, (Atruvia), and the BVR on the action areas of the strategic agenda and in the Germany-wide strategic portfolio. This portfolio builds on the strategic agenda and systematically brings together the Cooperative Financial Network's strategic initiatives. These initiatives are assigned to the four strategic objectives of customer/market relevance, ability to change, profitability and stability, and sustainability.

The DZ BANK Group considers itself to be well prepared for future challenges. It makes targeted investments in five areas that it considers to be future trends for the financial industry: M&A/consolidation, international business, sustainability, digitalization/IT, and demographics.

The DZ BANK Group is keeping step with the ongoing consolidation in the industry by making strategic purchases and deepening its partnerships in platform business. In 2025, it invested in education start-up ubiMaster through the cooperative corporate venturing studio amberra GmbH, made long-term equity investments in the MeinPlus GmbH customer loyalty program and in Wallee Group AG (a technical payments processing provider in e-commerce, omnichannel, and point of sale), and acquired the Compeon financing portal through FinCompare GmbH.

Further refining its international focus plays a key role for the DZ BANK Group and involves diversifying the sources of funding, assisting corporate customers outside Germany, and expanding international offices with the aim of strengthening its product expertise and presence in markets that it considers to be important.

The management and implementation of the sustainability strategy is the responsibility of the Group Sustainability Committee at the level of the Board of Managing Directors. The Group Sustainability Committee reports regularly to the Group Coordination Committee, which is the highest-level management and coordination committee in the DZ BANK Group. The group sees sustainability as an ongoing task and believes that it is well positioned in this regard, with ISS ESG confirming its prime status with a C+ rating. This means that, according to ISS ESG, the DZ BANK Group is better than the industry average in terms of sustainability impact, responsibility for customers and products, and labor standards and working conditions.

In terms of digitalization/IT too, the initiatives commenced in recent years are being pursued further, with investments in infrastructure and also the development and deployment of technologies such as generative artificial intelligence across the group.

Lastly, one of the DZ BANK Group's long-term priorities is employer branding. Due to demographic change, the DZ BANK Group believes it must continually strive to position the group entities as employers of choice. This entails a focus on different generations' experiences too.

In order to ensure its future competitiveness, the DZ BANK Group needs to leverage its full potential through groupwide collaboration. The DZ BANK Group has created a system to pursue its development at group level based on areas of potential, which are regularly reviewed and expanded where necessary.

In addition, each individual entity in the DZ BANK Group pursues a range of strategic initiatives, such as the 'Verbund First 4.0' strategic program at DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, (DZ BANK), the 'NextLevel' program at R+V Versicherung AG, Wiesbaden, (R+V Versicherung; subgroup abbreviated to R+V), the '#Fokus100' program at Bausparkasse Schwäbisch Hall AG, Schwäbisch Hall, (Bausparkasse Schwäbisch Hall; subgroup abbreviated to BSH), the 'Fit for Future' program at Union Asset Management Holding AG, Frankfurt am Main, (Union Asset Management Holding; subgroup abbreviated to UMH), the 'Strategie 2028' program at TeamBank AG Nürnberg, Nuremberg, (TeamBank), and the 'DZ PRIVATBANK 2030' strategic initiative at DZ PRIVATBANK S.A., Luxembourg, (DZ PRIVATBANK).

1.1 DZ BANK – central institution and corporate bank

DZ BANK consists of DZ BANK – holding function and DZ BANK – central institution and corporate bank. DZ BANK – holding function, which is treated separately in the internal reporting structure, is used to pool a range of responsibilities, notably tasks carried out on behalf of the DZ BANK Group in relation to commercial law, tax, and prudential supervision. It does not constitute a separate operating segment within the meaning of IFRS 8.5 and is not analyzed separately in this chapter, 'Business model and strategic focus'.

The strategic focus of DZ BANK, as described below, essentially relates to the activities of DZ BANK – central institution and corporate bank. DZ BANK – central institution and corporate bank comprises both the cooperative central institution function, which supports the operating activities of the local cooperative banks, and the corporate bank function.

For the sake of simplicity, DZ BANK – central institution and corporate bank equates to DZ BANK in this chapter, 'Business model and strategic focus'.

At DZ BANK, the strategic initiatives designed to ensure the bank's resilience for the future are brought together in the 'Verbund First 4.0' strategic program. The program is aimed at improvements in the following key areas: market offering, control and production processes, internationalization, and corporate culture. It is divided into implementation packages, including the new International Positioning package that was added in 2025. Drawing on existing products and the coverage afforded by the offices outside Germany, the aim is to strengthen international business through a wide range of activities, especially in connection with the Mission Alpha and Mission International initiatives. Mission Alpha focuses on boosting the performance of the Capital Markets business line, whereas Mission International is a structured whole-bank approach aimed at ensuring a holistic view of the internationalization of all DZ BANK divisions. In 2025, 'Fit4Leadership' management feedback (which is a focus topic), Leadership Camps for all management levels, and individual actions were combined within the Corporate Culture implementation package in order to enhance the management culture at DZ BANK. In the 'Fit4Growth' initiative, DZ BANK is focusing on optimizing and stepping up cross-divisional collaboration on key processes.

The following sections describe how DZ BANK is implementing its strategy in the various business lines.

1.1.1 Cooperative Banks/Verbund

The cooperative banks are DZ BANK's most important customer group; they are also its shareholders and its partners in joint sales activities and the provision of advisory services. This relationship capital of the DZ BANK Group is an important intangible resource, and respecting it lies at the heart of the Cooperative Banks/Verbund division's support for the cooperative banks. The Regionaldirektoren [regional directors] of DZ BANK are an important point of contact and customer relationship manager for the cooperative banks, with the aim of assisting them with their business activities in the regional markets. Moreover, DZ BANK's presence throughout Germany ensures that it can be physically close to the banks it supports.

DZ BANK offers the cooperative banks consultancy and other services at every stage of strategic bank management and regulatory processes. In addition, DZ BANK assists the local cooperative banks with treasury and controlling aspects of bank management, such as planning and risk management, as well as with optimization for strategic bank management purposes and with own-account investing activities.

The support for the cooperative banks regarding sustainability is provided at various levels. A number of different dialogue formats and events, such as the sustainability meet-up, are aimed at sharing knowledge. In addition, a sustainability portal provides members with a central platform for sustainability information.

In 2025, Atruvia, the BVR, and DZ BANK – in collaboration with the Cooperative Financial Network's regional banking associations – continued the 'Strategie-Hub Regional' series of events, discussing the Cooperative Financial Network's strategic guidelines under the banner of 'Heute gestalten, was morgen wirkt' [building today what matters tomorrow]. Key areas of focus included the BVR's annual review of central action areas with specific action steps and practical ideas for the strategic and operational work of the cooperative banks ('Kompass 2026'), the strengthening of corporate banking as an engine of growth for the cooperative banks, and the significance of the European payment system Wero. The series of events is intended to support collaboration within the Cooperative Financial Network and serve as a platform for direct dialogue. Furthermore, network committees ensure that the cooperative banks are closely involved in DZ BANK's strategic considerations and initiatives. The aim of the DZ BANK Group's Central Advisory Council is to enable important strategic matters in the DZ BANK Group to be discussed in depth and to connect the various players and levels in the Cooperative Financial Network. DZ BANK also has five regional Banking Advisory Councils that carry out an advisory and multiplier function.

1.1.2 Corporate Banking

In the corporate banking market, DZ BANK supports the cooperative banks. This support concept is geared to the needs of corporate customers and to the individual market situation and is integrated with the activities of the Cooperative Financial Network. DZ BANK has twelve regional branches that look after both its direct customers and its customers in the joint business with the cooperative banks at a regional level. Customer relationship management for multinationals, the agricultural and healthcare sectors, and Cooperative Financial Network customers has been grouped together in the Central Corporate Banking division in Frankfurt am Main.

The digitalization of banking processes is becoming increasingly important in the corporate banking business in Germany. DZ BANK is supporting the cooperative banks in this regard, for example by upgrading the VR GeschäftsNavigator (VR business navigator), which is used by 501 local cooperative banks.

The pilot phase of the Request-to-Pay procedure was completed. Building on the pilot, one area of focus in 2025 was on improving the reach within the Cooperative Financial Network. Projects with selected customers to digitalize billing and payment processes were also launched. The aim is to collect ideas for preparing widespread deployment and to fine-tune the solutions offered.

In addition to digitalization, other areas of focus in 2025 were integrating sustainability into the customer dialogue and helping corporate customers in the context of the decarbonization of industry. One example is the growth of German and international renewable energies business. In addition, all of DZ BANK's corporate customer relationship managers are to undergo certified training in environmental, social, and corporate

governance matters (ESG) in 2026 to become ESG Business Customer Advisors (Professional Level). This will help to promote sustainability when dealing with corporate customers and enable customer relationship managers to build up extensive expertise in sustainable finance. Furthermore, a practical framework for sustainability-oriented products has been developed that sets out fundamental definitions and processes for designing sustainability-oriented products. The framework, which was published in the reporting year, is embedded in DZ BANK's sustainability strategy and, as a classification system for sustainable finance, is intended to support product sales, enhance transparency, and create a basis for internal and external reporting. DZ BANK believes that its participation in syndicated finance of €1.7 billion for the decarbonization of German steel production in 2025 was a game-changing step in financing the sustainable transformation of the economy. The project funding will be used to replace conventional blast furnaces with electric, gas, and hydrogen-powered production facilities in order to reduce steel producers' annual carbon emissions by 4.8 million tonnes per year from 2030.

In international business, DZ BANK has an extensive range of products and services and has four foreign branches with German desks in the world's major economic hubs. It also maintains business relationships with a network of international business partners and has detailed cooperation agreements with selected correspondent banks. In order to improve international business and support the Cooperative Financial Network's corporate customers in their international activities, DZ BANK plans to expand its capabilities. As part of Mission International, DZ BANK invested in new customer relationships, systems, and offices to this end in 2025. It also increased its network of foreign representative offices to seven by opening an office in Vietnam.

DZ BANK is the center of excellence for development lending business within the Cooperative Financial Network. It supports the cooperative banks in two ways. Firstly, its development lending experts help the cooperative banks to advise their end customers. And secondly, it is replacing existing sales and communication channels with digital processes and portal services. The focus of these activities is on stabilizing market share and harnessing potential for growth.

1.1.3 Retail Banking

In the Retail Banking business line, DZ BANK offers cooperative banks, cooperation banks, and retail customers a comprehensive range of services based on its financial services concept. One of the primary areas of focus is the marketing of securities business with retail customers, for which DZ BANK provides products, processes, and platforms.

The products provided include customer investment solutions for advisory customers and independent retail investors of all experience levels. The product range consists of DZ BANK's own interest-rate products, derivatives and, in particular, investment certificates relating to particular trends or topics and sustainability. In this context, investment certificates with a charitable income component are issued. This involves DZ BANK and the participating cooperative banks giving up a share of their margin, with the money going to selected organizations in the form of sponsorship. DZ BANK also has savings plans based on funds, exchange-traded funds (ETFs), and equities in its product range, which also contains investment account price models that are geared to customer needs and cater to market trends. Among these models are traditional investment accounts that are also available online, meinDepot (my investment account) for young customers, and meinDepot Premium, an investment account with a flat-rate fee. This is all designed to further DZ BANK's objective of establishing the brokerage solution in the customer business as a comprehensive depository for securities that can be used by a broad range of customers at the cooperative banks.

DZ BANK offers a management cycle to support the cooperative banks with their strategic planning. This encompasses the planning, implementation, and control of the corporate strategy as well as tools for data and analytics. It also helps the cooperative banks to fulfill their regulatory obligations. As part of its marketing programs for young customers, new investment accounts, and sustainability, DZ BANK offers packages of measures in the form of processes and support services. These also help with the fulfillment of regulatory requirements, for example concerning sustainability in advisory services.

In accordance with its digitalization strategy, DZ BANK is developing platform solutions for advisors and customers of the cooperative banks and cooperation banks. DZ BANK's meinGIS platform provides advisors with access to the latest market information, such as securities prices, price charts, and corporate news. As well as visiting a branch, customers in the securities business can access their bank digitally so that they can quickly open an online investment account themselves and carry out trades online, for example. This brokerage solution is integrated into the VR Banking App, which provides users with a range of information and products, including market data, real-time prices, analysis tools, access to DZ BANK research, and product suggestions. Furthermore, retail customers can use the Meine Anlagezertifikate (my investment certificates) function to obtain detailed information on the investment products in their investment accounts at any time. The meinKrypto (my crypto) product enables cooperative banks to offer their customers cryptoasset trading.

1.1.4 Capital Markets

DZ BANK offers advisory and sales services in relation to investment and risk management products covering the interest-rate, credit, equities, and currency asset classes. Its offering encompasses primary market, secondary market, and research services. Capital markets customers include institutional clients in Germany and other countries. They encompass asset managers, banks, insurance companies, pension funds, and public institutions. The range of customers also comprises DZ BANK's corporate customers, the cooperative banks' corporate customers, and the cooperative banks' own-account investing activities.

The capital markets business was strategically enhanced through a number of implementation initiatives in 2025. They focused on growth with institutional customers, growth in capital-markets-related corporate customer business, and improvements in processes and organization. At the same time, the range of products and services was updated and expanded in line with customer needs with the aim of making it more competitive for DZ BANK's international market presence. To enhance performance, for example, the number of US-dollar bonds quoted by DZ BANK was increased, and sales capacities were expanded at DZ BANK's regional offices and in international capital markets business. Certain trading and structuring capacities were increased, such as for structured products and asset-backed funding. Efforts to advance digitalization and improve processes continued. They included new platform applications for sales, automation in trading processes, and new platform applications in corporate customer business.

In 2025, DZ BANK continued to work on use cases for distributed ledger technology (DLT). The use cases include the digitalization of securities custody and position-keeping, the issuance of blockchain-based securities, and smart bond contracts and smart derivative contracts in which DLT-based smart contracts digitalize the entire lifecycle of finance products in a standardized manner. DZ BANK maintains partnerships in this field with financial institutions at German and European level and with technology providers. It carries out pilot transactions and participates in a range of pilot projects and initiatives. For example, it is a member of the Market Contact Group in the ECB's Pontes project and a member of the European initiative Regulated Layer One (RL1). Furthermore, DZ BANK joined a European consortium of banks that is preparing to introduce a regulated euro stablecoin. The consortium, Qivalis, is to be established as the stablecoin issuer, fully compliant with the Markets in Crypto-Assets Regulation (MiCAR) and regulated by the Dutch central bank (DNB).

For DZ BANK, primary market business remains an integral element of its strategic direction and it intends to build on its market position. In 2025, DZ BANK won a number of awards from trade journal Global Capital and from The Covered Bond Report magazine for its covered bond issuance activities. These awards are recognition of DZ BANK's work on organizing, structuring, and placing syndicated covered bond issues. Once again, DZ BANK was one of the leading banks in terms of supporting euro-denominated benchmark green covered bonds (market share of over 7 percent) in 2025, further demonstrating its sustainability expertise.

DZ BANK's Group Treasury division is responsible for managing and optimizing liquidity throughout the DZ BANK Group. This ranges from managing the cooperative banks' day-to-day cash inflows and outflows in the context of the cash-pooling function performed by DZ BANK as the cooperative central institution to optimizing the procurement of liquidity by issuing securities. These are sold through the bank's own sales units and through intermediaries to institutional customers, such as insurance companies and fund

management companies in Germany and abroad, and to retail customers of the cooperative banks. Group Treasury is also responsible for securities documentation in DZ BANK's capital markets business, which includes equity instruments and debt instruments issued by DZ BANK or by customers.

In the period 2018 to 2024, DZ BANK issued three green bonds. DZ BANK issued a fourth bond in the reporting year, once again demonstrating its sustainability expertise. The use of the issue proceeds primarily references a pool of loans to finance onshore wind energy projects in Germany. By placing a publicly offered subordinated bond for the first time, DZ BANK also expanded its investor base in Germany and internationally in 2025, thereby further diversifying its funding base.

1.1.5 Transaction Banking

In the Transaction Banking business line, DZ BANK provides its customers with payments processing, card processing, capital markets services, and securities services. It also offers a depository function for investment funds, plus advisory services.

The focus of this business line is on ensuring that the Cooperative Financial Network is competitive and well equipped for the future requirements of transaction banking. The main basis for this is DZ BANK's payments processing platform, which is used for bulk payments clearing (SEPA and instant payments) and all of the international and individual payments processing of the affiliated banks. The platform is regularly adapted to changing market conditions and regulatory requirements. In 2025, this entailed changes to payments processing systems on the basis of the EU Instant Payments Regulation, including implementation of the verification of payee function.

Other digital initiatives are intended to heighten transparency, management, efficiency, quality, and customer satisfaction. DZ BANK considers access to the customer interface to be a critical success factor. Through online and mobile banking via the VR Banking app, the Cooperative Financial Network already has what it considers to be a crucial marketing and sales channel. It intends to expand the app in order to give customers of the local cooperative banks access to the latest products, such as Wero, Request-to-Pay, and digital cards.

The introduction of the European payment system Wero was a key topic in the Cooperative Financial Network once again in 2025. Wero was created by the European Payments Initiative (EPI) with the aim of establishing a Europe-wide payment service. EPI launched digital payments for retail customers (person-to-person, P2P) in Germany in July 2024, followed by Wero Pro for small businesses in February 2025. The reporting year also saw the foundations being laid for e-commerce payments. The rollout of POS terminal solutions for brick-and-mortar stores from mid-2026 was prepared too. From the perspective of the Cooperative Financial Network, it is important that the Wero digital payment solution, which has a European focus, achieves a strong customer reach before the digital euro is introduced. This also provides an opportunity to offer the ECB an option to integrate the digital euro into Wero as a payment method.

DZ BANK is keeping step with the evolution of card processing by enhancing its portfolio of solutions for retail and corporate customers. This entails investing in digitalization solutions such as the online order process and self-service options for local cooperative banks. In 2025, real-time card issuing was launched and the compatibility of personal card products with other payment solutions, such as Garmin Pay and Fidesmo Pay, was ensured. In corporate credit card business, meanwhile, the first steps were initiated to enhance the application and ordering processes.

Part of the strategic Mission International initiative is the development and implementation of programs for ensuring expert advice for local cooperative banks in Transaction Banking. The objective here is to increase transaction volumes in foreign payments processing and to expand the cross-selling of international products and solutions for corporate customers in international business.

DZ BANK's acquisition of 25.1 percent of MeinPlus GmbH in 2025 should add momentum to the eponymous customer loyalty program of the local cooperative banks. In DZ BANK's view, this long-term equity investment

marks a strategic step within the Cooperative Financial Network to strengthen customer loyalty, advance the digital transformation, and enhance the focus on regional business.

In the depository business, DZ BANK is following its growth agenda and was able to extend its market position in Germany in 2025. It is striving for organic growth in this business. One aspect is expanding existing business within the Cooperative Financial Network. In addition, collaboration with existing external partners and new partnerships with other investment management companies are also being stepped up.

An integral element of the strategic direction is implementation of a platform strategy for processing investment funds. DZ BANK believes that this strategy offers scalability, higher standards of quality, and the standardization of checks in order to optimize the management and monitoring of investment funds.

1.2 BSH

BSH is the center of excellence for homes and housebuilding within the Cooperative Financial Network. As a consumer home finance provider, BSH offers solutions that enable customers to obtain home finance, build up private retirement or other savings, or own their own home. Its objective is to be a reliable partner for its customers, helping them to achieve their dreams when it comes to their home. In doing so, it aims to secure its position as market leader for home savings and achieve market-leader status in home finance together with the cooperative banks. BSH also strives to evolve from being a pure product supplier to an end-to-end solution provider in all matters relating to sustainable homes and housebuilding.

The financing products that BSH offers its customers and partners in its core home finance business include building loans and interest-only loans. Drawing on its extensive product portfolio with varying terms and fixed-interest periods, collaboration within the Cooperative Financial Network on a decentralized basis, and face-to-face and online advice, BSH aims to create individual financing solutions. The sustainability of the credit portfolio is measured using the carbon footprint, with the aim of consistently reducing that footprint. In this context, BSH placed the third green Pfandbrief in the company's history in the capital markets in 2025. In accordance with BSH's Green Bond Framework, the proceeds from the green covered bond were used to fund loans for the construction, purchase, or renovation of energy-efficient residential properties.

In its core home savings business, BSH's range of products includes flexible home savings tariffs and financing plans with varying terms and interest rates that cater to different target groups. One focus of the home savings business is the ongoing digitalization and automation of business processes in order to continue managing customer services efficiently and in a forward-looking manner.

BSH has around 2,000 financial experts in its field sales team who are certified modernization advisors, of whom around 1,400 have gained an additional qualification as a certified development lending advisor. This ensures that BSH provides customers with expert advice, especially on sustainability matters.

BSH and its long-term equity investments play a key part in expanding the homes and housebuilding ecosystem in the Cooperative Financial Network. Impleco GmbH with its products PIA (personal real estate assistant – white-label services for regional cooperative banks) and wohnglück.de (a Germany-wide real estate platform) offers solutions for banks, end customers, and other players involved in real estate. Another digital pillar of the homes and housebuilding ecosystem is BAUFINEX, a cooperative marketplace for brokering consumer home finance, home savings contracts, and consumer finance. BSH believes that BAUFINEX contributes to the growth of digital platform business with consumer home finance in the Cooperative Financial Network. The number of product suppliers and the transaction volume continued to rise in 2025. Schwäbisch Hall Wohnen GmbH with its nationwide B2B real estate sales supplements the offering in the homes and housebuilding ecosystem.

1.3 R+V

R+V is the go-to partner for customers in the Cooperative Financial Network when it comes to security, healthcare, and provision for the future. It offers insurance products for retail and corporate customers in its

non-life insurance, life insurance and pensions, and health insurance business segments. R+V also provides reinsurance cover for non-life insurance.

In 2025, R+V launched NextLevel, a business strategy that sets out its path for the next five years. NextLevel builds on previous strategies relating to digitalization, customer focus, and process optimization. R+V's aim is to secure and build on the company's future viability and competitiveness for the long term. With a new structure, stricter management, and a consistent customer focus, R+V intends to grow profitably and gain customers and market share. In order to embed the strategic targets in the company, two new areas of board responsibility were established. The Operations and IT division brings together all company-wide operational units and the former IT division in order to streamline processes and thereby accelerate them for customers. The new Finance and Risk Management division is responsible for central, company-wide management within the R+V Group with the aim of using capital and resources efficiently across the company. Efficiency gains and cost savings will be used to create the flexibility that is needed in investment to be able to finance the modernization and technological revamping of the R+V business model. Another strategic focus is to utilize the business potential in the cooperative sales channels more effectively and to generate growth in these channels at a faster rate than the market. A number of tools will be used to this end, including data-driven sales using smart data analyses, enhanced customer relationship management (CRM), and the banks' omnichannel platform. In addition, R+V will continue to invest in expert field staff and support growth with an optimized service model for banks and a special focus on providing advice in promising customer segments, such as the private banking business or small and medium-sized enterprises (SMEs).

R+V wants to position itself as a sustainable insurance company. NextLevel entails a continuation of the previous strategy for sustainability. R+V's understanding of sustainability is based on a holistic approach that incorporates the insurance business, investment activities, and business operations. This philosophy is expressed through the sustainability strategy, which defines strategic areas of action. These areas of action include sustainability in investment activities and in the insurance business, with the aim in each case of climate neutrality, growth through innovative and sustainable products and services, and the commitment to putting sustainability into practice and communicating transparently. In this manner, R+V is addressing climate change while also aiming to incorporate sustainability matters into decision-making in all areas of the company, which underscores the cooperative principle and ensures R+V's future viability.

1.4 TeamBank

TeamBank is the center of excellence in the Cooperative Financial Network for state-of-the-art liquidity management. With its easyCredit brand in Germany and 'der faire Credit' brand in Austria, TeamBank complements the product offering of the cooperative banks in consumer finance.

TeamBank's customer-focused, scalable business model aims to increase added value for customers, partners, and shareholders. The bank believes that customer expectations and needs, and consequently customer behavior, will evolve even more rapidly in the future, making customer focus the key to success. TeamBank has therefore transitioned from a purely ad hoc lending business (consumer finance) to a long-term liquidity partner (credit lines). To this end, it discontinued its traditional consumer finance product in 2025 and replaced it with an immediate loan incorporating financial flexibility. The easyCredit immediate loan incorporating financial flexibility and the 'der faire Credit' immediate loan incorporating financial flexibility are available online as well as through all participating cooperative banks in Germany and Austria. Besides the disbursement amount, the new product range offers customers an individual credit facility in line with their financial situation. The easyCredit+ app and the 'der faire Credit' app make it easy to draw down funds in a few clicks and to flexibly adjust the loan to personal circumstances. In TeamBank's opinion, it reached a milestone in its transformation journey in 2025 with more than 580,000 app installations. The transformation is putting the principle of customer centrality at the heart of the entire organization and of all products and services.

The product range also includes 'easyCredit-Ratenkauf', which is an installment purchase solution that can be used online, in-store, and in direct sales. TeamBank believes that the installment purchase solution will make it possible to reach new target groups for the Cooperative Financial Network by means of embedded finance.

In 2025, 'easyCredit-Rechnung' was launched, adding a flexible payment option for e-commerce to TeamBank's product range.

TeamBank works with the Deutschland im Plus foundation in order to prevent consumers from becoming over-indebted.

TeamBank also focuses on using technologies and laying the technical foundations for its pursuit of growth. Its GENOFLEX consumer finance platform was developed in response to the partner banks' need for a solution for applications for loans that cannot be fulfilled by TeamBank. In this way, TeamBank believes it is consolidating its position as a center of excellence for liquidity management, stepping up collaboration with partner banks, strengthening its relationship with customers, and increasing value creation within the Cooperative Financial Network.

1.5 UMH

UMH is the asset manager in the Cooperative Financial Network and offers solutions for retail and institutional clients. In both areas of business, it is aiming for further expansion of the volume of assets under management.

For retail clients, UMH is working to extend its range of solutions for partner banks with a view to maintaining its growth trajectory. To this end, it is expanding its omnichannel capability and supporting the efforts of the cooperative banks to develop business on a digital basis by helping them to improve technological platforms and satisfy regulatory requirements. UMH is also responding to changing investor requirements and in recent years, for example, has constantly extended its range of sustainable investment funds. One of the ways in which UMH addresses nature-related issues is the publication of biodiversity guidelines that complement its sustainability code, its guidelines for responsible investing, and its climate strategy.

UMH's climate strategy was updated in 2025 and sets out various objectives, such as a gradual transition away from fossil fuels. Since April 2025, for example, products with sustainability strategies have not included any direct investment in securities of companies that extract crude oil or natural gas.

In the institutional client business, UMH is the central asset manager for the Cooperative Financial Network. It also provides asset management for German and international institutional clients outside the cooperative sector. It offers special funds, institutional mutual funds, asset management, advisory services, capital preservation strategies, and quantitative asset management strategies. Risk management lies at the core of all investment processes. UMH's objective in its institutional client business is to position itself with a view to the future, where customer proximity and financial performance are boosted by a best-in-class model for customer relationship management and sales. Its positioning as an active asset manager and its attention to sustainability play a major role here too.

UMH follows a transparent approach to sustainable investment. This is the responsibility of the ESG committee in portfolio management. UMH has also established an interdisciplinary sustainability team for real estate investment. The properties selected for the funds in both the retail and the institutional real estate business must satisfy certain quality criteria and pursue the objective of generating stable rental income over the long term in order to secure a return for the investor. UMH aims for portfolios that are broadly diversified in terms of geography and usage type.

UMH is investing in key growth sectors such as digitalization in order to cater to what it regards as the increasing importance of platforms and new technologies.

1.6 DZ HYP

The core business policy objective of DZ HYP AG, Hamburg and Münster, (DZ HYP) is to embed real estate finance and public-sector finance in the Cooperative Financial Network and to operate the finance business jointly with the cooperative banks. To this end, DZ HYP offers a range of products and services to the

cooperative banks and works together with them to develop business in the regional markets focusing on corporate, retail, and public-sector customers. DZ HYP's sales activities are based on long-term customer relationships in its direct and cooperative network business and on products and services that are defined with a view to their risk and reward.

In its corporate customer business, DZ HYP has its own direct business and also acts as a partner to the local cooperative banks. DZ HYP's customers in this area include commercial real estate investors and companies in the housing sector. The focus is on real estate finance in the German market. German customers in selected international markets are supported too. The digitalization of the Corporate Clients business line is a priority action area. The FK Digital project, which is aimed at creating a new digital approach to loan processing in corporate customer business, was continued in 2025 and the first section for capturing the new business process was successfully rolled out. Ultimately, FK Digital will be a centralized lending workplace that will cover all of the key tasks in the lending lifecycle. In addition, DZ HYP deploys methods for identifying sustainable properties with which it hopes to make an even bigger contribution to sustainable development and to forge ahead with its activities in this sphere. By considering climate-related and environmental aspects and factoring them into conditions, DZ HYP aims to reduce emissions in its credit portfolio.

DZ HYP also works closely with the local cooperative banks in referral business in its Retail Customer business line, where the product portfolio includes initial and follow-up finance for new builds, purchases, and modernization/renovation. The VR-BaufiComfort product has established a new collaboration model in which the local cooperative banks can focus on providing customers with individual advice while DZ HYP deals with all aspects of loan processing. In 2025, the product was connected to Atruvia's omnichannel platform with the aim of enhancing the digital customer interface. Sustainability continues to play a key role in the Retail Customer business line. The Eco product feature is designed to create home finance incentives for residential properties with low energy consumption. In 2025, steps were taken to increase transparency regarding the energy efficiency of financed properties and to identify incentives for the financing of energy efficiency measures.

In the Public Sector business line, DZ HYP is the center of excellence within the DZ BANK Group. DZ HYP also works closely with the local cooperative banks in its local authority lending business. The core element of this business with local authorities and their legally dependent enterprises and with local associations and institutions governed by public law is the awarding of loans to public-sector entities and of short-term loans to local authorities. In the Public Sector business line, a greater emphasis is placed on sustainability matters using the DZ HYP sustainability ranking, which is an integral element of the lending and decision process for local authority loans.

DZ HYP's lending business is mainly funded by issuing Pfandbriefe in the capital markets. The bank established itself as an issuer of green Pfandbriefe in 2022. Having updated its Green Bond Framework in 2024, the bank's placements in the reporting year included a jumbo green mortgage Pfandbrief with a volume of €1 billion.

1.7 DZ PRIVATBANK

DZ PRIVATBANK, together with its branches at eight locations in Germany, its two subsidiaries DZ PRIVATBANK (Schweiz) AG and IPConcept (Luxemburg) S. A., and IPConcept (Schweiz) AG, has a global reach and is the center of excellence for private banking / wealth management in the Cooperative Financial Network. It is also a key player in European fund services and an expert in lending in all currencies. It acts in close partnership with the cooperative banks that operate in the relevant business lines. DZ PRIVATBANK offers customer-focused (B2B, B2B4C, B2C) and multifaceted solutions for private banking / wealth management customers, with a portfolio ranging from international asset management, asset structuring, and investment advice to financial planning, pension planning, and advice on charitable foundations.

Together with the BVR, DZ PRIVATBANK has identified substantial potential for the local cooperative banks to generate additional income in private banking. Through the high-priority 'Private Banking' initiative in the BVR's Germany-wide strategic portfolio, more and more cooperative banks are using DZ PRIVATBANK's enhanced support services in order to grow in the Private Banking business line and gain market share.

The fund services business acts as a service provider for UMH and for professional third-party fund initiators. Specializing in a range of structuring options in European fund business, DZ PRIVATBANK offers custody and administration services across the asset servicing value chain (excluding fund management and sales). In addition, the flexible LuxCredit financing options in cooperation with the cooperative banks supplement the range of variable lending products denominated in euros and other currencies for retail and corporate customers. The primary focus is on the VR ImmoFlex solution, which is targeted at property owners aged 50+. An international treasury/brokerage product line also supports customers and market segments with trading services. Activities include execution services for customer orders, liquidity management, and own-book management.

In 2025, DZ PRIVATBANK gained further market share and consolidated its market position as an international provider of private banking, fund services, and cross-border lending solutions in Germany, Luxembourg, and Switzerland by working closely with the cooperative banks.

DZ PRIVATBANK forged ahead with its DZ PRIVATBANK 2030 strategy in 2025 in order to continue along its growth trajectory in the medium term. Maintaining its existing business strategy, the bank identified options for optimizing areas such as corporate governance. This led to the decision to relocate DZ PRIVATBANK's registered office from Luxembourg to Germany with effect from January 2, 2026. The move should promote even closer collaboration with the Cooperative Financial Network and the DZ BANK Group. Customers will not be affected.

1.8 VR Smart Finanz

VR Smart Finanz AG, Eschborn, together with its subsidiary VR Smart Finanz Bank GmbH, (together referred to as VR Smart Finanz) is the digital provider of finance for the self-employed and small businesses in the Cooperative Financial Network. It is the network partner for simple solutions for SMEs, offering simple and rapid financing solutions and digital services for the day-to-day financial needs of regional SMEs and, in particular, the cooperative banks' small-business and self-employed customers. VR Smart Finanz AG's portfolio encompasses object finance solutions for hire purchase and leasing for assets up to €1 million as well as the digital Bonitätsmanager (credit status manager) service, which offers comprehensive support for businesses' credit quality. The 'VR Smart flexibel' business loan and, since 2025, the 'VR Smart basis' business loan for up to €100,000 are both offered through VR Smart Finanz Bank GmbH. The 'VR Smart Guide' digital service for bookkeeping and invoice management and FinCheck, a liquidity management service for small-business and self-employed customers, are operated through VR Smart Guide GmbH.

VR Smart Finanz attaches particular importance to offering automated, rapid finance decisions within a few minutes and to providing an omnichannel approach for its financing solutions. The loan amount is generally disbursed within 24 hours. Sales partners also benefit from data-supported marketing approaches. VR Smart Finanz's portfolio therefore contributes to the digital/personal banking portfolio and to omnichannel sales in corporate banking.

As part of its strategy, VR Smart Finanz constantly strives to enhance its finance solutions, integrate them into the internal platforms used by the Cooperative Financial Network, and establish new decentralized sales channels and sales partners, such as digital financing platforms, for itself and thus for the Cooperative Financial Network.

2 Management of the DZ BANK Group

2.1 Management units

(The following chapter contains disclosures relating to ESRS disclosure requirement ESRS 2 SBM-1 paragraphs 40 a) i, ii and 42 a) b).)

The DZ BANK Group comprises DZ BANK as the parent company and the DZ BANK Group's subsidiaries in which DZ BANK directly or indirectly exercises control.

All entities in the DZ BANK Group are integrated into groupwide management. In the case of subgroups, the disclosures in the group management report on management units relate to the entire subgroup comprising the parent company of the subgroup plus its subsidiaries and second-tier subsidiaries. The management units are managed by the parent company in the subgroup, which is responsible for compliance with management directions in the subsidiaries and second-tier subsidiaries. The following management units form the core of the financial services group:

- BSH
- R+V
- UMH
- TeamBank
- DZ BANK – central institution and corporate bank (DZ BANK – CICB)
- DZ HYP
- DZ PRIVATBANK
- VR Smart Finanz

The management units are each managed as a separate operating segment. DZ BANK – holding function is also presented separately, although it does not constitute an operating segment within the meaning of IFRS 8.5.

The DZ BANK – CICB operating segment comprises both the cooperative central institution function, which supports the operating activities of the local cooperative banks, and the corporate bank function. DZ BANK – holding function is used to pool a range of responsibilities, notably tasks carried out on behalf of the DZ BANK Group in relation to commercial law, tax, and prudential supervision.

All risks at DZ BANK, and therefore arising in connection with the CICB segment and the holding function, are determined, reported, and managed for DZ BANK. The aim of this approach is to satisfy the regulatory requirements under Basel Pillar 1 and Pillar 2 whereby DZ BANK must be treated as one bank overall. This also meets the German Minimum Requirements for Risk Management for Banks and Financial Services Institutions (MaRisk BA). The operating segments presented in the risk report in this group management report (chapter VI.2.3) are consistent with the operating segments in the consolidated financial statements.

The terms DZ BANK Group and DZ BANK financial conglomerate are synonymous and refer to all the management units together. The context dictates the choice of term. For example, in the case of disclosures relating to economic management, the focus is on the DZ BANK Group, whereas in the case of regulatory issues relating to all the management units in the DZ BANK Group, the term DZ BANK financial conglomerate is used.

The DZ BANK financial conglomerate largely comprises the DZ BANK banking group and R+V. DZ BANK acts as the financial conglomerate's parent company.

2.2 Governance

Governance in the DZ BANK Group is characterized by the general management approach of the DZ BANK Group, appointments to key posts in the subsidiaries, and the committee structure.

2.2.1 General management approach

The general management approach consists of a combination of centralized and decentralized management tools. It is aligned with the business model and risks of the DZ BANK Group as a diversified financial services group that is integrated into the Volksbanken Raiffeisenbanken Cooperative Financial Network and that provides this network with a comprehensive range of financial products.

The DZ BANK Group is a financial services group comprising entities whose task as product specialists is to supply the Cooperative Financial Network with an entire range of financial services. Because of the particular nature of the DZ BANK Group, it is managed both centrally and locally with clearly defined interfaces and taking into account business policy requirements.

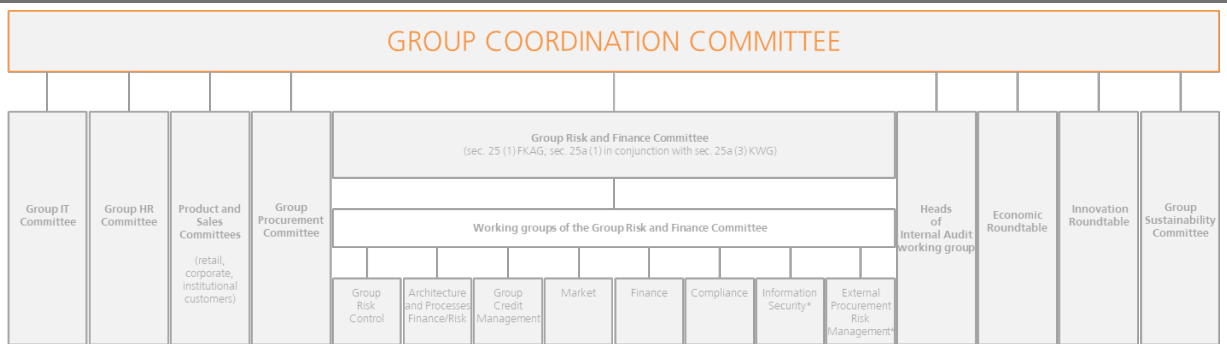
2.2.2 Appointments to key posts in the subsidiaries

For the purposes of managing the subsidiaries through appointments to key posts, a representative of DZ BANK is appointed in each case as the chairman of the supervisory body and generally also as the chairman of any associated committees (e.g. the risk and investment committee, the audit committee, and the human resources committee).

2.2.3 Corporate management committees

Figure I.1 provides an overview of the committees of particular importance in the management of the DZ BANK Group.

FIG. I.1 – MANAGEMENT COMMITTEES IN THE DZ BANK GROUP



* Also reports to the Group IT Committee.

The **Group Coordination Committee** is the highest-level management and coordination committee in the DZ BANK Group. The objectives of this committee are to strengthen the competitiveness of the DZ BANK Group and to coordinate fundamental product and sales issues. The committee also aims to ensure coordination between the key entities in the DZ BANK Group to achieve consistent management of opportunities and risks, allocate capital, deal with strategic issues, and leverage synergies. Its members comprise the Board of Managing Directors of DZ BANK and the chief executive officers of BSH, DZ HYP, DZ PRIVATBANK, R+V, TeamBank, UMH, and VR Smart Finanz.

Various committees consisting of representatives from all strategic business lines and group functions assist the Group Coordination Committee’s decision-making by preparing proposals. These are the following committees: the Group Risk and Finance Committee, the Group IT Committee, the Group HR Committee, the product and sales committees for retail customers, corporate customers, and institutional customers, the Group Procurement Committee, the Group Sustainability Committee, the Heads of Internal Audit working group, the Economic Roundtable, and the Innovation Roundtable.

The **Group Risk and Finance Committee** is the central committee in the DZ BANK Group responsible for proper operational organization and, in particular, risk management in accordance with section 25 of the German Supervision of Financial Conglomerates Act (FKAG) and section 25a of the German Banking Act (KWG). It assists with groupwide financial and liquidity management, risk capital management, and recovery and resolution planning. The Group Risk and Finance Committee also assists the Group Coordination Committee in matters of principle. The members of this committee include the relevant executives at DZ BANK responsible for finance, risk, and treasury. The committee members also include executives at various subsidiaries. The Group Risk and Finance Committee has set up the following working groups to prepare proposals for decision-making and to implement management action plans relating to financial and risk management at group level:

- The **Group Risk Control working group** supports the Group Risk and Finance Committee primarily in risk matters from a business management and a regulatory perspective, in matters concerning the management of risk capital, in the allocation of risk capital, and in matters of principle in the context of risk management. At DZ BANK level, the monitoring and control of the aggregate risks to the bank is coordinated by the Risk Committee. The **Risk Committee** makes recommendations to the entire Board of Managing Directors in matters relating to risk methodology, risk policies, risk processes, risk appetite, and the management of risk limits. It also makes recommendations relating to trading risk, market risk, liquidity risk, operational risk, and reputational risk. It also deals with matters of principle relating to the management of aggregate banking risk.
- The **Architecture and Processes Finance/Risk working group** assists the Group Risk and Finance Committee with the further development of the integrated finance and risk architecture in the DZ BANK Group. In terms of the corporate management of the DZ BANK Group, this committee works on refining the blueprint for the business, process, and data architecture and on ensuring a coordinated roadmap, a transparent project portfolio, and a holistic data governance approach.
- The **Group Credit Management working group** supports the Group Risk and Finance Committee with the management of credit risk throughout the group. It monitors compliance with the rules in the group credit risk policy and with the group credit standards, and discusses the monitoring and management of limit allocation at individual counterparty level. The working group also drives the further development of the group credit standards, the group credit risk strategy, and group credit risk management. The monitoring and control of DZ BANK's overall portfolio for credit risk is coordinated by the **Credit Committee**, a committee of the Board of Managing Directors. It normally meets every week and makes decisions on material lending exposures at DZ BANK, taking into account the credit risk strategy of the DZ BANK Group. The Credit Committee is also responsible for managing country risk in the DZ BANK Group.
- The Group Risk and Finance Committee's **Market working group** is responsible for providing implementation support throughout the group in the following areas from the market viewpoint: capital management, balance sheet and balance sheet structure management, management of market risk, IRRBB, and CSRBB (IRRBB = interest-rate risk in the banking book; CSRBB = credit spread risk in the banking book), liquidity management and liquidity risk management, and funding activities. This body also focuses on coordinating and dovetailing funding strategies and liquidity reserve policies, as well as on independently determining funding needs and on preparing consistent investor relations and rating documents within the DZ BANK Group. In addition, the Market working group is responsible for refining the management of centrally measured market risk. At DZ BANK level, the **Asset/Liability Committee** is the central body responsible for the operational implementation of the strategic asset/liability management (ALM) requirements in the following areas: capital management, total assets management, liquidity management, and management of IRRBB/CSRBB. This committee also discusses overarching issues relating to risk management and current regulatory matters influencing ALM KPIs with the aim of identifying those requiring management action.
- The **Finance working group** advises the Group Risk and Finance Committee on matters concerning the consolidated financial statements, tax law at group level, regulatory law at group level, group controlling,

and the management of financial resources. It discusses new statutory requirements and works out possible implementation options. The objective of the Finance working group is to continually update the uniform management framework used throughout the group (definitions, nomenclature, methodologies), particularly taking into account requests made by the supervisory authorities.

- The **Compliance working group** assists DZ BANK with compliance management across the group where this is legally required. It also advises the DZ BANK Group's Group Risk and Finance Committee on fundamental compliance-related issues. One of the primary tasks of the Compliance working group is to draw up common compliance standards for the DZ BANK Group; in addition, it serves as a platform enabling specialists to share information and agree on requirements across the group. When fulfilling its responsibilities, the Compliance working group must respect the individual responsibility of the heads of compliance in the group entities and ensure specific regulatory requirements are observed. The Compliance working group reports to the Group Risk and Finance Committee, headed by the member of the DZ BANK Board of Managing Directors responsible for compliance and finance, and by the member of the DZ BANK Board of Managing Directors responsible for risk control.
- The **Information Security working group** is the central body responsible for managing information security and information security risk in the DZ BANK Group. It advises the Group Coordination Committee, the Group Risk and Finance Committee, and the Group IT Committee on matters relating to specifying and adjusting information security targets and on the group's corporate strategy in this regard. The working group encourages information and experience relating to information security issues to be shared throughout the group, is responsible for the design of the risk management system for information security in the DZ BANK Group, and signs off the documentation forming part of the rules and regulations for the groupwide information security management system before this documentation is presented, where required, to the Boards of Managing Directors in the DZ BANK Group for approval.
- The **External Procurement Risk Management working group** is the central committee in the DZ BANK Group responsible for the management of external procurement risk and sets out the general parameters for the management of external procurement risk in the DZ BANK Group. It encourages information and experience relating to issues in connection with the management of external procurement risk to be shared throughout the group. The External Procurement Risk Management working group is responsible for the design of the risk management system from the perspective of the group's minimum requirements for the management of external procurement risk in the DZ BANK Group. It signs off the documentation forming part of the rules and regulations for the groupwide external procurement risk management system before this documentation is presented, where required, to the Boards of Managing Directors in the DZ BANK Group for approval and assists the Group Coordination Committee, the Group Risk and Finance Committee, and the Group IT Committee with matters relating to specifying and adjusting targets for the management of external procurement risk and with the group's corporate strategy in this regard.

The **Group IT Committee (GITC)**, comprising the members of the Boards of Managing Directors of the main group entities with responsibility for IT, supports the Group Coordination Committee in strategic IT matters. It is the highest-level IT management committee in the group and coordinates all overarching IT activities in the DZ BANK Group.

In particular, the Group IT Committee is responsible for the group IT strategy of the DZ BANK Group, makes decisions on collaboration issues between IT units, identifies and realizes synergies, specifies common IT standards, and initiates joint IT projects. The aim of the GITC is to develop a future-proof IT setup for the DZ BANK Group and to support the departments of the group entities and the local cooperative banks in their respective markets. The cooperative principle is practiced both within the DZ BANK Group and in the collaboration with the BVR and Atruvia. From an operational perspective, the activities are coordinated by the Heads of IT group and implemented in the IT units in the DZ BANK Group.

Together with the Group Risk and Finance Committee, the GITC – through relevant working groups – provides support for the implementation of, and compliance with, the regulatory requirements relating to information security, business continuity management, and external procurement risk management for the DZ BANK Group. Group rules relevant to digital operational resilience (DOR) are the responsibility of the DOR Panel and are reported to the GITC.

The **Group HR Committee** comprises the members of the Boards of Managing Directors with responsibility for HR and the HR directors from the main entities in the DZ BANK Group. This committee helps the Group Coordination Committee address HR issues of strategic relevance. The Group HR Committee initiates and coordinates activities relating to overarching HR issues while at the same time exploiting potential synergies. It also coordinates the groupwide implementation of regulatory requirements concerning HR systems and facilitates the sharing of HR policy information within the DZ BANK Group.

The **product and sales committees** perform insight, coordination, and bundling functions relating to the range of products and services provided by the DZ BANK Group.

- The **retail customers** product and sales committee coordinates products and services, and the marketing activities of its members where there are overarching interests affecting the whole of the group. The common objective is to generate profitable growth in market share for the cooperative banks and the entities in the DZ BANK Group with a focus on customer loyalty and customer acquisition by providing needs-based solutions (products and processes) as part of a holistic advisory approach across all sales channels (omnichannel approach).
- The **corporate customers** product and sales committee is responsible for coordinating the strategies, planning, projects, and sales activities in the DZ BANK Group's corporate banking business if overarching interests are involved. The objective is closer integration in both the joint lending business with the cooperative banks and the direct corporate customer business of the entities in the DZ BANK Group.
- The aim of the **institutional clients** product and sales committee is to help strengthen the position of the DZ BANK Group in the institutional clients market.

The **Group Procurement Committee**, comprising the members of the Boards of Managing Directors and executives holding power of attorney at DZ BANK and its subsidiaries, supports the Group Coordination Committee in matters relating to procurement strategy in the DZ BANK Group. This committee manages the DZ BANK Group's procurement activities that are relevant throughout the group.

In particular, the Group Procurement Committee makes decisions on collaboration issues between procurement units, identifies and realizes synergies, and specifies common standards and procedures with the objective of achieving optimum procurement terms and conditions for the entities of the DZ BANK Group. From an operational perspective, the activities are coordinated by the Procurement Board – the Group Procurement Committee's executive arm consisting of the DZ BANK Group's heads of procurement – and implemented in the procurement units in the DZ BANK Group.

The DZ BANK Group **Heads of Internal Audit working group**, which is led by DZ BANK, coordinates audit issues and activities of relevance to the management of the group based on a jointly developed framework approved by the relevant Boards of Managing Directors. This working group also serves as a platform for sharing specialist information across the group – especially information on current trends in internal audit – and for the ongoing development of Group Audit. On behalf of this working group, the Head of Group Audit reports to the Chief Executive Officer, who is responsible for Group Audit, and – where appropriate – to the Group Coordination Committee.

The **Economic Roundtable**, the members of which comprise the economists from the main group companies, helps the Group Coordination Committee to assess economic and capital market trends, providing

a uniform basis for consistent planning scenarios throughout the group, and to prepare risk scenarios required by regulators.

The members of the **Innovation Roundtable** comprise specialists, executive managers, and innovation managers from the various divisions of DZ BANK and the subsidiaries. The Innovation Roundtable is therefore the Group Coordination Committee's key point of contact for information on innovations and trends relevant to the group. The objectives of the Innovation Roundtable are to systematically examine innovation topics with group relevance on an ongoing basis, to bring together the divisions involved in innovation projects, and to ensure that innovation activities in the DZ BANK Group are transparent.

The **Group Sustainability Committee (GSC)** is the central committee that manages the implementation of societal, business-policy, and regulatory requirements relating to sustainability matters in the DZ BANK Group. The GSC also constitutes a platform for sharing information throughout the group and drives the integration of sustainability into core areas. The job of the GSC is to maintain an overview of all sustainability-specific decision-making of relevance to the group. In addition, it formulates strategic input and helps the entities in the DZ BANK Group to manage, communicate, and coordinate sustainability matters. The GSC also supports the Group Coordination Committee of the DZ BANK Group in matters of principle. The GSC's members include the Chief Executive Officer of DZ BANK and the members of the Boards of Managing Directors with responsibility for sustainability at DZ BANK and the material subsidiaries. The Heads of Division with relevant responsibility at DZ BANK and in the group entities participate in the GSC as permanent guests in order to represent the members of the Boards of Managing Directors.

2.3 Key performance indicators

The most significant KPIs of the DZ BANK Group / DZ BANK financial conglomerate for profitability, volume, and productivity, the regulatory return on risk-adjusted capital (RORAC), and liquidity adequacy and capital adequacy are presented below:

- **Profitability figures in accordance with International Financial Reporting Standards (IFRS):**

The central profitability figures – loss allowances for loans and advances and profit/loss before taxes – are presented in chapters II.3.1 and 3.2 of this group management report as well as in note 32 of the notes to the consolidated financial statements.

- **Volume figures:**

Total assets is the main volume-related KPI. It is set out in chapter II.4 of the group management report, in the consolidated financial statements (balance sheet as at December 31, 2025), and in note 32 of the notes to the consolidated financial statements.

- **Productivity:**

The KPI of relevance for productivity is the cost/income ratio. This KPI is described in chapters II.3.1 and 3.2 of this group management report and in note 32 of the notes to the consolidated financial statements.

- **Regulatory RORAC:**

Regulatory RORAC is a risk-adjusted performance measure. It reflects the relationship between profit before taxes and the average own funds for the year (calculated as an average of the monthly figures) in accordance with the own funds/solvency requirements for the financial conglomerate. It therefore shows the return on the regulatory risk capital employed. This KPI is described in chapters II.3.1 and 3.2 of this group management report and in note 32 of the notes to the consolidated financial statements.

- **Liquidity adequacy:**

Appropriate levels of liquidity reserves in relation to the risks associated with future payment obligations are demonstrated using the KPIs for economic and regulatory liquidity adequacy presented in chapters VI.6.2 and VI.6.3 of the risk report in this group management report. The minimum liquidity surplus reflects

economic liquidity adequacy. Regulatory liquidity adequacy is expressed in terms of the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR).

– **Capital adequacy:**

The KPIs for economic capital adequacy are described in chapter VI.7.3 of the risk report in this group management report. The KPIs for regulatory capital adequacy are included in chapter VI.7.4. The common equity Tier 1 capital ratio is the most significant capital adequacy KPI for internal management purposes.

Forecasts for the aforementioned KPIs of particular relevance are set out in the outlook. The DZ BANK Group has no non-financial KPIs that are of significance to understanding the course of business at DZ BANK and assessing its position. Sustainability-specific metrics are reported in the non-financial statement pursuant to section 315b HGB in chapter VII of the group management report.

2.4 Management process

The management entities define their business strategies (targets, strategic direction, and action plans) and their strategic financial and capital planning as part of the annual strategic planning process. The risk and IT strategies and other downstream strategies are then derived from the business strategies.

The management units' plans are discussed and validated at the level of the Board of Managing Directors in strategic dialogue sessions (DZ BANK AG) or in quarterly meetings (DZ BANK Group). When the individual entity planning has been completed, the process then moves on to consolidated group planning, which primarily aims to facilitate active management of the DZ BANK Group's economic and regulatory capital adequacy.

The action plans to attain the targets are also discussed in the aforementioned quarterly meetings with the group entities.

At DZ BANK level, the main divisions involved in the strategic planning process are Strategy & Group Development, Group Risk Control & Services, Group Risk Controlling, Group Finance, Bank Finance, and Research and Economics. The planning coordinators in the management units are also involved in the process. The Strategy & Group Development division is responsible for overall coordination of the strategic planning process.

II Business report

1 Economic conditions

Germany's economic situation is challenging at present. The German economy had slipped into recession in 2023 and 2024. In 2025, it fared somewhat better than it had in 2024 in terms of economic output. German government spending rose by 1.5 percent compared with the previous year, while private consumer spending increased by 1.4 percent. Based on data published by the German Federal Statistical Office, consumer prices in Germany went up by 2.2 percent compared with 2024, which had also seen a 2.2 percent increase. In 2025, the value of German exports declined by 0.3 percent compared with 2024, which had registered a decrease of 2.1 percent. Imports, on the other hand, rose by 3.6 percent (2024: reduction of 0.6 percent).

Germany's gross domestic product (GDP) grew by 0.2 percent in 2025 compared with the previous year, which had seen a 0.5 percent fall in GDP. Broken down by quarters in 2025, GDP rose by 0.4 percent in the first quarter, fell by 0.2 percent in the second quarter, was flat at 0.0 percent in the third quarter, and increased by 0.3 percent in the last quarter of 2025.

The eurozone economy fared well overall in 2025. For the year as a whole, GDP in the eurozone rose by 1.5 percent year on year, outstripping German GDP. The prior year had seen a year-on-year rise of 0.9 percent.

In the United States, economic output increased by 2.2 percent compared with 2024. GDP growth over 2024 as a whole had amounted to 2.8 percent.

According to official figures, China's economic output went up by 5.0 percent year on year in 2025, having also risen by 5.0 percent in 2024.

2 The financial industry amid continued efforts to stabilize the economy of the eurozone

As had been the case in 2024, geopolitical risks again fueled uncertainty in the capital markets during the reporting year. Nonetheless, the stock markets again followed a positive trajectory over the course of 2025.

The STOXX Europe 600, a share index comprising 600 large listed European companies, stood at 592.19 points as at December 31, 2025, which was 84.57 points higher than at the end of the previous year (December 31, 2024: 507.62 points). The index had added 28.60 points in the previous year. The EURO STOXX 50, a share index comprising 50 large, listed companies in the eurozone, saw a rise of 895 points from the start of 2025, closing the year under review on 5,791 points (December 31, 2024: 4,896 points). The index had added 374 points in 2024. The US dollar/euro exchange rate went from 0.9657 on December 31, 2024 to 0.8515 as at December 31, 2025. In the previous year, the exchange rate had moved from 0.9053 as at December 31, 2023 to 0.9657 as at December 31, 2024.

The German real estate investment market was a little weaker in 2025 than it had been in 2024. The volume of commercial real estate transactions (including investment in housing) totaled €33.9 billion in 2025 and was therefore below the prior year's level of €35.4 billion.

Several EU countries continued to exceed the ratios for new and overall indebtedness required for compliance with the stability criteria specified in the Fiscal Compact agreed by the EU member states at the beginning of 2012. In the Fiscal Compact, the signatory countries committed to reducing their debt (as a proportion of GDP) each year by one twentieth of the difference between the debt level and the Maastricht limit of 60 percent of GDP.

At the end of the third quarter of 2025, the total borrowing of the 20 eurozone countries equated to 88.5 percent of their GDP.

The following key interest rates were relevant in the year under review. The monetary policy decision of the European Central Bank (ECB) on December 12, 2024 saw each of its three key rates reduced by 25 basis points. The deposit facility interest rate was therefore set at 3.00 percent, the main refinancing operations rate at 3.15 percent, and the marginal lending facility rate at 3.40 percent. At its meeting on January 30, 2025, the ECB decided to lower each of the rates by another 25 basis points. This was followed by a further reduction of the key interest rates by 25 basis points each on March 6, 2025. On April 17, 2025, the ECB Governing Council decided to set the deposit facility interest rate at 2.25 percent, the main refinancing operations rate at 2.40 percent, and the marginal lending facility rate at 2.65 percent. The ECB then cut each of the key interest rates by 25 basis points on June 5, 2025. The deposit facility interest rate was dropped to 2.00 percent, the main refinancing operations rate to 2.15 percent, and the marginal lending facility rate to 2.40 percent. These rates remained unchanged until the end of the year.

The federal funds rate set in the range of 4.25 to 4.50 percent by the US Federal Reserve (Fed) on December 18, 2024 stayed at that level until mid-September 2025. Then, three rate cuts were made of 0.25 percentage points each in September, in October, and on December 10, 2025. The federal funds rate thus ended the year in a range of 3.50 percent to 3.75 percent.

Germany's two largest banks both generated an overall net profit in 2025. One of them registered a considerable increase in net profit, with moderate reductions in expenses for loss allowances for loans and advances and in administrative expenses compared with the previous year. The other one saw a modest decrease in its net profit, with a slight fall in expenses for loss allowances for loans and advances and a marked rise in administrative expenses.

3 Financial performance

3.1 Financial performance at a glance

Against a backdrop of challenging market conditions fueled by geopolitical crises, the DZ BANK Group posted profit before taxes of €4,282 million in 2025 (2024: €3,303 million).

The year-on-year changes in the key figures that make up the net profit generated by the DZ BANK Group were as described below.

FIG. II. 1 – INCOME STATEMENT

€ million	2025	2024
Net interest income	3,839	4,670
Net fee and commission income	3,370	3,191
Gains and losses on trading activities	281	-842
Gains and losses on investments	105	65
Other gains and losses on valuation of financial instruments	-127	229
Gains and losses from the derecognition of financial assets measured at amortized cost	28	40
Net income from insurance business	2,024	1,147
Loss allowances	-653	-845
Administrative expenses	-4,804	-4,552
Staff expenses	-2,368	-2,201
Other administrative expenses ¹	-2,436	-2,351
Other net operating income	219	200
Profit before taxes	4,282	3,303
Income taxes	-1,402	-913
Net profit	2,880	2,390

¹ General and administrative expenses plus depreciation/amortization expense.

Operating income in the DZ BANK Group amounted to €9,739 million (2024: €8,700 million). This figure comprises net interest income, net fee and commission income, gains and losses on trading activities, gains and losses on investments, other gains and losses on valuation of financial instruments, gains and losses from the derecognition of financial assets measured at amortized cost, net income from insurance business, and other net operating income.

Net interest income decreased significantly by €831 million to €3,839 million (2024: €4,670 million; forecast for 2025: significant fall).

Within this figure, interest income from lending and money market business fell to €11,901 million (2024: €12,861 million) and interest income from portfolio hedges of interest-rate risk (portfolios comprising financial assets) to €434 million (2024: €1,502 million). By contrast, interest income from bonds and other fixed-income securities increased to €1,481 million (2024: €1,356 million).

Interest expense on deposits from banks and customers amounted to €6,957 million (2024: €7,872 million), interest expense on debt certificates issued including bonds came to €2,914 million (2024: €2,834 million), and interest expense on portfolio hedges of interest-rate risk (portfolios comprising financial liabilities) totaled €103 million (2024: €322 million).

Since the beginning of 2025, portfolios of structured money market business and derivatives have no longer been held for trading. Starting in 2025, the interest income and expense arising in connection with this business are now reported under net interest income and no longer under gains and losses on trading activities. The relevant amounts are interest income of €627 million from lending and money market business and interest expense of €1,080 million on deposits from banks and customers.

Net fee and commission income grew noticeably by €179 million to €3,370 million (2024: €3,191 million; forecast for 2025: slight fall). Net fee and commission income from securities business climbed to €2,692 million (2024: €2,609 million). This was mainly due to the increase at UMH in the volume-related income contribution to €2,211 million (2024: €2,131 million). Furthermore, net fee and commission income from payments processing including card processing rose to €206 million (2024: €173 million) and that from lending and trust activities to €151 million (2024: €126 million).

Gains and losses on trading activities improved sharply to a net gain of €281 million (2024: net loss of €842 million; forecast for 2025: considerable improvement). This change was attributable to the volatility of market prices, in particular spread-related valuation effects on own issues. Gains and losses on derivatives improved to a net gain of €881 million (2024: net gain of €341 million). The net loss under gains and losses on non-derivative financial instruments and embedded derivatives came to €645 million (2024: net loss of €1,331 million), while the net gain under gains and losses on exchange differences amounted to €46 million (2024: net gain of €148 million).

Since the beginning of 2025, portfolios of structured money market business and derivatives have no longer been held for trading. Starting in 2025, the interest income and expense and the fair value gains and losses arising in connection with this business are now reported under net interest income and under other gains and losses on valuation of financial instruments and no longer under gains and losses on trading activities. This results in an increase of €467 million in gains and losses on trading activities compared with the figure that would have previously been disclosed. The changes predominantly affect gains and losses on derivatives, with a net loss of €426 million under net interest income and a net loss of €62 million under other gains and losses on valuation of financial instruments.

Gains and losses on investments improved sharply to a net gain of €105 million (2024: net gain of €65 million; forecast for 2025: significant deterioration). Within this item, the net gain under gains and losses on investments in associates increased to €110 million (2024: €32 million), which was largely due to gains of €119 million realized on sales of direct equity investments at VR Equitypartner.

Other gains and losses on valuation of financial instruments deteriorated sharply to a net loss of €127 million (2024: net gain of €229 million; forecast for 2025: sharp deterioration). The deterioration was chiefly attributable to the negative spread-related valuation effects and the year-on-year deterioration in the net gain/loss on guarantee commitments and on own-account investments of UMH.

Since the beginning of 2025, portfolios of structured money market business and derivatives have no longer been held for trading. Starting in 2025, fair value losses of €14 million arising in connection with this business are now reported under other gains and losses on valuation of financial instruments and no longer under gains and losses on trading activities. This change affected gains and losses on financial instruments designated as at fair value through profit or loss that are not related to derivatives held for trading purposes, with a net gain of €101 million, gains and losses on derivatives used for purposes other than trading, with a net loss of €62 million, and gains and losses on financial instruments mandatorily measured at fair value through profit or loss, with a net loss of €53 million.

Net income from insurance business comprises the insurance service result, gains and losses on investments held by insurance companies and other insurance company gains and losses, insurance finance income or expenses, and gains and losses from the derecognition of financial assets measured at amortized cost in the insurance business.

In 2025, net income from insurance business increased strongly by €877 million to €2,024 million (2024: €1,147 million; forecast for 2025: noticeable decrease). The insurance service result amounted to a profit of €2,604 million (2024: profit of €1,400 million). The insurance service result of the individual divisions was influenced by the IFRS 17 measurement methods used by them. The favorable level of claims in the non-life insurance and inward reinsurance divisions had a material impact on the insurance service result. Gains and losses on investments held by insurance companies and other insurance company gains and losses deteriorated to a net gain of €2,272 million (2024: net gain of €5,094 million). This was driven by movements in the markets. Insurance finance income or expenses came to a net expense of €2,853 million (2024: net expense of €5,351 million), largely in relation to policyholders' share of investment returns.

The net addition to **loss allowances** was significantly lower than in the prior year at €653 million (2024: net addition of €845 million; forecast for 2025: significantly lower net addition). The net addition to loss allowances for loans and advances to customers was €535 million (2024: net addition of €729 million). The net addition to other loss allowances for loans and advances came to €132 million (2024: net addition of €110 million). The net reversal from loss allowances for loans and advances to banks was €7 million (2024: net addition of €4 million).

Administrative expenses went up moderately by €252 million to €4,804 million (2024: €4,552 million; forecast for 2025: small increase). Staff expenses advanced to €2,368 million (2024: €2,201 million), mainly due to pay rises and appointments to vacant positions. Other administrative expenses increased to €2,436 million (2024: €2,351 million), mainly because of higher expenses for IT and consultancy.

Other net operating income rose moderately to €219 million (2024: €200 million; forecast for 2025: sharp drop). Within this figure, income from the reversal of provisions and accruals rose to €160 million (2024: €151 million) and gains and losses on non-current assets and disposal groups classified as held for sale improved to a net gain of €43 million (2024: net gain of €30 million). Restructuring expenses decreased to €35 million (2024: €48 million).

Profit before taxes improved considerably to €4,282 million because of the changes described above (2024: €3,303 million; forecast for 2025: moderate decrease).

The **cost/income ratio** (i.e. the ratio of administrative expenses to operating income) improved markedly to 49.3 percent (2024: 52.3 percent; forecast for 2025: marked climb).

The **regulatory return on risk-adjusted capital (RORAC)** registered a clear improvement to stand at 21.0 percent (2024: 16.8 percent; forecast for 2025: clear fall).

Income taxes amounted to €1,402 million (2024: €913 million).

The DZ BANK Group increased its **net profit** to €2,880 million in 2025, compared with a net profit of €2,390 million in 2024.

3.2 Financial performance in detail

The following sections describe the details of the financial performance of the DZ BANK Group's operating segments in 2025 compared with 2024.

3.2.1 BSH

Net interest income in the BSH subgroup increased by €147 million to €684 million (2024: €537 million).

Interest expense in building society operations (including interest expense on hedges for liabilities-side business) went down by €90 million to €547 million (2024: €637 million). Within this figure, interest expense for home savings deposits amounted to €526 million (2024: €584 million). The amount for 2025 included additions to provisions relating to building society operations of €204 million (2024: €217 million) and a sum of €321 million (2024: €366 million) attributable to the interest rates applicable to current tariffs. The interest-rate swaps used to manage interest income and expense in the context of portfolio fair value hedge accounting in assets-side and liabilities-side business reduced net interest income by a total of €25 million (2024: €45 million).

In the case of loans issued under advance or interim financing arrangements and other building loans, income amounted to €1,081 million (2024: €1,075 million). Income from home savings loans amounted to €175 million (2024: €137 million).

Interest income arising on investments totaled €304 million (2024: €303 million). Interest expense for borrowing increased to €175 million (2024: €172 million). This figure included income of €35 million from the early redemption of promissory notes issued by BSH (2024: €0 million).

BSH incorporates the fees, commissions, and transaction costs directly assignable to the acquisition of home savings contracts and loan agreements into the effective interest method applied to home savings deposits and building loans. In 2025, this decreased net interest income by €157 million (2024: €184 million). Of this sum, €49 million was attributable to home savings deposits (2024: €77 million) and €108 million to building loans (2024: €107 million).

Net fee and commission income improved to net income of €4 million (2024: net expense of €14 million).

In the home savings business in 2025, BSH entered into approximately 324 thousand (2024: 426 thousand) new home savings contracts with a volume of €17.6 billion (2024: €28.1 billion) in Germany.

In the home finance business, the realized volume of new business came to €10.7 billion (2024: €9.0 billion) in Germany.

Gains and losses on investments amounted to a net loss of €29 million (2024: €0 million) due to losses on disposals of bonds.

Gains and losses from the derecognition of financial assets measured at amortized cost came to a net loss of €42 million (2024: €0 million) due to the sale of financial instruments measured at amortized cost.

Loss allowances amounted to a net addition totaling €29 million (2024: net addition of €24 million). This was largely due to a deterioration in customer credit ratings, as evidenced by rating migrations, and to updated macroeconomic parameters reflecting the challenging economic conditions.

Administrative expenses went up by €36 million to €527 million (2024: €491 million). Within this figure, there was a reduction of €9 million overall resulting from the sale of the subsidiary Fundamenta-Lakáskassza Lakástakarékpénztár Zrt. (FLK) at the end of the first quarter of 2024. Staff expenses amounted to €288 million (2024: €253 million). Salaries went up by €17 million due to appointments to vacant positions. Pension and other post-employment benefit expenses went up, primarily because there had been a decrease of €20 million in the defined benefit obligations resulting from the capitalization option in the prior year. Other administrative expenses stood at €239 million (2024: €238 million). Whereas IT expenses increased, expenses for the deposit guarantee fund went down.

Other net operating income amounted to €63 million (2024: €60 million).

Profit before taxes improved considerably by €58 million to €122 million, mainly because of the changes described above (2024: €64 million; forecast for 2025: considerable increase).

The **cost/income ratio** was 77.8 percent (2024: 84.8 percent).

Regulatory RORAC was 10.4 percent (2024: 5.1 percent).

3.2.2 R+V

The **insurance service result** of the individual divisions was influenced by the IFRS 17 measurement methods used by them. The favorable level of claims in non-life insurance and inward reinsurance business had a material impact on the insurance service result, which amounted to a profit of €2,597 million overall (2024: profit of €1,371 million). This figure included insurance revenue amounting to €12,970 million (2024: €12,165 million) and insurance service expenses of €10,108 million (2024: €10,577 million). Net expenses from reinsurance contracts held stood at €264 million (2024: €217 million).

In the life and health insurance business, insurance revenue amounted to €2,757 million (2024: €2,529 million). Insurance service expenses amounted to €2,074 million (2024: €1,893 million). Net expenses from reinsurance contracts held in this division came to €6 million (2024: €5 million). This included amortization of the contractual service margin in an amount of €385 million (2024: €308 million) and release of the risk adjustment in an amount of €70 million (2024: €74 million).

In the non-life insurance business, insurance revenue amounted to €8,214 million (2024: €7,598 million). The main influence on this revenue was premiums earned on portfolios measured under the premium allocation approach. The insurance service expenses of the non-life insurance business stood at €6,937 million (2024: €7,056 million). Of this sum, €5,236 million (2024: €5,254 million) was attributable to expenses for claims, comprising payments for claims of €5,166 million (2024: €5,215 million) and the change in the liability for incurred claims amounting to a decrease of €70 million (2024: decrease of €40 million). It also included the change in the loss component, which amounted to an increase of €159 million (2024: decrease of €40 million). Other insurance service expenses included insurance acquisition cash flows and administration costs and totaled €1,861 million (2024: €1,762 million). Net expenses from reinsurance contracts held in this business came to €177 million (2024: €158 million). The combined ratio (net), which is the ratio of the sum of insurance service expenses and net income/expenses from reinsurance contracts held to insurance revenue, stood at 86.62 percent (2024: 94.94 percent). Major incurred claims from natural disasters came to a total of €25 million in 2025 (2024: €217 million).

Insurance revenue in the inward reinsurance business amounted to €1,999 million (2024: €2,038 million). This included not only premium income but also amortization of the contractual service margin in an amount of €254 million (2024: €271 million) under the general measurement model. Insurance service expenses came to

€1,096 million (2024: €1,628 million). Net expenses from reinsurance contracts held in this business came to €81 million (2024: €54 million). The combined ratio (net), which is the ratio of the sum of insurance service expenses and net income/expenses from reinsurance contracts held to insurance revenue, stood at 58.91 percent (2024: 82.55 percent).

Gains and losses on investments held by insurance companies and other insurance company gains and losses deteriorated by €2,842 million to a net gain of €2,368 million (2024: net gain of €5,210 million).

Long-term interest rates were higher than in 2024. The ten-year Bund/swap rate was 2.93 percent as at December 31, 2025 (December 31, 2024: 2.36 percent). A weighted credit spread calculated in accordance with R+V's portfolio structure, which was largely stable in 2025, stood at 44.0 points as at December 31, 2025 (December 31, 2024: 65.2 points). In 2024, this spread had fallen from 77.0 points as at December 31, 2023 to 65.2 points as at December 31, 2024.

During the reporting year, equity markets relevant to R+V performed well. For example, the EURO STOXX 50, a share index comprising 50 large, listed companies in the eurozone, saw a rise of 895 points from the start of 2025, closing the year under review on 5,791 points (December 31, 2024: 4,896 points). The index had added 374 points in 2024.

In the reporting year, movements in exchange rates between the euro and various currencies were generally less favorable than in the previous year. For example, the US dollar/euro exchange rate on December 31, 2025 was 0.8515 compared with 0.9657 as at December 31, 2024. In the previous year, the exchange rate had moved from 0.9053 as at December 31, 2023 to 0.9657 as at December 31, 2024.

These trends resulted in a €1,823 million deterioration in foreign-exchange gains and losses to a net loss of €1,169 million (2024: net gain of €654 million) and a €1,733 million negative change – resulting from the effects of changes in negative fair values, primarily of fixed-income investments in fund-linked business – in unrealized gains and losses to a net gain of €1,192 million (2024: net gain of €2,925 million). However, the contribution to earnings from the derecognition of investments improved by €393 million to a net loss of €139 million (2024: net loss of €532 million), other non-insurance gains and losses improved by €259 million to a net loss of €384 million (2024: net loss of €643 million), net income under current income and expense climbed by €42 million to €2,972 million (2024: €2,930 million), and the balance of depreciation, amortization, impairment losses, and reversals of impairment losses improved by €21 million to a net expense of €103 million (2024: net expense of €124 million). Changes in gains and losses on investments held by insurance companies are offset to an extent by corresponding changes in insurance finance income or expenses, so the overall effect on profit or loss is only partial.

Insurance finance income or expenses improved by €2,498 million to a net expense of €2,853 million (2024: net expense of €5,351 million). In the life and health insurance business, this line item amounted to a net expense of €2,491 million (2024: net expense of €4,945 million). The improvement was mainly due to the aforementioned compensatory effect. Insurance finance income or expenses came to a net expense of €210 million in the non-life insurance business (2024: net expense of €256 million) and a net expense of €152 million in inward reinsurance (2024: net expense of €149 million). The amount within insurance finance income or expenses relating to discounting at the discount rate used at initial measurement (locked-in discount rate) was a net expense of €189 million in non-life insurance (2024: net expense of €191 million) and a net expense of €193 million in inward reinsurance (2024: net expense of €149 million).

Other net operating income rose to €33 million (2024: €8 million), mainly as a result of the year-on-year improvement in gains and losses on non-current assets and disposal groups classified as held for sale, especially real estate.

There was a considerable rise in **profit before taxes** to €2,144 million, mainly because of the factors described above (2024: €1,240 million; forecast for 2025: significant fall).

Regulatory RORAC was 21.0 percent (2024: 13.0 percent).

3.2.3 TeamBank

Net interest income amounted to €514 million in 2025 (2024: €534 million). Average loans and advances to customers declined to €9,703 million in the reporting year (2024: €9,811 million).

As at December 31, 2025, loans and advances to customers stood at €9,553 million (December 31, 2024: €9,854 million). The number of customers came to 1,067 thousand (December 31, 2024: 1,071 thousand). As at December 31, 2025, TeamBank was working with 599 (December 31, 2024: 623) of Germany's 636 (December 31, 2024: 662) cooperative banks and with 173 (December 31, 2024: 166) partner banks in Austria.

Net fee and commission income came to a net expense of €38 million (2024: net expense of €37 million) and was dominated by expenses for bonuses paid to partner banks.

The net addition to **loss allowances** amounted to €233 million (2024: net addition of €205 million). This was due in no small part to the weak economic conditions and customers' poorer payment history.

Administrative expenses amounted to €279 million (2024: €283 million). Within this figure, staff expenses came to €104 million (2024: €106 million). Other administrative expenses totaled €175 million (2024: €177 million).

Other net operating income declined to €6 million (2024: €13 million).

Amid challenging market conditions and a difficult risk situation, TeamBank reported a **loss before taxes** of €29 million. This represented a substantial deterioration of €52 million (2024: profit before taxes of €23 million; forecast for 2025: substantial deterioration).

TeamBank's **cost/income ratio** was 57.9 percent (2024: 55.5 percent).

Regulatory RORAC was minus 5.5 percent (2024: 4.4 percent).

3.2.4 UMH

Net fee and commission income improved by €68 million to €2,377 million (2024: €2,309 million). Within this figure, the volume-related income contribution rose to €2,211 million (2024: €2,131 million) and income from transaction fees for properties in Union Investment's real estate funds increased to €73 million (2024: €55 million). Performance-related management fees declined to €17 million (2024: €42 million). Expenses for the performance bonus for sales partners came to €83 million (2024: €90 million).

The change in net fee and commission income was predominantly due to the factors described below.

The average assets under management totaled €516.6 billion (2024: €484.8 billion).

Union Investment generated net inflows from its retail business of €13.5 billion (2024: €12.6 billion) in collaboration with the local cooperative banks.

The number of traditional fund-linked savings plans, which are used by retail customers as investments aimed at long-term capital accumulation, stood at 4.1 million contracts as at December 31, 2025 (December 31, 2024: 3.9 million), with an increase in the 12-month savings volume to €7.7 billion (December 31, 2024: €7.0 billion).

The total assets in the portfolio of Riester pension products amounted to €32.3 billion (December 31, 2024: €32.0 billion).

In its institutional business, Union Investment recorded net inflows of €9.8 billion (2024: €4.7 billion).

The net gain under **other gains and losses on valuation of financial instruments** declined to €19 million (2024: €85 million), which was largely attributable to the net gain of €3 million on guarantee commitments (2024: net gain of €37 million), with a net gain of €16 million arising on Union Investment's own-account investments (2024: net gain of €48 million).

Administrative expenses went up by €89 million to €1,352 million (2024: €1,263 million). Staff expenses increased by €26 million to €626 million (2024: €600 million) owing to higher salaries on average and to appointments to new and vacant posts. Other administrative expenses climbed by €63 million to €726 million (2024: €663 million), mainly because of higher expenses incurred in connection with IT, consultancy, public relations, and marketing.

Other net operating income amounted to €41 million (2024: net loss of €6 million). The change was mainly attributable to income from the reversal of provisions in 2025 and to lower restructuring expenses.

Based mainly on the changes described above, **profit before taxes** decreased slightly by €56 million to €1,185 million (2024: €1,241 million; forecast for 2025: significant decrease).

The **cost/income ratio** in 2025 was 53.3 percent (2024: 50.5 percent).

Regulatory RORAC was greater than 100.0 percent (2024: greater than 100.0 percent).

3.2.5 DZ BANK – CICB

Net interest income is primarily attributable to the lending business portfolios (Corporate Banking business line), the portfolios from the capital markets business (including the portfolios of Group Treasury), and the long-term equity investments allocated to the central institution and corporate bank. Net interest income decreased by €65 million to €1,487 million (2024: €1,552 million).

In the Corporate Banking business line, net interest income rose by €22 million to €615 million (2024: €593 million). The net interest income in the four regional corporate customer divisions plus Central Corporate Banking increased to €355 million (2024: €341 million). This increase was attributable to the higher lending volume. Net interest income in the Structured Finance and Investment Promotion divisions amounted to €260 million, a rise of €8 million compared with the prior-year figure of €252 million. This was due to the growth of the lending volume in the Structured Finance division.

Net interest income from money market and capital markets business decreased by €148 million to €739 million (2024: €887 million). Within this figure, the fall in interest rates in the money market led to reduced net interest income from the investment of liquidity from the excess of non-interest-bearing liabilities (e.g. equity) over non-interest-bearing assets.

Other net interest income from loan administration fees rose by €3 million to €32 million (2024: €29 million).

Income from profit-pooling, profit-transfer, and partial profit-transfer agreements, together with income from other shareholdings and current income from investments in subsidiaries, amounted to €101 million (2024: €43 million).

Net fee and commission income went up by €59 million to €691 million (2024: €632 million).

The principal sources of income were service fees in the Corporate Banking business line (in particular, from lending business including guarantees and international business), in the Capital Markets business line (mainly from securities issuance and brokerage business, agents' fees, transactions on futures and options exchanges, financial services, and the provision of information), and in the Transaction Banking business line (primarily from payments processing including credit card processing, and safe custody). As part of service procurement arrangements, DZ BANK has transferred processing services in the payments processing business to

equensWorldline SE and Cash Logistik Security AG, and in securities business to Deutsche WertpapierService Bank AG. The expenses arising in connection with obtaining services from the above external processing companies amounted to a total of €153 million (2024: €181 million) and were reported under the net fee and commission income of the Transaction Banking business line.

In the Corporate Banking business line, net fee and commission income was €5 million higher than in the previous year at €227 million (2024: €222 million). One of the main reasons for this was the increase in fees and commissions in the syndicated loan business.

In the Capital Markets business line, the contribution to net fee and commission income rose by €8 million to €258 million (2024: €250 million). The securities business was the main driver behind this rise.

Net fee and commission income in the Transaction Banking business line rose by €36 million to €240 million (2024: €204 million). This was mainly due to lower expenses paid under the service procurement agreement with equensWorldline SE as a result of bringing payments processing activities inhouse again at DZ BANK, a process that commenced in 2024.

Gains and losses on trading activities amounted to a net gain of €452 million (2024: net gain of €7 million). This figure comprised the gains and losses on operating trading activities as well as effects resulting from the IFRS rules on measuring financial instruments (IFRS-related effects).

The gains and losses on operating trading activities chiefly reflect the business activity of the Capital Markets Trading division and, in particular, transactions where there is an intent to trade. It should be borne in mind that IFRS rules can result in an accounting mismatch, with certain contributions to earnings in the Capital Markets Trading division being recognized in different income items (e.g. net interest income) instead of under gains and losses on operating trading activities. The IFRS rules can also impact on the timing of the recognition of income from the operating business in the income statement. This means that, in certain cases, effects cannot be recognized in gains and losses on operating trading activities in the same period and, instead, can only be recognized over the whole term of the affected transactions.

Gains and losses on operating trading activities in the Capital Markets Trading division came to a net gain of €530 million, compared with a net gain of €495 million in 2024. The rise stemmed from fixed-income trading and foreign exchange trading.

The IFRS-related effects also reflect the fact that under the IFRS rules, the valuation effects that arise on transactions between the Capital Markets Trading division and other divisions in the course of risk and liquidity management are not taken into consideration.

These IFRS-related effects can have a material impact on the level of gains and losses on trading activities, primarily due to movements in interest rates and spreads. In 2025, these effects on gains and losses on trading activities improved by €410 million to a net loss of €78 million (prior year: net loss of €488 million).

Gains and losses on investments improved by €18 million to a net gain of €30 million (2024: net gain of €12 million). The net gain in the reporting year resulted from income of €30 million (2024: expenses of €12 million) from the sale of securities in the category 'financial assets measured at fair value through other comprehensive income' (fair value OCI), combined with expenses of €2 million (2024: income of €25 million) arising from the unwinding of hedges accounted for in the category 'fair value through other comprehensive income' in the context of portfolio fair value hedge accounting. Securities in the category 'financial assets and liabilities measured at fair value through profit or loss' (fair value PL) generated a net gain of €2 million (2024: €2 million).

Other gains and losses on valuation of financial instruments contains the effects from financial instruments measured at fair value that are not held for trading as well as effects from hedge accounting.

This item thus also contains fair value gains and losses on financial assets and liabilities designated as at fair value through profit or loss (fair value option), with credit rating effects from financial liabilities being recognized in equity.

Other gains and losses on valuation of financial instruments deteriorated to a net loss of €37 million (2024: net gain of €134 million). Of this amount, a net loss of €100 million was attributable to valuation effects in connection with changes in spreads (2024: net gain of €66 million). Other gains and losses on valuation of financial instruments included a net gain of €38 million from ineffectiveness in hedge accounting (2024: net gain of €52 million).

Gains and losses from the derecognition of financial assets measured at amortized cost deteriorated by €50 million year on year to a net loss of €7 million (2024: net gain of €43 million).

Loss allowances amounted to a net addition of €241 million (2024: net addition of €457 million). Of this total, net reversals of €18 million (2024: net reversals of €8 million) related to loss allowances in stage 1, net additions of €96 million (2024: net additions of €73 million) related to loss allowances in stage 2, and net additions of €162 million related to loss allowances in stage 3 including gains and losses on purchased or originated credit-impaired assets (POCI assets) and other income/expense from loss allowances (2024: net additions of €392 million).

The net additions of €78 million in stages 1 and 2 in 2025 were attributable, in particular, to changes in the portfolio (conversion of off-balance-sheet transactions into on-balance-sheet transactions, rating downgrades, term extensions). Furthermore, additions were made in respect of individual counterparties in stage 3 following changes in credit ratings.

Administrative expenses increased by €74 million to €1,526 million (2024: €1,452 million).

Staff expenses went up by €67 million to €774 million (2024: €707 million) on the back of higher wages and salaries – and thus higher social security expenses – resulting not only from an increase in the number of employees but also from pay rises.

Other administrative expenses rose by €8 million to €753 million (2024: €745 million).

Other net operating income, which totaled €15 million (2024: net expense of €3 million), included income of €62 million from the reversal of provisions and accruals (2024: income of €39 million) and expenses of €17 million for restructuring provisions (2024: expenses of €17 million).

Profit before taxes increased substantially by €396 million to €864 million, mainly because of the changes described above (2024: €468 million; forecast for 2025: significant rise).

The **cost/income ratio** in 2025 was 58.0 percent (2024: 61.1 percent).

Regulatory RORAC was 15.3 percent (2024: 8.2 percent).

3.2.6 DZ HYP

At €819 million, the **net interest income** of DZ HYP was up by €24 million year on year (2024: €795 million). One of the drivers of net interest income was the average volume of real estate loans, which stood at €57,387 million (2024: €57,150 million).

The volume of new business (including public-sector finance) stood at €11,712 million (2024: €9,498 million). In the corporate customer business, the volume of new business came to €9,246 million (2024: €7,221 million). In the retail customer business, the volume of new commitments amounted to €1,632 million (2024:

€1,509 million). In the public-sector business, DZ HYP generated a new business volume of €834 million (2024: €768 million).

Other gains and losses on valuation of financial instruments deteriorated by €130 million to a net loss of €138 million (2024: net loss of €8 million). This was largely attributable to the negative liquidity-spread-related valuation effects on own issues of €98 million (2024: positive effects of €68 million) and other negative changes of €86 million in the valuations of financial instruments measured at fair value (2024: negative changes of €78 million) that were predominantly attributable to amortization effects from hedge accounting. On the other hand, the positive change in credit spreads and liquidity spreads on bonds from eurozone periphery countries resulted in a contribution to earnings of €36 million (2024: €4 million).

Loss allowances amounted to a net addition of €105 million (2024: net addition of €90 million) and were primarily influenced by specific material exposures.

Administrative expenses went up by €10 million to €256 million (2024: €246 million). The rise in staff expenses to €128 million (2024: €117 million) was mainly the result of headcount growth and higher salaries. Other administrative expenses remained unchanged at €128 million (2024: €128 million).

Based mainly on the changes described above, **profit before taxes** decreased substantially by €141 million to €338 million (2024: €479 million; forecast for 2025: substantial decrease).

The **cost/income ratio** was 36.6 percent (2024: 30.1 percent).

Regulatory RORAC was 28.5 percent (2024: 34.9 percent).

3.2.7 DZ PRIVATBANK

The **net interest income** of DZ PRIVATBANK fell by €36 million to €140 million (2024: €176 million) due in particular to lower money market income and lower interest on deposits.

Net fee and commission income went up by €11 million to €246 million (2024: €235 million). Contributions to earnings in private banking and the fund services business are the main drivers of net fee and commission income.

As at December 31, 2025, high-net-worth individuals' assets under management, which comprise the volume of securities, derivatives, and deposits of customers in the private banking business, came to €30.7 billion. This was significantly higher than the figure as at December 31, 2024 of €26.1 billion. Assets held for funds rose markedly by €19.5 billion, up from €161.8 billion as at December 31, 2024 to €181.3 billion as at December 31, 2025. The number of fund-related mandates was 567 (December 31, 2024: 572).

Other gains and losses on valuation of financial instruments improved by €28 million to a net gain of €4 million (2024: net loss of €24 million). The prior-year figure had mainly been influenced by liquidity-spread-related negative valuation effects on own issues measured using the fair value option.

Loss allowances amounted to a net reversal of €5 million (2024: net addition of €17 million). In the prior year, loss allowances had increased due to the settlement of securities and dividend payments in Russian rubles in connection with depository services.

Administrative expenses went up by €25 million to €320 million (2024: €295 million). At €192 million, staff expenses were higher than the prior-year figure of €175 million due to the increase in the number of employees in connection with the planned expansion of business. Other administrative expenses increased to €129 million (2024: €119 million), mainly because of higher expenses for IT and consultancy.

Other net operating income decreased to €8 million (2024: €16 million), chiefly as a result of the remeasurement in the prior year of investment fund liabilities that were related to exposures in Russian rubles subject to sanctions.

Based mainly on the changes described above, **profit before taxes** recorded a moderate decrease to €106 million (2024: €112 million; forecast for 2025: significant decrease).

The **cost/income ratio** was 75.8 percent (2024: 69.7 percent).

Regulatory RORAC was 25.2 percent (2024: 32.0 percent).

3.2.8 VR Smart Finanz

Net interest income at VR Smart Finanz rose to €151 million (2024: €141 million). The increase in net interest income was mainly due to a year-on-year rise in the lending and object finance portfolio volume, which was up from €3,102 million to €3,115 million, and to higher net margins that were chiefly thanks to the increased share of the portfolio attributable to the 'VR Smart flexibel' product.

New lending and object finance business with customers in the small business, self-employed, and SME segments amounted to €1,183 million in the reporting year, which was lower than the figure for the prior year of €1,238 million. The decline was influenced by a tangible reluctance to invest and a more restrictive policy toward new business. New collateralized finance business came to €547 million (2024: €609 million). New business involving the 'VR Smart flexibel' business loan amounted to €636 million (2024: €630 million).

Net fee and commission income amounted to a net expense of €40 million (2024: net expense of €35 million), mainly reflecting the increase in the fees and commissions paid to the local cooperative banks.

The persistently challenging economic environment meant that, once again, it was necessary to recognize a high level of impairment losses. The net addition to **loss allowances** was consequently on a par with the prior year at €51 million (2024: net addition of €52 million).

Administrative expenses rose to €82 million (2024: €78 million), the main reason being inflation. Staff expenses came to €49 million (2024: €46 million). Other administrative expenses amounted to €34 million (2024: €32 million).

Based mainly on the changes described above, VR Smart Finanz's **loss before taxes** deteriorated significantly to €28 million (2024: loss of €23 million; forecast for 2025: strong improvement).

The **cost/income ratio** was 78.8 percent (2024: 73.6 percent).

Regulatory RORAC was minus 16.2 percent (2024: minus 14.0 percent).

3.2.9 DZ BANK – holding function

Net interest income contains the interest expense on subordinated capital and senior non-preferred paper purchased by group entities as well as on issued subordinated capital and senior non-preferred paper. It also contains the net interest income/expense resulting from obtaining liquidity from the excess of non-interest-bearing assets (e.g. long-term equity investments) over non-interest-bearing liabilities.

Net interest income amounted to a net expense of €122 million in the reporting year (2024: net expense of €158 million).

The net interest expense on purchased and issued subordinated capital and senior non-preferred paper amounted to €78 million (2024: €71 million).

The net interest expense resulting from obtaining liquidity from the excess of non-interest-bearing assets over non-interest-bearing liabilities amounted to €44 million in the year under review (2024: €87 million). This change was due to a market interest rate-induced reduction in the short-dated segment.

Administrative expenses went down by €2 million year on year to €213 million (2024: €215 million).

The protection levies (in particular the contributions to the BVR protection scheme) declined by €6 million to €24 million (2024: €30 million) due to lower contributions to the BVR deposit guarantee fund. IT and project expenses decreased from €83 million in 2024 to €76 million in 2025. Expenses from the group management function rose by €10 million to €80 million (2024: €70 million). Other expenses for the benefit of the group and local cooperative banks were on a par with the prior year at €33 million (2024: €32 million).

3.2.10 Other/Consolidation

The consolidation-related adjustments shown under Other/Consolidation to reconcile operating segment profit/loss before taxes to consolidated profit/loss before taxes are attributable to the elimination of intragroup transactions and to the fact that investments in joint ventures and associates are accounted for using the equity method. Differences between the figures in internal management reporting and those reported in the consolidated financial statements that arise from the recognition of internal transactions in the DZ BANK – CICB operating segment are also eliminated.

The adjustments to net interest income were primarily the result of the elimination of intragroup dividend payments and were also attributable to the early redemption of issued bonds and commercial paper that had been acquired by entities in the DZ BANK Group other than the issuer. Internal transactions in the DZ BANK – CICB operating segment are also eliminated in net interest income with offsetting entries under gains and losses on trading activities, and in other gains and losses on valuation of financial instruments.

The figure under Other/Consolidation for net fee and commission income largely relates to the fee and commission business of TeamBank and the BSH subgroup with the R+V subgroup.

The remaining adjustments are mostly also attributable to the consolidation of income and expenses.

4 Net assets

As at December 31, 2025, the DZ BANK Group's **total assets** amounted to €661,425 million and thus held steady (December 31, 2024: €659,638 million; forecast for December 31, 2025: slight fall). This was based on the changes described below.

The **volume of business** amounted to €1,292,783 million (December 31, 2024: €1,258,111 million). This figure comprised the total assets, the assets under management at UMH as at December 31, 2025 amounting to €534,613 million (December 31, 2024: €504,707 million), the financial guarantee contracts and loan commitments amounting to €95,406 million (December 31, 2024: €92,163 million), and the volume of trust activities amounting to €1,339 million (December 31, 2024: €1,603 million).

Cash and cash equivalents declined to €73,978 million (December 31, 2024: €81,790 million). The decrease was predominantly attributable to DZ PRIVATBANK and DZ BANK – CICB (liquidity management function).

Loans and advances to banks rose to €150,288 million (December 31, 2024: €143,532 million). Loans and advances to banks in Germany amounted to €129,105 million (December 31, 2024: €127,867 million), comprising loans and advances to affiliated banks of €115,612 million (December 31, 2024: €117,967 million) and loans and advances to other banks of €13,493 million (December 31, 2024: €9,900 million). Loans and advances to foreign banks stood at €21,183 million (December 31, 2024: €15,665 million).

Loans and advances to customers amounted to €210,224 million, which was higher than the figure of €208,688 million reported as at December 31, 2024. Loans and advances to customers in Germany grew to €179,248 million (December 31, 2024: €178,565 million), while loans and advances to foreign customers rose to €30,976 million (December 31, 2024: €30,123 million).

Financial assets held for trading amounted to €29,631 million (December 31, 2024: €30,441 million). Within this amount, derivatives (positive fair values) stood at €13,201 million (December 31, 2024: €16,231 million), bonds and other fixed-income securities at €12,285 million (December 31, 2024: €10,441 million), shares and other variable-yield securities at €3,174 million (December 31, 2024: €2,102 million), money market placements at €9 million (December 31, 2024: €680 million), and promissory notes and registered bonds at €962 million (December 31, 2024: €986 million).

Investments rose to €62,885 million (December 31, 2024: €62,049 million). The main reasons for this change were an increase in shares and other variable-yield securities to €4,027 million (December 31, 2024: €3,184 million) and an increase in bonds and other fixed-income securities to €58,136 million (December 31, 2024: €58,076 million).

Investments held by insurance companies grew to €125,690 million (December 31, 2024: €122,625 million). Within this amount, fixed-income securities came to €57,596 million (December 31, 2024: €55,403 million), assets related to unit-linked contracts to €26,758 million (December 31, 2024: €24,859 million), mortgage loans to €12,498 million (December 31, 2024: €12,685 million), and variable-yield securities to €12,138 million (December 31, 2024: €12,257 million).

Deposits from banks rose to €189,844 million (December 31, 2024: €187,526 million). Within this total, deposits from domestic banks increased to €166,735 million (December 31, 2024: €164,066 million), which included a rise in deposits from affiliated banks to €79,308 million (December 31, 2024: €77,432 million) that was primarily due to reallocations to commercial paper. By contrast, deposits from foreign banks declined to €23,108 million (December 31, 2024: €23,459 million). Since the beginning of 2025, portfolios of structured money market business have no longer been held for trading. Consequently, the money market deposits from banks that had previously been recognized under financial liabilities held for trading were recognized under deposits from banks in an amount of €3,458 million as at December 31, 2025.

Deposits from customers declined to €148,398 million (December 31, 2024: €154,103 million), predominantly owing to a reduction in the volume of overnight money and fixed-term deposits. Deposits from domestic customers shrank to €132,105 million (December 31, 2024: €133,575 million), while deposits from foreign customers fell to €16,293 million (December 31, 2024: €20,528 million).

At the end of the reporting year, the carrying amount of **debt certificates issued including bonds** was €111,452 million (December 31, 2024: €109,810 million), predominantly because of a rise in commercial paper and increased issues of mortgage Pfandbriefe. Within the total figure, the portfolio of bonds issued came to €87,339 million (December 31, 2024: €88,139 million), while the portfolio of other debt certificates issued stood at €24,112 million (December 31, 2024: €21,672 million). As was also the case as at December 31, 2024, all other debt certificates issued are commercial paper.

Financial liabilities held for trading declined to €41,148 million (December 31, 2024: €42,234 million). Within this figure, money market deposits contracted to €45 million (December 31, 2024: €3,754 million). Since the beginning of 2025, portfolios of structured money market business have no longer been held for trading. Consequently, the money market deposits from banks that had previously been recognized under financial liabilities held for trading were recognized under deposits from banks in an amount of €3,458 million as at December 31, 2025. However, bonds issued grew to €22,841 million (December 31, 2024: €20,961 million) and short positions to €3,578 million (December 31, 2024: €2,379 million).

Insurance contract liabilities increased to €113,616 million (December 31, 2024: €111,340 million). This was predominantly due to the rise in the liability for remaining coverage to €101,014 million (December 31, 2024: €98,482 million).

As at December 31, 2025, **equity** had advanced to €35,196 million (December 31, 2024: €32,578 million). The increase was mainly due to growth in retained earnings to €19,918 million (December 31, 2024: €17,673 million). The reserve from other comprehensive income amounted to minus €789 million (December 31, 2024: minus €902 million).

The **capital adequacy** of the DZ BANK Group and the DZ BANK banking group is described in the risk report within this group management report (chapter VI.7).

5 Financial position

In the context of liquidity management, the DZ BANK Group distinguishes between **short-term liquidity** (liquidity in the maturity band of up to one year) and **structural liquidity** (liquidity in the maturity band of more than one year).

The DZ BANK Group has a diversified funding base for short-term liquidity. A considerable portion is accounted for by money market activities resulting from the cash-pooling function with the local cooperative banks. This enables cooperative banks – within the approved limits – to invest available liquidity with DZ BANK or to obtain liquidity from DZ BANK if they need it. This regularly results in a liquidity surplus, which provides one of the main bases for short-term funding in the unsecured money markets. Corporate customers and institutional clients are another important source of funding for covering short-term liquidity requirements.

For funding purposes, the DZ BANK Group also issues money market products based on debt certificates under a standardized groupwide multi-issuer euro commercial paper program through its offices and branches in Frankfurt am Main, New York, Hong Kong, London, and Luxembourg. In addition, a US CP head office program is used centrally by DZ BANK Frankfurt am Main.

Key repo and securities lending activities, together with the collateral management process, are managed centrally in DZ BANK's Group Treasury division as a basis for secured money market financing activities. Funding on the interbank market is not strategically important to the DZ BANK Group.

The DZ BANK Group also has at its disposal liquid securities that form part of its counterbalancing capacity. These securities can be used as collateral in monetary policy funding transactions with central banks, or in connection with secured funding in private markets.

Structural liquidity activities are used to manage and satisfy the long-term funding requirements (more than one year) of DZ BANK and, in coordination with the group entities, those of the DZ BANK Group.

Economic and regulatory **liquidity adequacy** is used to assess the financial position of the DZ BANK Group and the DZ BANK banking group. As described in chapter VI.2.4 of the risk report, solvency was never in jeopardy at any point during 2025. Information on the use of KPIs for economic and regulatory liquidity adequacy for the purposes of risk management is provided in chapters VI.6.2.1 and VI.6.3.1 of the risk report. The KPIs for liquidity risk as at the reporting date can be found in chapter VI.6.2.7 (economic liquidity adequacy) and chapters VI.6.3.2 and VI.6.3.3 (regulatory liquidity adequacy). The year-on-year changes in cash flows from operating activities, investing activities, and financing activities are shown in the **statement of cash flows** in the consolidated financial statements. The contractual cash inflows and cash outflows are set out in the maturity analysis in note 85 of the notes to the consolidated financial statements.

III Events after the balance sheet date

There were no events of particular importance after the end of the financial year.

IV Outlook

1 Economic conditions

The projected developments in the economic environment underlying this outlook are based on the future trajectory of macroeconomic conditions deemed most probable by DZ BANK. These form the basis for the forecasts of financial position and financial performance. Potential adverse macroeconomic developments that diverge from the projection and give rise to material risks for the DZ BANK Group are addressed and examined in detail in the risk report, primarily in chapter VI.5.2. Opportunities arising from economic conditions that are more favorable than predicted are presented in chapter V.3.1 of the opportunity report.

1.1 Global economic trends

The past year was a challenging time for the global economy. It was dominated by the new US administration's tariff policy and saw massive hikes in tariffs on imports into the United States and a great deal of uncertainty in international trade. These adverse factors will continue to weigh on the global economy in 2026, albeit in a slightly diminished form. The US tariffs eventually settled at a more moderate level, partly thanks to the many bilateral trade agreements reached. DZ BANK believes that these agreements should also help to calm nerves in the global trade environment. This belief is already being backed up by relevant indicators.

Nonetheless, tariffs on imports into the United States remain many times higher than they were at the start of 2025, which will hold back global trade on the whole. Moreover, the different tariff levels are distorting competition among the United States' trading partners, causing shifts in trade flows. The tightening of tariff policy has hit the People's Republic of China particularly hard, and its direct imports to the United States have fallen by around a third. China is now redirecting these goods into other countries, from where some of them are reaching the United States indirectly, while others are forcing their way into the market in these countries and competing for market share. As the US government is trying to block China's diversion strategy, competition from Chinese products is likely to continue to increase in many countries.

In addition, the bilateral trade agreements with the United States impose less favorable competition conditions on its trading partners. They were forced to make considerable concessions, such as no tariffs on US imports into their domestic markets, commitments to buy US products, and promises to invest in the United States. There is also a concern that Washington will continue to introduce erratic policies and that tariffs will be used as a way of exerting pressure whenever the need arises. DZ BANK therefore believes that 2026 will be another year of heightened political uncertainty.

Despite the shock-like effects from the tightening of US tariff policy, the global economy has proved remarkably resilient so far because new growth drivers have emerged that were able to cushion the impact of tariffs. High levels of capital expenditure in the field of artificial intelligence (AI) in the United States and the opening up of new sales markets for Chinese exports should continue to bolster the global economy in 2026. Furthermore, the German government's decisions to increase government debt in order to invest in infrastructure and defense have paved the way for an economic rebound. The price of crude oil should also benefit the global economy as it is expected to remain at a low level due to excess supply. In DZ BANK's view, global economic growth is likely to pick up over the course of 2026, although the average for the year at 3.2 percent will be slightly lower than the growth rate achieved in 2025 of 3.4 percent.

The various conflicts around the world and the resulting trade frictions are also holding back the global economy. These developments are covered in chapter VI.5.2.1 of the risk report.

1.2 Trends in the USA

The US economy has shown itself to be resilient so far, despite all the uncertainties surrounding tariffs. Companies are not rushing to pass on the costs of the tariffs to consumers. Although US inflation is expected

to accelerate in 2026, it will only be at a moderate rate, thus limiting the loss of households' purchasing power. Wealthier households, in particular, will benefit from asset gains resulting from the healthy performance of the stock markets. Consumer spending is thus likely to remain a mainstay of the US economy. In addition, capital expenditure on data centers and software will be stepped up significantly and should provide a material boost to US economic growth in 2026. Further stimulus is anticipated from the package of tax cuts dubbed the 'One Big Beautiful Bill Act' (OBBA), which includes investment incentives. The US economy is predicted to grow by 3.1 percent in 2026, compared with 2.2 percent in 2025.

The unpredictability of the current US administration poses a particular risk, not least in view of the upcoming congressional elections in November 2026. New trade disputes cannot be ruled out either. The agreement entered into with China, which has a term of just one year, appears especially precarious. In addition, the North American free trade agreement (USMCA – United States-Mexico-Canada Agreement) is up for review in summer 2026, which could also lead to tensions. However, the proceedings pending before the Supreme Court regarding the lawfulness of most of the tariffs imposed are unlikely to fundamentally change US trade policy.

1.3 Trends in the eurozone

Despite the tricky foreign trade environment, the eurozone held up relatively well in 2025. This was partly due to the beneficial effects at the start of the year that resulted from trade with the United States being brought forward. However, the lasting adverse impact of the tariffs caused growth to falter over the course of the year. The negative effects of US tariff policy are weighing more heavily on countries in which industry makes a significant contribution to value creation and that have a strong focus on exports to the US, such as Germany and Italy. In summer 2025, the European Commission and the US government agreed a tariff deal that notably provides tariff relief for the automotive industry and protects the pharmaceutical industry against tariff rises. Overall, however, the tariffs now represent a significantly higher burden than they did at the start of 2025, which means that exports from the eurozone are likely to be noticeably slower in 2026.

By contrast, demand from within Europe should provide stronger growth stimulus. This will primarily be driven by greater levels of investment, particularly in Germany. A key factor in this is the stepping up of defense efforts in connection with the NATO resolutions adopted in June 2025, under which member countries committed to increasing their defense spending to 3.5 percent of economic output. Another 1.5 percent is to be spent in areas relevant to defense, such as infrastructure. Overall, the eurozone is expected to see slightly weaker economic growth of 1.2 percent in 2026 (2025: 1.5 percent), although the economy is predicted to gain momentum over the course of the year. At country level, the biggest member states are likely to see a slight shift in the growth picture. Germany should be able to move up from last place thanks to its debt-funded boost to investment, whereas Italy and France will fall behind. Spain is anticipated to claim the top spot thanks to its stronger focus on services.

Over the course of 2025, upward pressure on consumer prices eased only slightly. The appreciation of the euro, the slower pace of wage growth, and a year-on-year decrease in energy prices indicate that inflation will continue to fall in the first few months of 2026. As the year goes on, however, upward pricing pressures are likely to pick up a little once the economic rebound gathers strength. Nevertheless, the expected average rate of inflation for the year of 1.9 percent is just below the target of the European Central Bank (ECB).

1.4 Trends in Germany

The aggressive tariff policy introduced by the United States hit an already weakened German economy, which had seen two consecutive years of recession in 2023 and 2024. Economic output dipped briefly during 2025 too. Over the year as a whole, the German economy only just avoided being stagnant, registering modest growth of 0.2 percent.

However, the planned material increase in government capital expenditure has temporarily brightened the German economy's growth prospects somewhat, despite persistent structural challenges and the failure so far to introduce reforms. The coalition government formed by the CDU/CSU and SPD created a special off-budget infrastructure fund of €500.0 billion and changed the debt brake in the German Constitution in order to

increase spending on defense. Nevertheless, there are likely to be initial delays in implementing the public-sector investment projects. Overall, therefore, the increased government demand in 2026 should fuel a revival of the German economy that will gather pace as the year progresses. The biggest effects of this domestic-led recovery are likely to be seen in capital expenditure and government consumption, whereas the new foreign trade environment shaped by the ongoing impact of US tariffs and growing competition from China will cause a slight decline in exports. Based on the assumptions used in the outlook, DZ BANK anticipates economic growth of 1.2 percent in 2026. However, the fiscal policy boost will not fix the underlying long-term weakness of growth.

The lackluster economic environment meant that the unemployment rate in Germany rose to 6.3 percent in 2025. In 2026, the improvement in economic conditions should help to ease the pressure on the labor market, allowing unemployment to fall again slightly. DZ BANK expects unemployment to edge down to 6.2 percent.

Inflation is likely to ease further in the first half of 2026. The rate of inflation could briefly dip below 2 percent on the back of lower energy prices. But the government-induced economic upturn will probably lead to capacity bottlenecks and thus rising prices in some subsegments of the economy, causing inflationary pressures to grow again over the course of the year. The average inflation rate for 2026 is therefore anticipated to be 2.1 percent, which is a little lower than the 2025 rate of 2.3 percent.

1.5 Trends in the financial sector

The federal funds rate of the US central bank (Fed) was cut to its current target range of between 3.5 percent and 3.75 percent in the second half of 2025. Until mid-2025, the ECB decreased the main refinancing operations interest rate in the eurozone in several stages to 2.15 percent, where it has remained ever since. DZ BANK anticipates that the target range for the federal funds rate will fall further in 2026, whereas the ECB rate will hold steady. The risks arising from scenarios involving unexpected changes in interest rates are examined in chapter VI.5.2.6 of the risk report.

The real estate markets started to stabilize in 2025, and there were signs of a cautious trend reversal toward the end of the year. However, DZ BANK believes that the underlying market movements continue to paint a mixed picture. Following the corrections, property prices are edging back up overall. Most notably, residential real estate has become slightly more affordable again thanks to the rise in incomes. Demand for commercial real estate is more muted because the market is still weighed down by vacant properties and low rents. Overall, the situation differs considerably from region to region and is influenced by qualitative real estate features, although the main segments are continuing to see sustained high demand and low supply. DZ BANK therefore predicts that this piecemeal upward trend will continue in 2026.

Conditions in the equity markets were encouraging overall in 2025, and DZ BANK predicts further rises for the DAX, EURO STOXX, and S&P 500 in 2026. This uptrend will be driven by robust domestic demand, expansionary fiscal policy, and ongoing capital expenditure on technologies of the future, such as AI, that will contribute to long-lasting profit growth. Moreover, the implementation of Germany's fiscal package from 2026 onward will bolster the investment climate and provide additional growth impetus, making further share price increases likely in the year ahead. With regard to the EUR/USD exchange rate, the DZ BANK Group expects the euro to appreciate against the US dollar in the long term.

The financial sector continues to face both cost pressures and pressure to adapt as a result of ongoing structural changes and growing price competition. These pressures represent an additional challenge on top of the economic factors. To counter them, existing business processes need to be optimized and made more efficient by digitalizing them. At the same time, existing business models need to be reviewed and adapted if required.

The implementation of future EU banking regulations will result in further changes for the financial sector too. The sector has already reduced its leverage by improving capital and liquidity adequacy and has also strengthened its risk-bearing capacity. Nevertheless, the supervisory authorities' agenda of reforms will continue to necessitate adjustments. Despite efforts to cut bureaucracy, a challenge in this regard remains implementing these regulatory requirements in overall business management, risk management, and reporting

systems, especially the many rules set out in the standards relating to the environment, social matters, and responsible corporate governance (ESG).

2 Financial performance

In 2026, the DZ BANK Group will continue to pursue its strategic objectives in the context of its role within the Cooperative Financial Network. In an environment that remains challenging in terms of both market and competition, this means, for example, rigorously exploiting potential business in collaboration with the cooperative banks, while at the same time maintaining the planned implementation of various initiatives focused on the digitalization and sustainability of the DZ BANK Group along the entire value chain.

The forecasts below are based on the outcome of the DZ BANK Group's annual planning process. Further information on the planning process can be found under 'DZ BANK Group fundamentals' (chapter I.2.4). Potential variances during 2026 from the underlying planning scenario, in the form of opportunities and risks, may have an influence on financial performance. These uncertainties are monitored continuously and factored into the DZ BANK Group's planning, reporting system, and management.

Net interest income, including net income from long-term equity investments, is expected to decline slightly in 2026. This is due to accounting-related effects with a positive impact on net interest income but a countervailing negative impact on gains and losses on trading activities. These effects contributed to an increase in net interest income in 2025 but are not expected to materialize again to the same extent in 2026.

A small year-on-year reduction in **net fee and commission income** is projected for 2026, which will thus remain a mainstay of the DZ BANK Group's earnings.

Gains and losses on trading activities are likely to improve considerably in 2026. This will be due not only to a higher net gain in the DZ BANK – CICB operating segment in the forecast period but also to the accounting-related effects mentioned under net interest income that adversely affected gains and losses on trading activities in 2025.

Following the exceptionally good level recorded in 2025 on the back of an unusually low claims rate, **net income from insurance business** will likely normalize in 2026 and be at a substantially lower level.

The DZ BANK Group's **expenses for loss allowances** are forecast to rise markedly in 2026 compared with 2025. This is mainly attributable to the inclusion in the planning of a noticeable rise in expenses in the DZ BANK – CICB operating segment, which is expected in light of the forecast geopolitical and macroeconomic conditions.

A further moderate increase in **administrative expenses** is projected for 2026. The biggest influence on this line item is expected to be the level of general and administrative expenses in the DZ BANK – CICB and UMH operating segments.

In 2025, **profit before taxes** was boosted first and foremost by the exceptionally good level of net income from insurance business, which is expected to be lower again in 2026. Profit before taxes is anticipated to be around €3 billion in 2026. This is substantially lower than in 2025 but represents a normalized figure when viewed in the context of a multi-year comparison.

The **cost/income ratio** is likely to see a clear rise in 2026 because income will fall back noticeably while administrative expenses will increase moderately.

At the same time, **regulatory RORAC** will decline sharply again in 2026 due to the exceptionally high profit before taxes achieved in 2025 combined with an only slightly higher base rate of return used in the calculation.

3 Financial position

In 2026, the DZ BANK Group's **total assets** are expected to be slightly lower than their level in 2025.

The **capital adequacy** of the DZ BANK Group, the DZ BANK financial conglomerate, and the DZ BANK banking group is expected to be assured for 2026 based on the forecasts that applied at the time of preparation of this group management report, from both an economic and a regulatory perspective; that is to say, they have sufficient available internal capital and eligible own funds that can be drawn on to cover the risks measured as at the reporting date.

Over the last few years, the DZ BANK Group has greatly strengthened its capital base from its own resources (through the retention of profits) and through corporate action. In 2026, a high priority will once again be given to strengthening the capital base in order to ensure stable capital ratios. For 2026, DZ BANK anticipates that the DZ BANK Group's **common equity Tier 1 capital ratio** will be up slightly year on year, staying above 18 percent.

Further information on the capital adequacy measured as at the reporting date can be found in the risk report (chapter VI.7).

Based on the forecasts that applied at the time of preparation of this group management report regarding the anticipated liquidity risks and predicted levels of available liquidity, the **liquidity adequacy** of the DZ BANK Group and the DZ BANK banking group is expected to be assured for 2026, from both an economic and a regulatory perspective.

The **minimum liquidity surplus** (MLS), which is a measure of economic liquidity adequacy, is predicted to decline significantly in 2026 compared with the level at the end of 2025 but will remain above €20.0 billion.

The **liquidity coverage ratio** (LCR) is likely to fall markedly but remain above 140 percent.

The **net stable funding ratio** (NSFR), which expresses regulatory liquidity adequacy, is expected to be slightly lower in 2026 but remain above 120 percent.

Further information on the liquidity adequacy measured as at the reporting date can be found in the risk report (chapter VI.6).

4 Operating segments in detail

The statements made below regarding the changes relate solely to the forecasts for the individual management units. The impact on the Group's profit before taxes will vary depending on the relative importance of the individual management unit to the total amount for the line item in question.

4.1 BSH

The German real estate market was faced with both growth stimulus and restrictive factors at the end of 2025 and start of 2026. The structural drivers that are likely to be the main sources of momentum for the housing market in the year ahead are the ongoing shortage of homes in major conurbations, demographic change, and government measures to encourage housebuilding and energy efficiency improvements. However, the elevated level of interest rates on building loans and persistent increases in construction costs will continue to act as a brake on new construction. Other adverse factors will be the scarcity of available land, bottlenecks in the supply of materials, and high regulatory requirements, especially in relation to climate change mitigation. This is also reflected in the leading indicator for housebuilding: According to the data available from the German Federal Statistical Office up to October 2025, planning permission was granted for around 195,400 homes in the period January to October 2025. Extrapolated for the year as a whole, the number of building

permits is thus above the very low level seen in 2024 (215,900) but remains at a historically low level overall. Given that completion generally occurs roughly two years after planning permission has been granted, completion rates are likely to be modest in 2026 too, with the Institut der deutschen Wirtschaft (IW) [German Economic Institute] anticipating that around 215,000 homes will be completed in 2026 (2025: 235,000). In contrast to housing starts, the market for existing real estate is expected to be more robust in 2026. Owner-occupiers are likely to increasingly opt for existing properties instead of new-builds; confidence in the viability of finance will probably grow amid a more stable interest-rate environment and improved purchasing power. In addition, the difficult situation in the rental accommodation market is causing some demand to shift to existing properties. The revised EU Energy Performance of Buildings Directive (EPBD), which has to be transposed into national law by no later than May 29, 2026, sets out binding requirements regarding the energy efficiency of residential buildings. This will result in private owners having to invest more heavily in order to make energy efficiency improvements. It should also lead to stable demand for financing solutions based on a home savings contract that enable customers to make long-term plans. Moreover, the fixed interest rates dating back to the phase of historically low interest rates will end for a considerable proportion of home finance contracts in 2026. The resulting refinancing will provide Bausparkasse Schwäbisch Hall AG with the opportunity to strengthen existing customer relationships and to generate new business in a targeted manner.

Despite the general uncertainties that prevail, the expectations regarding the BSH operating segment's business performance in 2026 are characterized by cautious optimism.

Bausparkasse Schwäbisch Hall AG predicts a higher lending volume in its home finance business, primarily driven by finance for existing properties and for energy efficiency measures; since 2024, it has been possible to use credit from Riester savings products to fund these. The elevated level of interest rates is continuing to have a positive impact on demand for home savings loans. Bausparkasse Schwäbisch Hall AG expects the volume of new business in this product area to remain at the good level seen in the reporting year.

In the home savings business, only a moderate improvement in the volume of new business is projected owing to ongoing heightened uncertainty and the muted prospects for the wider economy. This assumption reflects subdued demand from private households and the still volatile conditions in the home finance market.

Nonetheless, the BSH operating segment anticipates a much improved **profit before taxes** in 2026.

The anticipated marked year-on-year rise in **net interest income** should play a key part in this improvement. This rise will be chiefly driven by the growth of home finance business, supported by the cost-efficient raising of funds by means of Pfandbriefe. The higher average interest rates on non-collective loans are expected to have a positive impact too. The expanding volume of home savings loans is also likely to contribute to the rise in net interest income.

Significant growth in new home finance business and a moderate increase in new home savings business are predicted to result in a substantial decline in **net fee and commission income**.

In the lending business, a small rise in **loss allowances** is anticipated, mainly because the macroeconomic situation remains subdued. The still resilient labor market will help to keep credit risk in check.

Administrative expenses are projected to rise slightly in 2026 as a result of inflation. Modernization of the IT platforms as part of the Next Level BauFi ('next-level home finance') project and the introduction of the instantly available home finance product 'SofortBaugeld 2.0' will necessitate the targeted use of resources. The effect of these should be partly offset by increased efficiency resulting from the centralization of product, price, and rule configurations in the pricing engine system, supported by existing measures to manage costs.

The anticipated sharp drop in **other net operating income** is primarily attributable to the reversals of other provisions included in the figure for 2025.

From the current perspective, a moderate decrease in the **cost/income ratio** and a sharp rise in **regulatory RORAC** are expected.

4.2 R+V

The year under review offered favorable conditions for the insurance industry, providing fertile ground for profitable growth. Non-life insurance particularly benefited from the exceptionally benign claims situation. The frequency and intensity of major claim events were lower than in the previous year, which had a positive impact on claims rates. The reinsurance sector also benefited from a moderate level of major claims that remained within budget and boosted the good financial performance. Bolstered by higher single premiums, life insurance stabilized across the sector.

Given the macroeconomic risk factors and geopolitical tensions, 2026 is expected to present difficult conditions. In view of the current volatile changes in the macroeconomic environment, R+V is continuing to align its investment activity with its strategic asset allocation while adhering to the principles of mixed investment and diversification, and ensuring sufficient fungibility. It is thus adjusting the allocation rules in order to manage risks, particularly those stemming from unexpected developments.

R+V – the composite insurer in the Cooperative Financial Network – is planning for growth at a normalized level in 2026. The claims rate trend is predicted to be in line with long-term empirical values and will no longer be influenced by the exceptionally favorable claims situation seen in 2025.

R+V therefore anticipates that, in 2026, the financial performance of its business as a whole will not match the exceptionally strong performance recorded in the reporting year. Consequently, **profit before taxes** is forecast to be considerably lower than in 2025.

Gains and losses on investments held by insurance companies are projected to deteriorate moderately year on year in 2026, based on the capital market parameters that are expected. By contrast, there will be a clear improvement in the countervailing **insurance finance income or expenses**, which essentially represents policyholder participation in gains and losses on investments held by insurance companies.

The **non-life insurance** division is expected to continue to grow as planned in 2026. It is likely to generate a moderate increase in insurance revenue and a modest rise in premiums received. The combined ratio (net) is thus projected to climb markedly from the exceptionally low level registered in the reporting year.

In the **life and health insurance** division, insurance revenue is expected to hold steady in 2026 compared with 2025. Premiums received will probably show a moderate decline. The contractual service margin will rise slightly in 2026 compared with the level in 2025, while its amortization will decrease noticeably.

The **inward reinsurance** division is predicted to achieve a marked increase in insurance revenue and moderate growth of premiums received. The combined ratio (net) is projected to rise sharply from the exceptionally favorable level of the reporting year.

Regulatory RORAC will see a strong decline in 2026 owing to the very high level of profit before taxes in 2025.

4.3 TeamBank

In collaboration with the cooperative banks and in accordance with its long-term strategy, TeamBank is aiming to generate profitable and sustainable growth in 2026 at a rate that is higher than that of the market. This is predicted to result in a small increase in **net interest income**.

As fees and commissions paid are expected to hold steady and bonus payments to partner banks are likely to rise markedly, a moderate decrease in **net fee and commission income** is forecast.

Administrative expenses are expected to remain more or less unchanged in 2026 compared with 2025.

A further small rise in **loss allowances** is forecast for 2026 in view of increasing new business and portfolio growth combined with a risk situation that remains elevated. This will weigh on profit before taxes in 2026.

Given this risk situation, TeamBank forecasts that it will generate a **loss before taxes**, albeit one that is noticeably better than the 2025 figure.

The **cost/income ratio** for 2026 is predicted to fall slightly year on year.

4.4 UMH

The capital market environment has brightened slightly in recent months, and UMH is planning to continue on its profitable growth path in 2026. To this end, it is continuing to work on its successful sales strategy and on ensuring the company is in a robust position and well equipped for the future. UMH is focusing on the topics of strategic importance for the coming years. Its five major areas of growth – customer focus, active asset manager, sustainability, digitalization, and organizational model – will continue to apply in 2026. The focus on these areas is intended to ensure that the business model is profitable and robust.

The main external influence on UMH besides the capital markets is regulation. Burgeoning regulatory requirements are resulting in significantly higher spending on projects, personnel, and systems. UMH believes that there is no end to this trend in sight. It therefore remains relevant and, where foreseeable at the time of planning, UMH takes it into account in its planning.

Achieving the objectives described above – primarily securing UMH's competitiveness and satisfying the growing regulatory requirements – calls for substantial capital expenditure and this has been factored into the planning.

UMH is aiming for stability in the average level of assets under management in 2026. A sharp year-on-year decline in new business is expected owing to the exceptionally high level of net inflows in 2025. The overall performance of the portfolio is predicted to be just into positive territory in 2026.

Net fee and commission income for 2026 is projected to be slightly lower than in the year under review. This is due to a sharp decrease in the income expected from performance-related management fees and a small reduction in volume-related net fee and commission income.

A substantial deterioration in **net financial income/net finance costs** – comprising net interest income, gains and losses on investments, and other gains and losses on valuation of financial instruments – is likely in 2026, largely because of an anticipated sharp negative change in the effect from the valuation of guarantee commitments for investment products and from a significantly lower contribution from the investment fund units held as part of own-account investing activities.

Administrative expenses are projected to rise slightly in 2026. **Staff expenses** at UMH will hold steady. Based on current assessments, **general and administrative expenses** will rise markedly, largely because of higher expenses for consultancy and public relations/marketing as well as an increase in other general and administrative expenses. A moderate decline in depreciation and amortization charges is predicted in 2026.

A significant decrease in **other net operating income** is expected, mainly because the planning does not include any income from the remeasurement of provisions. However, a number of factors will boost other net operating income, such as the absence of restructuring expenses.

Based on the factors described above, a moderate year-on-year decline in **profit before taxes** is projected for 2026.

From the current perspective, a moderate increase in the **cost/income ratio** and a significant fall in **regulatory RORAC** are expected.

If a judgment of the Nuremberg-Fürth regional court in the legal proceedings brought by Verbraucherzentrale Baden-Württemberg e. V. [Baden-Württemberg Consumer Association] against ZBI Fondsmanagement GmbH (case no.: 4 HK O 5879/24) becomes final and binding and then sets a precedent that has to be followed by the entire sector, this will likely have a negative impact on sales of open-ended mutual real-estate funds. The question of law to be decided has been submitted to the court of appeal at the Court of Justice of the European Union (CJEU) for a preliminary ruling. The proceedings at the regional court in Germany have therefore been suspended until this ruling has been made, which is likely to take between 12 and 18 months. Further developments currently depend on too many uncertainties to be able to reliably determine the quantitative impact at present.

4.5 DZ BANK – CICB

In view of the economic conditions and the ongoing geopolitical tensions, DZ BANK expects the financial markets to be subject to significant volatility and uncertainty in 2026. The bank is tackling these challenges with various growth initiatives that are likely to initially cause costs to rise at a faster rate than the anticipated level of inflation.

In view of the changes in the line items described below, **profit before taxes** in the DZ BANK – CICB operating segment is projected to fall sharply in 2026.

A small increase in **net interest income** (excluding income from long-term equity investments) is expected in 2026.

In the lending business, year-on-year growth in the lending volume is forecast that will lead to a moderate rise in net interest income.

In the money market and capital markets business, net interest income is predicted to remain level with 2025.

Net fee and commission income is expected to be slightly lower in 2026 than it was in 2025.

Within this line item, net fee and commission income is projected to edge down in the Corporate Banking business line; it is expected to fall markedly in the Capital Markets business line, primarily due to lower fund sales commission. This will be partly offset by a modest increase in net fee and commission income in the Transaction Banking business line.

Gains and losses on trading activities are likely to improve significantly in 2026 because IFRS-related effects will have far less of an impact. The growth initiatives that have been launched are expected to lead to a small improvement in gains and losses on operating trading activities.

The net figure under **other gains and losses on valuation of financial instruments** is anticipated to improve considerably in 2026. In 2025, other gains and losses on valuation of financial instruments reflected negative credit-risk-related measurement effects relating to financial assets measured using the fair value option. The adverse impact of these is predicted to be substantially less in 2026. The net gain from ineffectiveness in hedge accounting that was recognized in 2025 is not expected to be repeated in 2026.

Gains and losses from the derecognition of financial assets measured at amortized cost are not anticipated in 2026.

Given the geopolitical and economic forecasts, a relevant level of **loss allowances** is likely to be required. Noticeably higher net additions are anticipated to be required relative to 2025.

Administrative expenses are projected to rise markedly in 2026 owing to expenses for strategic initiatives and a higher contribution to the BVR deposit guarantee fund.

Other net operating income is set to be substantially lower than in the reporting year owing to the expected reduction in income from the reversal of provisions and accruals.

Current assessments show that the **cost/income ratio** will go up moderately in 2026 as income is expected to hold steady while administrative expenses will rise.

With slightly higher capital requirements, **regulatory RORAC** is currently predicted to fall sharply in 2026 due to a significant reduction in profit before taxes.

4.6 DZ HYP

The real estate market was influenced by a subdued economy in 2025, although price movements varied between asset classes. In the market for investments in residential property, transactions were down year on year. However, sustained high demand and the shortage of supply – especially in major conurbations – mean that further rent rises and the stabilization of property values are expected in 2026. The volume of commercial real estate transactions varied between segments in 2025: Whereas demand rebounded slightly overall in the office segment, particularly in the case of properties that are modern, centrally located, and ESG-compliant, vacancy rates remained high in peripheral locations. Overall, the markets are expected to stabilize in 2026, accompanied by a slight rise in rents and an improvement in investment conditions thanks to favorable market parameters.

Net interest income in 2026 is projected to be a little lower than the 2025 figure. DZ HYP anticipates that business activities will remain stable, based on reasonable lending margins combined with a volume of new real estate finance business that will be roughly the same as in 2025.

Current assessments show that credit spreads in public-sector finance are likely to widen in 2026. However, 2026 is expected to see a substantial improvement in **other gains and losses on valuation of financial instruments** compared with 2025, primarily due to declining negative liquidity-spread-related valuation effects.

Loss allowances in 2026 are projected to be slightly higher than in the reporting year.

Greater regulatory requirements and the digital transformation of DZ HYP are having a negative impact on **administrative expenses**, with the result that this figure is expected to be up noticeably on the 2025 figure.

Based on a stable operating performance, but particularly because of the substantial improvement in other gains and losses on valuation of financial instruments and rising administrative expenses, **profit before taxes** in 2026 is predicted to be just above the 2025 figure.

The **cost/income ratio** is expected to rise moderately.

With a small rise in profit for taxes predicted for 2026, **regulatory RORAC** is likely to decline a little due to the slightly higher regulatory base rate of return used in the calculation.

4.7 DZ PRIVATBANK

DZ PRIVATBANK's operating business is expected to see a moderate increase in the volume-related key figures in its business lines.

Net interest income will probably decline slightly in 2026 due to reduced income in money market business and from interest on deposits.

Net fee and commission income is likely to rise markedly in 2026. The assets under management in private banking are projected to rise because of planned increases in inflows. The main value driver is fund volume, and the volume of funds held by DZ PRIVATBANK is expected to increase.

Gains and losses on trading activities are forecast to improve slightly in 2026 because customer-driven transaction figures are likely to be higher.

A moderate increase in DZ PRIVATBANK's **administrative expenses** is projected for 2026.

Based on current forecasts and the changes described above, a moderate decrease in **profit before taxes** is expected for 2026.

The **cost/income ratio** for 2026 is likely to be slightly higher than in the reporting year, while **regulatory RORAC** will probably increase significantly due to the lower base rate of return used in the calculation.

4.8 VR Smart Finanz

In 2026, VR Smart Finanz will continue to pursue a decentralized approach with the aim of providing the best possible support to the cooperative banks as their strategic partner in the corporate customer business. It will also focus on meeting their business customers' need for digital solutions that can be obtained quickly and easily.

Economic conditions are expected to gradually normalize in 2026, with a progressive return to growth. However, the recession and crises of previous years will continue to have an effect, and there will be a time lag before the environment for VR Smart Finanz and its customers starts to improve. Investment activity on the part of small businesses will pick up slowly, and VR Smart Finanz is likely to see a moderate year-on-year increase in new business in 2026. As a result of the planned steady reduction in the volume of development lending, the portfolio mix is continuing to shift toward higher-margin focus products. Consequently, a substantial **improvement in the loss before taxes** is anticipated in 2026, but against a backdrop of continuing challenges over the coming year, it is likely to remain at a noticeable level.

VR Smart Finanz is continuing to gain relevance as a strategic partner to the cooperative banks thanks to the support that it provides in the local cooperative banks' sales processes and the ongoing development of its product portfolio. There are also ongoing efforts to develop the new sales channels through the continual expansion of systematic joint marketing efforts. In view of these steps and the assumption that investors in Germany will gradually become less reticent, moderate growth in the volume of new business and existing business is anticipated. Consequently, **net interest income** and **net fee and commission income** are expected to rise markedly.

The piecemeal normalization of macroeconomic conditions and risk-reduction measures that were introduced in 2025 and will gradually take effect in 2026 are likely to result in a lower-risk product/customer mix than in the reporting year, so a significant reduction in **expenses for loss allowances** has been budgeted.

A slightly lower level of **administrative expenses** than in 2025 and a noticeable increase in income should lead to a marked improvement in the **cost/income ratio**.

4.9 DZ BANK – holding function

A moderate increase in the **loss before taxes** is forecast for 2026.

Net interest income in 2026 is projected to be slightly higher than in 2025. This forecast is mainly due to changes in average interest rates in the balance of expenses for the funding of long-term equity investment carrying amounts and income from the investment of capital.

A marked rise in **administrative expenses** is predicted for 2026.

V DZ BANK Group and DZ BANK opportunity report

1 Legal basis and disclosure principles

In its capacity as the parent company in the DZ BANK Group, DZ BANK is publishing this opportunity report in order to meet the transparency requirements for opportunities applicable to the DZ BANK Group as specified in **section 114** and **section 117** of the **German Securities Trading Act (WpHG)** and **section 315** of the **German Commercial Code (HGB)** in conjunction with **German Accounting Standard (GAS) 20** – Group management report.

The details relating to **DZ BANK** are included in the opportunity report for the **DZ BANK Group**. A separate opportunity report is not prepared for DZ BANK. Unless stated otherwise, the disclosures relating to the DZ BANK Group also apply to DZ BANK.

2 Management of opportunities

Based on the three areas of potential listed in chapter V.3, such as better economic conditions than those assumed in the planning scenario, the DZ BANK Group defines **opportunities** as situations in which potential income can be unlocked and/or potential cost savings can be achieved.

The management of opportunities is integrated into the **annual strategic planning process**. The potential for returns is identified and analyzed on the basis of various macroeconomic scenarios, trends, and changes in the market environment, and then included in strategic financial and capital planning. Details about the strategic planning process are presented in chapter I.2.4 of the (group) management report.

Opportunity management is an integral component of **governance** and is therefore taken into account in the general management approach, in the management of subsidiaries via appointments to key posts, and in the DZ BANK Group's committees. Details about the governance of the DZ BANK Group can be found in chapter I.2.2 of the (group) management report.

3 Potential opportunities

3.1 Potential opportunities from macroeconomic developments

The statements made in the outlook on the expected business performance of the DZ BANK Group in 2026 are based on the macroeconomic scenario that DZ BANK considers to be the most likely. Opportunities may arise for the DZ BANK Group if economic conditions in the relevant markets prove to be better than in this scenario.

In a positive scenario such as that, the trade disputes would be settled through constructive negotiations, or would at least become more moderate, thereby allowing tariff policy to return to normal. This would benefit Germany's export-led economy in particular. A general easing of geopolitical tensions, for example through progress in the Middle East conflict or de-escalation of the war in Ukraine, could reduce the risk of global uncertainties. This would then lower the level of volatility in the financial markets and strengthen economic conditions in the longer term. A period of ongoing stability in the capital markets and growing optimism among investors would boost confidence and increase demand for financial services and capital investment. This would be of particular benefit to lending, securities, and capital markets business. It would also have a positive effect on European and international stock markets, contributing to solid investment performance.

The avoidance or easing of political divergence within the EU would also help to create a more stable climate for investment. Stopping the spread of nationalistic and right-wing populist trends in Europe could strengthen investor and business confidence further and improve economic conditions. Favorable monetary and interest-rate policies in the eurozone – giving rise to a protracted period of low interest rates or further gradual reductions in interest rates – coupled with a stable economic climate and moderate level of inflation, could create attractive financing conditions. Combined with steady real estate prices and a positive consumer climate, this would stimulate demand for financing and services and strengthen the DZ BANK Group's lending and fee and commission business.

A positive attitude to innovation and investment on the part of government and business as well as heightened investment in infrastructure, digitalization, and sustainable technologies would improve the competitiveness of the economy and aid long-term growth. Additional business opportunities could also arise if regulatory initiatives promoting sustainable financial products and supporting the transition to a net zero economy are pursued further. Demand for sustainable financing and investment is likely to rise, opening up additional potential for the DZ BANK Group's lending, securities, and fee and commission business.

Additional opportunities will arise if the period of ongoing weak growth does not materialize or is less pronounced than expected. If the economy and the labor market turn more robust and inflation – particularly on energy prices – remains moderate, consumer sentiment could improve noticeably and induce a willingness to spend. This would open up further opportunities for the DZ BANK Group to expand its business models and strengthen its financial performance. If macroeconomic risks do not materialize or are less pronounced, the conditions for the financial industry will be more favorable.

All in all, a combination of advantageous macroeconomic developments, stable monetary and interest-rate policies, a robust capital market environment, and innovation-friendly and sustainable economic policy-making would improve the DZ BANK Group's growth outlook. Such an environment could have a positive effect on the financial position and financial performance of the DZ BANK Group and create the conditions for a more positive course of business.

3.2 Potential opportunities from regulatory initiatives

Regulatory changes and initiatives may provide banks and insurance companies with the opportunity to offer products or services that are better tailored to customers' needs and that strengthen their confidence. Statutory rules, such as the European Commission's proposed revision of the Sustainable Finance Disclosure Regulation (SFDR) and the introduction of the Markets in Crypto Assets Regulation, could lead to greater uptake of innovative products and services by customers and market participants. This offers banks and insurance companies an opportunity to strengthen the unique selling points of their products and services and to unlock potential growth in sustainable finance or digital innovation. This would have a positive impact on, for example, the DZ BANK Group's net fee and commission income and net interest income.

3.3 Potential opportunities from strategic initiatives

The strategic focus of the DZ BANK Group (see chapter I.1 of the (group) management report) follows the guiding principle of fulfilling the role of a **network-oriented central institution and financial services group**. Business activities are centered on the local cooperative banks and their customers. The objective of this strategic approach is to consolidate the positioning of the Cooperative Financial Network as one of the leading financial services providers in Germany. The partnership between the cooperative banks and the entities in the DZ BANK Group is built on the principles of subsidiarity, decentralization, and regional market responsibility.

The DZ BANK Group develops and implements **strategic initiatives and programs** at three levels:

Firstly, the entities in the DZ BANK Group work on strategic projects and initiatives in collaboration with the cooperative banks and Atruvia AG, Frankfurt am Main, with the leading role taken by the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e.V., Berlin (BVR) [National Association of German Cooperative

Banks]. Based on the strategy agenda, the 'Germany-wide strategic portfolio bringing together strategic initiatives of the Cooperative Financial Network' was established in 2024 with the aim of improving the transparency of these initiatives for the cooperative banks.

Secondly, the entities in the DZ BANK Group have jointly identified key areas of potential (such as sustainability and generative artificial intelligence) in order to reinforce their future viability and profitability. The aim is to continue to develop and take action in these areas over the coming years.

Thirdly, each individual entity in the DZ BANK Group pursues its own strategic initiatives. One example is the 'Verbund First 4.0' strategic program at **DZ BANK**, which is designed to ensure the organization's resilience for the future. The program is aimed at the following key areas: further development of the market offering, optimization of control and production processes, internationalization, and strengthening of the corporate culture. The 'Verbund First 4.0' strategic program is updated continually in line with requirements. Topics that are related to 'Verbund First 4.0', such as sustainability, digitalization (e.g. generative artificial intelligence), and employer branding, are key elements of the transformation of the economy.

Under its '#Fokus100' strategy, **BSH** describes its long-term objective through its vision of being a reliable partner that helps its customers to achieve their dreams when it comes to their home. The building society works with the cooperative banks to develop all-round solutions in the homes and housebuilding ecosystem, thereby strengthening the Cooperative Financial Network. It intends to remain the market leader in the home savings market and, together with the cooperative banks, aims to be no. 1 in the home finance market. In addition, it is striving to make inroads into new areas of growth for homes and housebuilding by maintaining a firm focus on customers and facilitating close collaboration between the cooperative banks and BSH's field staff on marketing. BSH is the cooperative center of excellence (provider of products and solutions) for homes and housebuilding, and it wishes to play an important part in strengthening the Cooperative Financial Network's market position.

DZ HYP is forging ahead with digitalization in many areas of its business. In consumer home finance, it intends to further expand its role as a decentralized product supplier for the banks in the Cooperative Financial Network. It is focusing on forward-looking solutions that are designed to simplify the application processes for new business and make the processing of inquiries from existing customers significantly more straightforward. Through its connection to the Atruvia AG omnichannel platform, DZ HYP is creating new ways of collaborating with local cooperative banks. Digital self-service is being combined with face-to-face support. DZ HYP is championing digital services for looking after existing customers too. It makes relevant information about the finance already taken out by a customer on the Meine Baufinanzierung [my home finance] portal, thereby reducing the local cooperative banks' workload in terms of handling customer inquiries. The main goals of DZ HYP's FK Digital project in its corporate customer business are deploying data optimally within processes, improving interfaces, and unlocking the associated potential for greater efficiency while, at the same time, catering to the current and future requirements of market players and supervisory authorities alike. The initial implementation phase of FK Digital began in 2023, and it went live in October 2025. The second implementation phase focusing on the management of current business is scheduled for 2026. This should also help to further optimize the bank's streamlined, profitable approach incorporating intensive customer relationship management. Furthermore, DZ HYP has drawn up a strategy for implementing the DZ HYP cloud infrastructure. The relevant foundations for the cloud infrastructure were laid in 2025 and migrated to the IT landscape as a further operating model with effect from the reporting date. Building on the existing infrastructure, DZ HYP plans to create scalable end-to-end capability in artificial intelligence. Through strategic capital expenditure, jobs are to be made fit for the future through new technologies, user-friendly software solutions, and modern workplace equipment. The bank's premises are also due to undergo extensive refurbishment in order to create a contemporary and attractive working environment. The real estate sector has the potential to play a key role in combating climate change. DZ HYP sees its own role as a partner in the green transformation of the economy in order to channel cash flows toward more sustainable business, for example by financing energy-efficient real estate.

R+V's vision 'We are a go-to partner for our customers. We are driving a new era of security, healthcare, and provision for the future – simple, personal, inspirational. In fast-moving times, our Cooperative Financial Network makes the difference.' provides the framework for its new internal strategy. In terms of content, three areas of strategic focus lie at the heart of the NextLevel strategy. By focusing on cooperative customers, the strategy is aimed at better unlocking the Cooperative Financial Network's potential and winning more market share, all while remaining customer centric. Through a combination of initiatives to enhance its operational, technological, and insurance excellence, R+V intends to become more efficient and profitable, thereby enhancing its competitiveness and viability going forward. R+V also aims to foster a culture of individual responsibility, encouraging employees to use their initiative. The centralized and strict cross-company management of capital and resources is intended to ensure that these are used efficiently throughout the company.

Union Investment has created the internal FitForFuture program, which establishes a financial basis for strategic areas of investment going forward. This basis allows strategic investments for the future, while the business model can be refined more rapidly. A key area of action for attracting the next generation of customers to the fund business and retaining them within the Cooperative Financial Network is digitalizing the interfaces throughout the entire marketing process.

Union Investment's positioning as an active asset manager remains crucial for it to stand out in the market, target new customer groups and, in the high-net-worth segment in particular, ensure its product offering meets expectations. Refining the business model also necessitates even faster internal processes, coupled with continuing professional development for all employees. The supporting internal programs have got under way and the first effects are being seen. Taking account of FitForFuture, all this investment in the future will be cost-neutral and should thus secure the viability and profitable growth of Union Investment going forward.

Positive effects from the strategic initiatives and programs could have a beneficial impact on, for example, the net fee and commission income, net interest income, or administrative expenses of the DZ BANK Group.

VI DZ BANK Group and DZ BANK risk report

1 Legal basis and disclosure principles

In its capacity as the parent company in the DZ BANK Group, DZ BANK is publishing this risk report in order to meet the transparency requirements for risks applicable to the DZ BANK Group as specified in **section 114** and **section 117** of the **German Securities Trading Act (WpHG)** and **section 315** of the **German Commercial Code (HGB)** in conjunction with **German Accounting Standard (GAS) 20** – Group management report.

The standards set forth in GAS 20 that are of relevance to the risk report are the following:

- The principles of group management reporting (**GAS 20.12–35**)
- The requirements pertaining to risk reporting (**GAS 20.135–164**)
- The requirements pertaining to the internal control system and risk management system that are relevant to the consolidated financial reporting process (**GAS 20.K168–K178**)
- The requirements pertaining to risk reporting relating to the use of financial instruments (**GAS 20.179–187**)
- The requirements pertaining to risk reporting by institutions (**GAS 20.A1.1–22**) and by insurance companies and pension funds (**GAS 20.A2.1–20**)

Furthermore, the risk report meets the disclosure requirements regarding risks applicable to DZ BANK as a separate entity that are specified in **section 289 HGB** in accordance with GAS 20.

With this report, DZ BANK also meets the risk reporting requirements specified in the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), specifically those set out in the following legal standards:

- **IAS 1.134–136** (capital)
- **IFRS 7.31–42** (nature and extent of risks arising from financial instruments)
- **IFRS 17.121–132** (nature and extent of risks arising from contracts within the scope of IFRS 17)

This information is referred to in the notes to the consolidated financial statements and, as such, is formally part of the notes to the consolidated financial statements.

This does not include the legal standards below, because the required disclosures are not used to manage risk. In these instances, the disclosures are made in the notes to the consolidated financial statements:

- Accounting-related credit disclosures in accordance with **IFRS 7.35F(a)–36(b)**: note 84
- Maturity analysis in respect of financial assets and financial liabilities in accordance with **IFRS 7.39(a) and (b)**: note 85
- Sensitivity analyses in accordance with **IFRS 17.128**: note 95
- Claims rate trend for direct non-life insurance business and for the inward reinsurance business in accordance with **IFRS 17.130**: note 93
- Maturity analysis for insurance contracts issued and for reinsurance contracts held in accordance with **IFRS 17.132(b) and (c)**: note 95

The requirements in **IFRS 7.31–42** applicable to this risk report are limited to financial instruments in accordance with IAS 32 and IFRS 9. This shifts the focus of reporting to the types of risk directly related to financial instruments, namely liquidity risk, credit risk, equity investment risk, market risk, technical risk of a home savings and loan company, and the aspects of market risk and counterparty default risk that are not within the scope of IFRS 17.

The risk-related disclosure requirements in **IFRS 17.121–132** relate to contracts within the scope of IFRS 17. Consequently, the disclosure requirements from these standards relate to actuarial risk, the aspects of market risk and counterparty default risk not covered by IAS 32 or IFRS 9, and risks from entities in other financial sectors.

Unlike the limited perspective of IFRS 7 and IFRS 17, however, the DZ BANK Group takes a **holistic view** when using risk management tools and when assessing the risk position. As a consequence, the groupwide risk management system covers not only the aforementioned risks but also business risk, reputational risk, and operational risk. This integrated approach is reflected in this risk report. By fully disclosing all material risks, their aggregation in the form of an economic aggregate risk within the meaning of GAS 20.160, and a comparison of the economic aggregate risk with the risk coverage potential, the DZ BANK Group aims to present its economic capital adequacy clearly and understandably in accordance with **GAS 20.161** (in conjunction with **GAS 20.A1.22** and **GAS 20.A2.20**) and **IAS 1.135 (d)**.

The quantitative disclosures in this risk report are based on information that is presented to the Board of Managing Directors and used for internal management purposes (known as the **management approach** in accordance with **GAS 20.31**, **GAS 20.116**, and **IFRS 7.34(a)**). The disclosure of this information, which is important for knowledgeable users, is designed to ensure that external reporting is useful when such users need to make decisions.

The details relating to **DZ BANK** are included in the risk report for the **DZ BANK Group**. A separate risk report is not prepared for DZ BANK. Unless stated otherwise, the disclosures relating to the DZ BANK Group and the Bank sector also apply to DZ BANK.

Detailed information on individual **subsidiaries of DZ BANK** is only provided in this risk report if the subsidiaries are of material significance to risk management, risk factors, or the risk position and if the situation in the subsidiaries differs substantially from the position of the DZ BANK Group as a whole. However, subsidiaries are mentioned where this is necessary to explain the amount, structure, and management of the risks in the DZ BANK Group, and the changes in these risks.

References in this risk report to **governing bodies** (Board of Managing Directors and Supervisory Board), **committees**, or **organizational units** relate to DZ BANK. If the governing bodies, committees, or organizational units of subsidiaries are meant, however, this is indicated by stating the name of the relevant subsidiary.

In accordance with **GAS 20.A1.3** and **GAS 20.A2.3**, the **structure** of the risk report is based on the risk types (chapters VI.8 to VI.20). The risk type-specific disclosures are preceded by general information and information relating to all risk types (chapters VI.1 to VI.7).

DZ BANK Group

2 Summary

2.1 Risk management system

2.1.1 Regulatory framework for risk management

The DZ BANK Group's risk management system takes into account the statutory requirements specified in section 25 (1) of the German Supervision of Financial Conglomerates Act (FKAG) in conjunction with section 25a of the German Banking Act (KWG) and the German Minimum Requirements for Risk Management for Banks and Financial Services Institutions (MaRisk). Furthermore, in light of the different business models in place in parts of the DZ BANK Group, other specific legal requirements have also been observed. These include sections 26 and 27 of the German Act on the Supervision of Insurance Undertakings (VAG) in conjunction with the German Minimum Requirements for the System of Governance of Insurance Undertakings (MaGo) and section 28 of the German Investment Code (KAGB) in conjunction with the German Minimum Requirements for Risk Management

for Investment Management Companies (KAMaRisk). Risk management for external procurement is in line with the statutory requirements of sections 25a and 25b KWG, MaRisk, and the Digital Operational Resilience Act (DORA).

When the DZ BANK Group and its subsidiaries designed the risk management system, they primarily followed the guidance provided by the European Banking Authority (EBA) and the European Insurance and Occupational Pensions Authority (EIOPA), together with the pronouncements of the Basel Committee on Banking Supervision (BCBS) and the Financial Stability Board (FSB) on risk management issues.

2.1.2 Fundamental features of risk management

The general process of risk management, which takes account of capacity to bear liquidity risk and risks backed by capital, involves determining a business strategy – and thus consistent risk strategies – and establishing internal control procedures. The internal control mechanisms primarily comprise rules for the operational and organizational structure, processes for the identification, assessment, management, monitoring, and communication of risk (risk management and risk control processes), and the internal audit function.

Risks result from adverse developments affecting the financial position or financial performance of the DZ BANK Group or DZ BANK. They essentially comprise the risk of an unexpected future liquidity shortfall or unexpected future losses. A distinction is made between liquidity and capital. Risks that materialize can affect both of these resources.

Both the DZ BANK Group and DZ BANK and its subsidiaries have a **risk management system** that is updated on an ongoing basis in line with changes to the business and regulatory environment. The risk management system is designed to enable them to identify material risks – particularly risks to their ability to continue as a going concern – at an early stage and to initiate the necessary control measures. The main elements of the risk management system are organizational arrangements, methods, IT systems, the limit system based on economic risk-bearing capacity, stress testing of all material risk types, and internal reporting.

The risk management system is based on the **risk appetite statement** – the fundamental document for determining risk appetite in the DZ BANK Group – and the specific details and additions set out in **risk strategies**, which are consistent with the business strategy and are approved by the Board of Managing Directors. The risk appetite statement contains risk policy guidelines and strategy requirements that are applicable throughout the group. It also sets out quantitative requirements reflecting risk appetite.

The DZ BANK Group strives to avoid **concentrations of risk** that are not the conscious result of business policy.

The methods used to **measure risk** are an integral element of the risk management system. They are regularly reviewed, refined where necessary, and adapted to changes in internal and external requirements. Risk model calculations are used to manage the DZ BANK Group.

The tools used for the purposes of risk management are also designed to enable the DZ BANK Group to respond appropriately to **significant market movements**. For example, the market data used for the centralized, model-driven measurement of market risk is updated every trading day and significant market movements therefore lead to an immediate increase in the volatility of risk factors and, consequently, changes in market risk. In addition, changes in credit ratings and correlations affect the modeled level of credit risk. Conservative crisis scenarios for short-term and medium-term liquidity are intended to ensure that liquidity risk management takes adequate account of market crises.

2.1.3 Management units and sectors

Risk is managed on a consolidated basis and includes all entities in the DZ BANK Group. DZ BANK and its material subsidiaries – material in terms of their contribution to the DZ BANK Group's aggregate risk; also referred to below as management units – are directly incorporated into the group's risk management system, and managed, on the basis of the material risk types.

From a risk perspective, the DZ BANK management unit equates to the central institution and corporate bank operating segment and the holding function. The non-material subsidiaries and investee entities of DZ BANK are integrated into the risk management system either directly as part of other types of risk or indirectly as part of equity investment risk. How they are integrated is decided annually.

Where a subsidiary defined as a management unit acts as the parent company of a subgroup, the entire subgroup comprising the parent company plus its subsidiaries and second-tier subsidiaries is considered to be the management unit. This means that the subsidiaries, second-tier subsidiaries, and investees of the DZ BANK subsidiaries are also included in the DZ BANK Group's risk management system – indirectly via the entities that are included directly – with due regard to the minimum standards applicable throughout the group.

The management units represent the **operating segments** in the consolidated financial statements and form the core of the financial services group.

The **insurance business** operated at R+V differs in material respects from the other businesses of the DZ BANK Group. For example, actuarial risk is subject to factors that are largely different from those affecting the risks typically assumed in banking business. Furthermore, policyholders have a share in any gains or losses from investments in connection with life insurance, health insurance, and casualty insurance as specified under statutory or contractual arrangements, and this must be appropriately taken into account in the measurement of risk. The supervisory authorities also treat banking business and insurance business differently and this is reflected in differing regulatory regimes for banks and insurance companies.

Two sectors – the Bank sector and the Insurance sector – have therefore been created within the DZ BANK Group for the purposes of **economic risk management**. The management units are assigned to these sectors as follows:

Bank sector:

- DZ BANK
- BSH
- DZ HYP
- DZ PRIVATBANK
- TeamBank
- UMH
- VR Smart Finanz

Insurance sector:

- R+V

In the context of quantitative disclosures on the economic and the regulatory (normative) risk-bearing capacity of the DZ BANK Group and the DZ BANK financial conglomerate, the abbreviation R+V as used in this risk report refers to the R+V Versicherung AG insurance group for regulatory purposes. In contrast to the R+V subgroup defined in chapter I.2.1 of the group management report and chapter I.2.1 of the management report, the regulatory R+V Versicherung AG insurance group also comprises KRAVAG-SACH Versicherung des Deutschen Kraftverkehrs VaG, Hamburg.

The subject of **normative risk management** is the DZ BANK banking group as defined in accordance with section 10a KWG in conjunction with articles 11 and 18 of the Capital Requirements Regulation (CRR). The DZ BANK banking group consists of DZ BANK as the superordinated entity plus other institutions and financial institutions that qualify as subsidiaries according to article 4 (1) no. 16 CRR. These entities essentially represent the Bank sector. Other subsidiaries that are consolidated for regulatory purposes are not included in the regulatory risk report owing to their minor significance. Equally, insurance companies and companies not in the financial sector are not part of the banking group for regulatory purposes. R+V is fully consolidated for commercial-law purposes but is not included in the banking group for regulatory purposes.

2.1.4 Liquidity waiver

DZ BANK and **DZ HYP** have elected to apply the **liquidity waiver** pursuant to article 8 CRR. The waiver enables the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR) to be applied at the level of a single **liquidity subgroup** consisting of DZ BANK and DZ HYP. This means that it is no longer necessary to comply with the regulatory liquidity requirements at the level of the two individual institutions.

Furthermore, **DZ HYP** has applied the **capital waiver** pursuant to section 2a (1), (2), and (5) KWG in conjunction with article 7 (1) CRR, under which – provided certain conditions are met – regulatory supervision at individual bank level may be replaced by supervision of the entire banking group.

2.1.5 KPIs

Risks affecting liquidity and capital resources are managed on the basis of groupwide liquidity risk management and groupwide risk capital management. The purpose of **liquidity risk management** is to ensure adequate levels of liquidity reserves are in place in respect of risks arising from future payment obligations (liquidity adequacy). The aim of **risk capital management** is to ensure the availability of capital resources that are commensurate with the risks assumed (capital adequacy) so that DZ BANK is able to cover any potential losses.

The key risk management figures used in respect of **liquidity** are

- the minimum liquidity surplus as an expression of short-term economic liquidity adequacy;
- the liquidity coverage ratio; and
- the net stable funding ratio.

The key risk management figures used in respect of **capital** are

- economic capital adequacy;
- the coverage ratio for the financial conglomerate;
- the regulatory capital ratios;
- the leverage ratio; and
- the metrics for the minimum requirement for own funds and eligible liabilities (MREL), which are the MREL ratio as a percentage of risk-weighted exposure amounts, the MREL ratio as a percentage of the leverage ratio exposure, the subordinated MREL ratio as a percentage of risk-weighted exposure amounts, and the subordinated MREL ratio as a percentage of the leverage ratio exposure.

2.1.6 Specific features of sustainability risk management

The entities in the DZ BANK Group do not classify events or circumstances in the climate-related and environmental ('E'), social ('S'), or corporate governance ('G') spheres as a risk type in their own right. Instead, they view them as drivers of the financial and non-financial risk types that are managed in the internal liquidity adequacy assessment process (ILAAP) and the internal capital adequacy assessment process (ICAAP). Risks triggered by sustainability risk factors are also referred to as sustainability risks below.

The **regulatory basis** for managing sustainability risks comprises the European Central Bank (ECB) guide on climate-related and environmental risks, the EBA report on management and supervision of ESG risks for credit institutions and investment firms, the EBA guidelines on loan origination and monitoring, MaRisk, and the delegated regulation on the EU taxonomy.

Sustainability risks stem from risk factors affecting climate-related and environmental, social, or corporate governance matters. There are two ways of considering them:

- The 'inside-out' or impact perspective concentrates on the direct effects that the business activities of the DZ BANK Group have on the environment and society.
- The 'outside-in' or risk perspective considers the influence that ESG-related developments have on the DZ BANK Group.

This risk report is based on the **outside-in perspective**.

Sustainability risks are managed **centrally** at the level of the DZ BANK Group and on a **decentralized basis** at the level of DZ BANK and its material subsidiaries.

Different **time horizons** are considered for the management of sustainability risks in the ICAAP. Whereas some risk factors, such as extreme weather events and regulatory changes, can have an effect in the short to medium term, others take effect over a much longer time horizon. A short-term time horizon is considered to be up to 1 year, which is in line with the time horizon used in the ICAAP economic perspective. The medium-term horizon is between more than 1 year and up to 4 years. This period is consistent with the strategic planning horizon. Periods longer than 4 years and especially ones that lie more than 10 years in the future are considered to be long term.

ESG data is very important for regulatory purposes and for integrating sustainability matters into the bank's business processes. With this in mind, a number of activities have been initiated as part of the DZ BANK Advancing Sustainability program that are ensuring the availability of the required data in different ways. Examples include methods for assessing sustainability risk such as carbon accounting and ESG risk scoring, the procurement of data from external data providers, and the definition of architectural guidelines in the sustainability program.

2.2 Risk factors and risks

The entities in the DZ BANK Group are exposed to a number of risk factors. These include developments concerning the entities' environment that may have an adverse impact on the future financial position or financial performance of the DZ BANK Group and DZ BANK. Risk factors either affect multiple types of risk (general risk factors) or are limited to specific types of risk (specific risk factors). Disclosures on **general risk factors** can be found in chapter VI.5. The **specific risk factors** are shown in the risk-type-specific chapters of this risk report.

The main features of the directly managed **risks** in the Bank and Insurance sectors and how they break down across the **operating segments** reported in note 32 of the notes to the consolidated financial statements are shown in Fig. VI.1 and Fig. VI.2 respectively. The financial and non-financial risks shown there correspond to the outcome of the risk inventory check and reflect the risks that are material to the DZ BANK Group.

To ensure that the presentation of the disclosures remains clear, the risk management system disclosures included in the risk report are limited to the main material entities in the group (indicated in Fig. VI.1 by a dot on a dark gray background). This selection is based on a **materiality assessment**, which takes into account the contribution of each management unit to the DZ BANK Group's overall risk for each type of risk. However, the figures presented in the risk report cover all the management units included in the internal reporting system (indicated additionally in Fig. VI.1 by a dot on a light gray background).

2.3 Risk profile and risk appetite

The DZ BANK Group's **business model** and the associated business models used by the management units (see chapter I.1 of the (group) management report) determine the risk profile. The main risks associated with the business models are shown in Fig. VI.1 and Fig. VI.2. The management units' businesses with a material impact on the risk profile are described under 'Business background and risk strategy' within the chapters of the risk report covering the different risk types.

The values for the measurement of **liquidity and capital adequacy** presented in Fig. VI.3 and Fig. VI.4 reflect the liquidity risks and the risks backed by capital assumed by the DZ BANK Group. They illustrate the **risk profile** of the DZ BANK Group. The values for these KPIs are compared against the (internal) threshold values specified by the Board of Managing Directors – also referred to below as **risk appetite** – and against the (external) minimum targets laid down by the supervisory authorities. The KPIs are explained in more detail later in this risk report.

These **observation thresholds** mark the transition point from a comfortable risk situation to a state of heightened alert, whereas the **minimum thresholds** represent a mandatory internal limit that must be maintained. Both thresholds are elements of the risk appetite statement. The internal minimum thresholds in the risk appetite statement largely represent the warning thresholds in the recovery plan. They are defined by the Board of Managing Directors of DZ BANK and presented to the Risk Committee of DZ BANK's Supervisory Board for acknowledgement. Depending on the situation and significance, the Chief Risk Officer, the Chief Financial Officer, the relevant committee of the Board of Managing Directors, or the full Board of Managing Directors may initiate operational corrective measures if observation thresholds are crossed. If the minimum thresholds are crossed, the escalation mechanisms set out in the recovery plan are triggered.

2.4 Solvency and risk-bearing capacity

The **solvency** of DZ BANK and its subsidiaries was never in jeopardy at any point during 2025. They also complied with regulatory requirements for liquidity adequacy. By holding ample liquidity reserves, the group aims to be able to protect its liquidity against any threats in the event of a crisis.

The DZ BANK Group remained within its economic **risk-bearing capacity** in 2025 and also complied with regulatory requirements for capital adequacy on every reporting date.

FIG. VI.1 – RISKS AND OPERATING SEGMENTS IN THE BANK SECTOR¹

Risks		
Risk type	Definition	Risk factors
RISK NOT COVERED BY CAPITAL		
Liquidity risk	Risk that cash and cash equivalents will not be available in sufficient amounts to ensure that payment obligations can be met (insolvency risk)	– Follow-up funding risk – Collateral risk – Fair value risk – Drawdown risk – Termination risk – New business risk – Repurchase risk – Intraday risk – Foreign currency funding risk
RISK COVERED BY CAPITAL		
Financial risks	Credit risk – Traditional credit risk – Issuer risk – Replacement risk	Risk of losses arising from the default of counterparties (borrowers, issuers, other counterparties) or from the migration of the credit ratings of these counterparties – Increase in the concentration of volume in counterparties, industries, or countries – Accumulation of exposures with longer terms to maturity – Escalation of geopolitical tensions and economic and strategic fragmentation – Global economic downturn – Ongoing weak growth in Germany – Correction in real estate markets – Negative transition effects
	Equity investment risk	Risk of losses arising from negative changes in the fair value of that portion of the long-term equity investments portfolio for which the risks are not included in other types of risk Risk of losses arising from negative changes in the fair value of real estate – Increased requirement for the recognition of impairment losses on the carrying amounts of investments – as a result of impaired carrying amounts – as a result of a lack of information in the case of non-controlling interests
	Market risk – Interest-rate risk – Equity risk – Fund price risk – Currency risk – Commodity risk – Spread and migration risk – Asset-management risk – Market liquidity risk	– Risk of losses that could arise from adverse changes in market prices or in the parameters that influence prices (market risk in the narrow sense of the term) – Risk of losses that could arise from adverse changes in market liquidity such that assets can only be liquidated in markets if they are discounted and that it is only possible to carry out active risk management on a limited basis (market liquidity risk) – Changes in the yield curve, credit spreads, exchange rates, share prices, fund prices, and commodity prices – Escalation of geopolitical tensions and economic and strategic fragmentation – Global economic downturn – Economic policy divergence in the eurozone – Rise in interest rates – Fall in interest rates – Heightened volatility in the global financial markets
	Technical risk of a home savings and loan company² – New business risk – Collective risk	– Risk of a negative impact from possible variances compared with the planned new business volume (new business risk) – Risk of a negative impact that could arise from variances between the actual and forecast performance of the collective building society operations caused by significant long-term changes in customer behavior unrelated to changes in interest rates (collective risk) – Decline in new business – Changed customer behavior (unrelated to changes in interest rates)
	Business risk	Risk that financial performance is not in line with expectations, and this is not covered by other types of risk – Costs of regulation – Competition based on pricing and terms in the retail and corporate customer lending business – Negative transition effects
	Reputational risk ³	Risk of losses from events that damage confidence, mainly among customers (including the cooperative banks), shareholders, employees, the labor market, the general public, and the supervisory authorities, in the entities in the Bank sector or in the products and services that they offer – Decrease in new and existing business – Lack of stakeholder backing
Non-financial risks	Operational risk	Risk of losses from human behavior, technological failure, weaknesses in process or project management, or external events – Compliance risk including compliance conduct risk: – Violations of legal provisions; failure to comply with corporate policies – Legal risk: – Violations of legal provisions or failures in applying such provisions; adverse changes in the legal environment – Information risk including ICT risk: – Failure to maintain the confidentiality, integrity, availability, or authenticity of information assets – Business continuity management (BCM) risk: – Inadequate protection of people, premises, assets, or time-critical processes and time-critical IT assets – External procurement risk: – Disruptions to outsourced processes and services – Project risk: – Failure to complete project deliverables on schedule – Corporate governance risks

¹ Apart from migration risk on traditional loans, which are covered by the capital buffer.

² Including business risk and reputational risk of BSH.

³ The Bank sector's reputational risk is contained in the risk capital requirement for business risk. BSH's reputational risk, which is covered mainly by the technical risk of a home savings and loan company, is not included here.

Risks								
		DZ BANK	BSH	DZ HYP	DZ PRIVATBANK	TeamBank	UMH	VR Smart Finanz
Risk management KPIs disclosed								
– Liquid securities – Unsecured short-term and medium-term funding – Minimum liquidity surplus – Structural minimum liquidity surplus – LCR – NSFR	Chapter VI.6.2.6 Chapter VI.6.2.6 Chapter VI.6.2.7 Chapter VI.6.2.7 Chapter VI.6.3.2 Chapter VI.6.3.3	•	•	•	•	•		•
– Lending volume – Risk capital requirement for credit risk	Chapters VI.8.7 to VI.8.11 Chapter VI.8.12	•	•	•	•	•		•
– Carrying amounts of investments – Risk capital requirement for equity investment risk	Chapter VI.9.5 Chapter VI.9.5	•	•	•		•	•	•
– Value-at-risk for market risk – Periodic interest-rate risk and periodic spread risk in the banking book – Risk capital requirement for market risk	Chapter VI.10.6.1 Chapter VI.10.6.2 Chapter VI.10.6.3	•	•	•	•	•	•	•
Risk capital requirement for the technical risk of a home savings and loan company	Chapter VI.11.5		•					
Risk capital requirement for business risk	Chapter VI.12.6	•		•	•	•	•	•
		•	•	•	•	•		•
– Losses from operational risk – Risk capital requirement for operational risk	Chapter VI.14.8 Chapter VI.14.9	•	•	•	•	•	•	•

Management unit disclosures in the risk report:



Quantitative and qualitative disclosures



Quantitative disclosures



Not relevant

FIG. VI.2 – RISKS IN THE INSURANCE SECTOR AND OPERATING SEGMENT

Risk type	Definition	Risk factors	Risk management KPIs disclosed	
RISK COVERED BY CAPITAL PURSUANT TO SOLVENCY II				
Financial risks	Actuarial risk			
	– Life actuarial risk	Risk arising from the assumption of life insurance obligations in relation to the risks covered and the processes used in the conduct of this business	– Adverse change in the calculation assumptions for life insurance over the lifetime of the contract – Unpredictable interest-rate market – Increase in claim events as a result of pollution and climate change	– Overall solvency requirement Chapter VI.15.4
	– Health actuarial risk	Risk arising from the assumption of health and casualty insurance obligations in relation to the risks covered and the processes used in the conduct of this business	– Higher drawdown of benefits by health insurance policyholders – Increase in claim events as a result of pollution and climate change	– Overall solvency requirement Chapter VI.15.4
	– Non-life actuarial risk	Risk arising from the assumption of non-life insurance obligations in relation to the risks covered and the processes used in the conduct of this business	– Unexpected rise in claims incurred, e.g. due to weather-related natural disasters attributable to climate change – Inflationary effects driving the cost of claims – Rise in claims incurred as a result of silent cyber risk	– Claims rates and settlements in non-life insurance – Overall solvency requirement Chapter VI.15.4 Chapter VI.15.3.7
	Market risk	Risk arising from fluctuation in the level or volatility of market prices of assets, liabilities, and financial instruments that have an impact on the value of the assets and liabilities of the entity	– Escalation of geopolitical tensions and economic and strategic fragmentation – Global economic downturn – Economic policy divergence in the eurozone – Ongoing weak growth in Germany – Corrections in real estate markets – Unexpected rise in interest rates – Unexpected fall in interest rates – Heightened volatility in the global financial markets – Transition risks of issuers – Biodiversity risks	– Lending volume – Overall solvency requirement Chapter VI.15.4 Chapter VI.16.5 Chapter VI.16.6
	Counterparty default risk	Risk of losses due to unexpected default or deterioration in the credit standing of counterparties or debtors of insurance or reinsurance companies over the subsequent 12 months	Deterioration of counterparties' financial circumstances	– Lending volume – Overall solvency requirement Chapter VI.17.4 Chapter VI.17.4
Non-financial risks	Reputational risk¹	Risk of losses that could arise from damage to the reputation of R+V or of the entire insurance industry as a result of a negative perception among the general public	– Decrease in new and existing business – Lack of stakeholder backing	
	Operational risk	Risk of losses arising from inadequate or failed internal processes, personnel, or systems, or from external events	– Legal and compliance risk: Violations of legal provisions or failures in applying such provisions; adverse changes in the legal environment; violations of statutory provisions; failure to comply with corporate policies – Information risk, including ICT risk: Malfunctions or breakdowns in IT systems – BCM risk: Business interruptions could result in lasting disruptions to processes and workflows – External procurement risk: Disruptions to outsourced processes and services – Project risk: Failure to complete project deliverables on schedule – Corporate governance risks	– Overall solvency requirement Chapter VI.19.5
RISK COVERED BY CAPITAL PURSUANT TO SOLVENCY I				
	Risks from entities in other financial sectors	The entities in other financial sectors mainly consist of pension funds and occupational pension schemes	Generally corresponding to the risk factors for risks backed by capital pursuant to Solvency II	– Overall solvency requirement Chapter VI.20

¹ The Insurance sector's reputational risk is included in the overall solvency requirement for life actuarial risk (lapse risk).

FIG. VI.3 – LIQUIDITY AND CAPITAL ADEQUACY KPIS OF THE DZ BANK GROUP

	Measured figure		External minimum target		Internal minimum threshold		Internal observation threshold	
	Dec. 31, 2025	Dec. 31, 2024	2025	2024	2025	2024	2025	2024
LIQUIDITY ADEQUACY								
DZ BANK Group (economic perspective)								
Minimum liquidity surplus (€ billion) ¹	24.7	22.7	0.0	0.0	5.0	4.0	7.5	5.0
DZ BANK banking group (normative perspective)								
Liquidity coverage ratio (LCR, percent) ²	156.4	143.9	100.0	100.0	112.5	112.5	125.0	125.0
Net stable funding ratio (NSFR, percent) ³	126.5	125.0	100.0	100.0	106.0	106.0	110.0	110.0
CAPITAL ADEQUACY								
DZ BANK Group (economic perspective)								
Economic capital adequacy (percent) ⁴	221.9	200.3	100.0	100.0	120.0	120.0	140.0	140.0
DZ BANK financial conglomerate (normative perspective)								
Coverage ratio (percent) ⁵	154.3	136.1	100.0	100.0	115.0	113.0	125.0	123.0
DZ BANK banking group (normative perspective)⁶								
Common equity Tier 1 capital ratio (percent)	18.4	15.8	9.9	10.0	11.8	11.8	13.0	13.0
Tier 1 capital ratio (percent)	20.5	17.8	11.8	11.8	13.5	13.5	14.8	14.8
Total capital ratio (percent)	23.6	20.1	14.2	14.2	16.0	16.0	17.3	17.3
Leverage ratio (percent)	7.0	6.6	3.0	3.0	4.0	4.0	4.3	4.3
MREL ratio as a percentage of risk-weighted exposure amounts	40.8	36.2	27.2	27.0	28.5	28.4	28.8	28.7
MREL ratio as a percentage of the leverage ratio exposure	13.9	13.4	9.8	9.5	10.2	9.9	10.5	10.2
Subordinated MREL ratio as a percentage of risk-weighted exposure amounts	34.1	29.5	26.9	27.0	28.4	28.4	28.7	28.7
Subordinated MREL ratio as a percentage of the leverage ratio exposure	11.6	10.9	9.5	8.4	9.9	8.8	10.2	9.1

¹ For details, see chapter VI.6.2.7.

² For details, see chapter VI.6.3.2.

³ For details, see chapter VI.6.3.3.

⁴ For details, see chapter VI.7.3.2.

⁵ For details, see chapter VI.7.4.2.

⁶ For details, see chapter VI.7.4.3.

FIG. VI.4 – LIQUIDITY AND CAPITAL ADEQUACY KPIS OF DZ BANK

	Measured figure		External minimum target		Internal observation threshold	
	Dec. 31, 2025	Dec. 31, 2024	2025	2024	2025	2024
LIQUIDITY ADEQUACY						
Economic perspective						
Minimum liquidity surplus of DZ BANK (€ billion) ¹	15.6	11.8	0.0	0.0	4.4	1.9
Minimum liquidity surplus of the liquidity subgroup ² (€ billion)	16.6	13.3	0.0	0.0	4.4	1.9
Normative perspective						
Liquidity coverage ratio (LCR) of the liquidity subgroup ² (percent) ³	149.5	138.6	100.0	100.0	120.0	120.0
Net stable funding ratio (NSFR) of the liquidity subgroup ² (percent) ⁴	122.3	119.0	100.0	100.0	106.0	106.0
CAPITAL ADEQUACY						
Normative perspective⁵						
Common equity Tier 1 capital ratio (percent)	17.3	14.6	7.7	7.7	10.3	10.3
Tier 1 capital ratio (percent)	20.7	17.5	9.2	9.2	11.8	11.8
Total capital ratio (percent)	25.7	21.2	11.2	11.2	13.8	13.8
Leverage ratio (percent)	6.6	6.7	3.0	3.0	4.3	4.3

¹ For details, see chapter VI.6.2.7.

² The KPIs for the liquidity adequacy of the liquidity subgroup relate to both DZ BANK and DZ HYP. Further information on the liquidity subgroup can be found in chapter VI.2.1.4.

³ For details, see chapter VI.6.3.2.

⁴ For details, see chapter VI.6.3.3.

⁵ For details, see chapter VI.7.4.3.

3 Risk-oriented corporate governance

3.1 Risk culture

The DZ BANK Group's risk culture is shaped by the high degree of responsibility assumed by the Cooperative Financial Network for its members and for society, by the values of sustainability, stability, and diversity, and by a strong culture of dialogue. The priority for the day-to-day handling of risk is compliance with strategic and associated operating requirements.

The following **principles** apply in respect of the day-to-day handling of risk:

- **Leadership culture:** The management must set out clear expectations regarding the handling of risk and lead by example.
- **Risk appetite:** Every individual at DZ BANK must understand their role and their part in the risk management system; they must assume responsibility for their decisions in line with the risk appetite specified by the Board of Managing Directors.
- **Communications:** Internal communications must be open and consensus-based. Alternative opinions must be respected and employees encouraged to analyze risk transparently.
- **Employees and expertise:** Employees must bear responsibility for conscious handling of risk. They must use the available expertise and undertake continuing professional development in a changing environment.
- **Change management:** DZ BANK must learn from past experience and ensure the business model is sustainable by managing change proactively.

The key features of the risk culture are documented in a framework, which is available to all employees of DZ BANK.

3.2 Risk appetite statement

The entities in the DZ BANK Group define risk appetite as the nature and extent of the risks that will be accepted at group level or by the management units within their risk capacity when implementing their business models and business objectives. The term 'risk appetite' equates to the term 'risk tolerance' used by the supervisory authorities in a disclosure context. Risk capacity is the maximum risk that the DZ BANK Group can take on based

on its capital adequacy, liquidity adequacy, capacity for risk management and control, and regulatory restrictions. Risk capacity is therefore largely determined by the DZ BANK Group's available internal capital, own funds, and available liquid assets. Risk capacity should always exceed risk appetite. The difference between risk capacity and risk appetite reflects the DZ BANK Group's need for security.

The risk appetite statement formulates risk policy principles on risk tolerance in the DZ BANK Group. The principles are overarching statements that are consistent with the business model and the risk strategies. The qualitative principles are supplemented by quantitative key figures, for which threshold values are set internally. The values for the KPIs and the internal threshold values are shown in Fig. VI.3. One of these principles and several threshold values in the risk appetite statement relate to sustainability risks.

3.3 Risk strategies

The **systematic controlled assumption of risk in relation to target returns** is an integral part of corporate control in the DZ BANK Group and at DZ BANK. The activities resulting from the business model are monitored using the risk management process. The need to hold appropriate reserves of cash and to cover risks with adequate capital is also recognized as an essential prerequisite for the operation of the business and is of fundamental importance.

For each of the material risks, the Board of Managing Directors draws up risk strategies that are linked to the **business strategy**. The risk strategies each encompass the main risk-bearing business activities, the objectives of risk management (including the requirements for accepting or preventing risk), and the action to be taken to attain the objectives. The risk strategies are each valid for one calendar year.

The annual updating of the risk strategies is integrated with the **strategic planning process** and is carried out by the Group Risk Controlling, Group Risk Control & Services, and Group Finance divisions in close consultation with other relevant divisions at DZ BANK and its subsidiaries. The **risk strategies** are described in the chapters covering the individual risk types in this risk report. The strategic focus of the DZ BANK Group and DZ BANK that underlies the risk strategies is described in chapter I.1 of the (group) management report.

3.4 Governance structure of risk management

Risk management in the DZ BANK Group is an integral component of governance and is therefore taken into account in the general management approach, in the management of subsidiaries via appointments to key posts, and in the DZ BANK Group's committees. The governance of the DZ BANK Group is described in chapter I.2.2 of the (group) management report.

The risk management system builds on the risk appetite statement and risk strategies. It is based on three lines of defense that are interlinked and well established in the monitoring and control environment. Fig. VI.5 shows the governance structure of risk management. **R+V** has implemented a modified governance structure because it is subject to different regulatory requirements.

The **three-lines-of-defense model** clarifies the understanding of risk management within the DZ BANK Group and sets out the roles and responsibilities. The interaction between the three lines of defense is intended to provide the basis for effective groupwide risk management. The tasks of the individual lines of defense are as follows:

First line of defense:

- Day-to-day assumption of risk, establishment and management of suitable controls; related reporting to the Board of Managing Directors

Second line of defense:

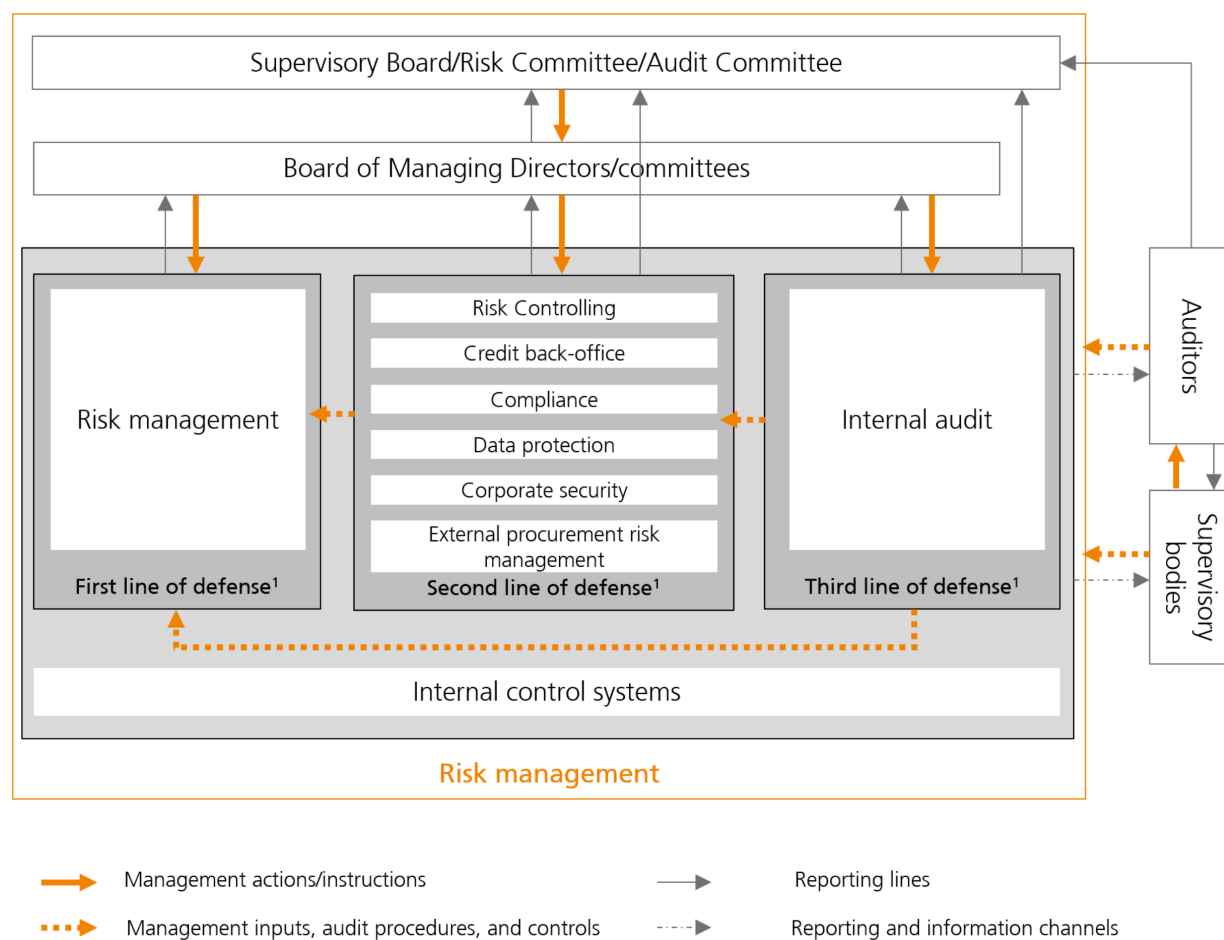
- Establishment and enhancement of a framework for risk management
- Monitoring of compliance with the framework in the first line of defense and related reporting to the Supervisory Board and Board of Managing Directors

- Second vote in credit decisions as defined in MaRisk
- Development and monitoring of principles for compliance with data protection requirements and structuring and monitoring of corporate security and external procurement risk management. These rules do not limit the data protection officers' freedom to operate independently.
- The tasks listed are primarily carried out by the Group Risk Controlling, Group Risk Control & Services, Credit, and Compliance divisions, and the Group IT Governance department.
- The Group Risk Controlling, Group Risk Control & Services, and Credit divisions together form the risk management function.

Third line of defense:

- Process-independent examination and assessment of risk management processes in the first and second lines of defense
- Reporting to the Board of Managing Directors, Supervisory Board, Audit Committee and, where appropriate, the Risk Committee
- Communication with external control functions
- Tasks in the third line of defense are primarily carried out by Group Audit.

FIG. VI.5 – GOVERNANCE STRUCTURE OF RISK MANAGEMENT IN THE DZ BANK GROUP



¹ The names reflect corporate functions; they are not necessarily identical to the names of these functions in the organizational structure.

3.5 Supervisory Board and Board of Managing Directors

The Board of Managing Directors reports in detail to the Supervisory Board of DZ BANK once a year about the updating of the risk strategies and the status and further development of the risk management system of DZ BANK and the DZ BANK Group. Using the quarterly overall risk reports, the Board of Managing Directors reports to the Supervisory Board about the risk situation four times a year. At the same intervals, the Board of Managing Directors also reports portfolio-specific and exposure-specific management information and reports on the credit portfolio using the credit risk report. The Supervisory Board is also informed on an ad hoc basis about significant investment exposures. The Supervisory Board discusses these issues with the Board of Managing Directors, advises it, and monitors its management activities. The Supervisory Board and its committees are involved in decisions of fundamental importance.

The Supervisory Board has set up a Risk Committee, which addresses issues related to overall risk appetite and risk strategy. The chairman of the Risk Committee reports to the full Supervisory Board four times a year on the material findings of the committee's work.

At least quarterly, the Board of Managing Directors makes the centrally produced risk reports available to the members of the Risk Committee and the other members of the Supervisory Board. The chairman of the Risk Committee informs the full Supervisory Board about the main content of these reports no later than at its next meeting. In addition, the Audit Committee regularly examines the effectiveness of the internal control system, risk management system, and internal audit. It passes on important information to the other Supervisory Board members in the Audit Committee Chairman's reports at Supervisory Board meetings and by distributing the minutes from Audit Committee meetings to the other Supervisory Board members.

3.6 Risk management committees

The **Group Risk and Finance Committee**, the **Risk Committee**, and the **Asset/Liability Committee** are the main committees responsible for risk management in the DZ BANK Group and at DZ BANK. The Supervisory Board's Risk Committee is also updated about the risk situation.

The organization and remit of the aforementioned committees are described in chapter I.2.2.3 of the (group) management report.

3.7 First line of defense

The first line of defense primarily comprises **risk management** and the establishment of suitable controls. Risk management refers to the operational **implementation of the risk strategies** based on standards applicable throughout the group. The management units make conscious decisions on whether to assume or avoid risks. They must observe guidelines and risk limits specified by the head office. The divisions responsible for risk management in the first line of defense are separated in terms of both organization and function from the divisions in the second and third lines of defense. The actions to establish suitable controls are presented in chapter VI.3.10.

3.8 Second line of defense

3.8.1 Risk control

The Group Risk Controlling and Group Risk Control & Services divisions, which form DZ BANK's central risk control function, are responsible for **identifying, measuring, and assessing** risk in the DZ BANK Group. This role includes early detection, full recording of data (to the extent that this is possible), and internal **monitoring** for all material risks. The risk control function lays down the fundamental requirements for the risk measurement methods to be used throughout the group and coordinates implementation with the risk control functions in the other management units. This structure is designed to ensure that risk is managed consistently throughout the group. DZ BANK's risk control function also draws up groupwide rules for the credit risk processes.

Both at DZ BANK and in the other management units, the risk control function is responsible for the **communication** of risks assumed and aims to ensure that all risk measurement methods used are up to date. In

cooperation with the other management units, the risk control function at DZ BANK therefore prepares groupwide risk reports covering all material types of risk. The risk reports are compiled for the Supervisory Board and the Board of Managing Directors and for the other management units.

The management units' risk control units monitor compliance with the limits defined for the minimum liquidity surplus and, where applicable, for the structural minimum liquidity surplus. They also monitor compliance with the entity-related limits that have been set based on the risk capital allocated by DZ BANK.

3.8.2 Credit back-office division

The Credit divisions of the entities in the Bank sector form the back office within the meaning of MaRisk BA. They are responsible for aspects of identifying, measuring, monitoring, and managing credit risk. These aspects include analyzing the risk (including producing ratings), approving or rejecting a credit decision with the back office's 'second vote', ensuring compliance with the credit risk strategy, and identifying and appropriately assessing the risks from loans to members of the governing bodies.

The responsibilities of the back office also comprise the ongoing monitoring of loan exposures, including identifying and processing non-performing exposures and deciding on measures to be implemented if limits are exceeded, as well as the management of loan collateral. In the case of exposures that are relevant for management, the exposure throughout the group is taken into account and appropriate management guidance is given to the management units.

3.8.3 Compliance

Compliance function

The Board of Managing Directors of DZ BANK and the Boards of Managing Directors of the other management units are responsible for compliance with legal provisions and requirements and with the principles and measures implemented for this purpose. To fulfill these duties, the Boards of Managing Directors generally appoint an independent compliance function.

The main task of the compliance function is to manage compliance risk in order to protect customers, the entities in the DZ BANK Group, and their employees against breaches of legal provisions and requirements. The compliance function is also responsible for mitigating risks arising from non-compliance with the legal provisions and requirements. Other tasks of the compliance function are to keep senior management up to date with new regulatory requirements and to advise the departments on implementing new provisions and requirements.

In accordance with the requirements of the Supervisory Review and Evaluation Process for Basel Pillar 2 (SREP), there is a single compliance framework for the material entities in the DZ BANK Group. This framework lays down rules on cooperation between the individual compliance functions and sets out their authority and responsibilities. The compliance framework comprises the compliance policy of the DZ BANK Group, compliance standards, and the guidelines on managing conflicts of interest. It is updated at least annually.

The compliance policy sets out requirements for establishing and organizing the compliance functions and details of their duties. It is supplemented by compliance standards, which specify how to implement these requirements at an operational level. If individual requirements in the compliance standards cannot be fulfilled by a management unit, for example because they conflict with local rules or special legal requirements, the affected management unit must provide an explanation. Special circumstances may arise because R+V is subject to different legal and regulatory requirements, for example.

Where required by law, the subsidiaries of DZ BANK have undertaken to comply with DZ BANK's standards on preventing money laundering, the financing of terrorism, and other criminal offenses. The measures required by the German Anti-Money Laundering Act (GwG) have been put in place and implemented. They are reviewed regularly to check that they are up to date and, if necessary, amended. No corruption is tolerated, either in the entities in the DZ BANK Group or at business partners or other third parties. The DZ BANK Group implements

appropriate organizational arrangements designed to ensure compliance with all applicable sanctions and embargoes.

Further disclosures relating to compliance risk can be found in chapters VI.14.5.1 and VI.19.3.1.

Code of conduct

The risk culture principles (see chapter VI.3.1) are mirrored in the DZ BANK Group's code of conduct. The code of conduct represents a framework for the group entities. Its content is implemented in the entities in the DZ BANK Group by means of internal regulations and policies that are tailored to their respective core businesses and entity-specific requirements.

The code of conduct encompasses the responsibility to stakeholders on whom the DZ BANK Group can have a direct influence and who have a link to its core business. These stakeholders primarily include customers, business partners, shareholders, employees, and society in general. Compliance with social and ethical standards also forms part of the code of conduct, as do aspects of sustainability. This entails the commitment to democratic values, tolerance, equality of opportunity, and the protection of human rights. The latter is specified in greater detail in dedicated guidelines. With regard to the protection of human rights in own operations and in relation to suppliers, compliance with the German Supply Chain Due Diligence Act (LkSG) by the affected management units DZ BANK, BSH, R+V, and TeamBank should be mentioned. LkSG requires risks to be analyzed, preventive and remedial action to be taken, a complaints process to be established, and a human rights officer to be appointed to monitor risk management and report to senior management.

3.8.4 Data protection

The entities in the DZ BANK Group have taken steps to ensure that they comply with data protection requirements relating to customers, business partners, and employees. The data protection officers required by law have been appointed and their names have been submitted to the competent data protection authorities. Standard data protection principles have been issued within the DZ BANK Group. In addition, employees regularly receive updates on the currently applicable data protection provisions.

In the management units, independent data protection officers report to the relevant Board of Managing Directors. The Data Protection Officers working group in the DZ BANK Group generally meets three times a year. The working group deals with current issues relating to data protection.

3.8.5 Corporate security

The entities in the DZ BANK Group take into account the relevant regulatory requirements in the following areas of corporate security:

- Information security
- Business continuity management (contingency and crisis management)

The regulatory requirements are implemented in all of the group's subsidiaries by means of written specifications and compliance is monitored by DZ BANK.

Information security

The aim of information security is to safeguard the confidentiality, integrity, authenticity, and availability of the data and information (information assets) used in business processes. Technical and organizational measures must be taken to adequately protect these information assets against unauthorized access, disclosure, or modification and against loss or theft.

To manage information security, the **DZ BANK Group** has established a groupwide information security management system (Group ISMS) based on ISO/IEC 27001.

DZ BANK has implemented an information security management system (ISMS). The rules that it contains, along with the methodological framework that it provides, are also based on the ISO/IEC 27001 standard. The ISMS is

designed to ensure the confidentiality, integrity, availability, and authenticity of the data and information (information assets) used in DZ BANK's core processes, management processes, and support processes. The governance model implemented defines the methods, processes, roles, responsibilities, authority, and reporting channels that are necessary to achieve the strategic objectives and carry out the tasks of information security at operational level. It also provides an operational framework for the consistent quantitative and qualitative evaluation and management of information security risk, which forms part of operational risk.

Further disclosures relating to information risk including ICT risk can be found in chapters VI.14.5.3 and VI.19.3.2.

Business continuity management

A groupwide business continuity management system has been set up to implement regulatory requirements and to mitigate business continuity management risk (BCM risk) relating to time-critical processes. Group standards are applied to address the regulatory minimum requirements for this system, and a governance process is used to track compliance with the standards.

At DZ BANK, business continuity management provides structures and methodologies that will enable time-critical business processes to be maintained should an emergency arise (dealing with emergencies). Measures to protect people, premises, assets, and time-critical IT assets are also developed and implemented (preventing emergencies). In this way, DZ BANK aims to ensure that it can maintain its operations in the event of emergencies, even though the level of activity may have to be reduced. This applies particularly if there are situations in which whole groups of people, significant parts of the building infrastructure or of information and communications technologies (ICT), or the procurement of services are affected.

At DZ BANK, time-critical business processes are identified in accordance with the rules of the head-office team for business continuity management using business impact analyses and protected by business continuity planning. DZ BANK's business continuity management system has been certified in accordance with the ISO 22301 standard.

Further disclosures relating to BCM risk, which was referred to as security risk prior to application of the DORA Regulation, can be found in chapters VI.14.5.4 and VI.19.3.3.

3.8.6 External procurement risk management

At DZ BANK, the Central Outsourcing Management unit acts as the central point of contact for all issues relating to risk management for external procurement. Management-relevant external procurement includes outsourcing, the external procurement of IT services, and other purchases from third parties. The Central Outsourcing Management unit is responsible for developing, introducing, and monitoring the framework specifications as well as for appropriately implementing the statutory requirements in respect of regulated external procurement at DZ BANK.

The Bank sector rules on external procurement risk management include general requirements for the management units in this sector to ensure that the management of external procurement is largely standardized throughout the DZ BANK Group. Besides the DORA Regulation, the Insurance sector is subject to separate regulatory requirements that are dealt with in internal guidance issued by R+V.

Further disclosures relating to external procurement risk, which was referred to as outsourcing risk prior to application of the DORA Regulation, can be found in chapters VI.14.5.5 and VI.19.3.4.

3.9 Third line of defense

The **internal audit departments** of the management units are responsible for control and monitoring tasks. Independently of individual processes and with a focus on risk, they review and assess compliance with statutory and regulatory requirements and the effectiveness and appropriateness of risk management in general and the internal control system in particular. They also check that all activities and processes are carried out properly,

regardless of whether they are outsourced or not. The internal audit departments also ensure that identified shortcomings are rectified.

The internal audit departments at the entities in the DZ BANK Group report to the chief executive officer or other senior managers of the entity concerned.

DZ BANK's internal audit department is responsible for internal audit tasks at group level. These tasks include, in particular, the design and coordination of audits involving multiple entities, the implementation of which lies within the remit of the individual internal audit departments in the management units concerned, and the evaluation of individual management unit audit reports of relevance to the group as a whole. Cooperation between internal audit departments in the DZ BANK Group is governed by general parameters, the operational details of which are set out in a separate group audit manual. DZ BANK's internal audit department also carries out audit activities for selected subsidiaries under service agreements.

3.10 Internal control systems

3.10.1 General internal control system

The objective of the internal control systems operated in the entities in the DZ BANK Group is to ensure the effectiveness and efficiency of business activity and compliance with the relevant legal provisions by means of suitable basic principles, action plans, and procedures.

DZ BANK has a bank-wide internal control system that is able to adapt to changing business and operating environments. The methodology of this control system is based on the Internal Control – Integrated Framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), a comprehensive and internationally accepted framework for the appropriate design of internal control systems.

As part of the control system, regular updates and assessments are carried out in respect of the internal controls for reducing material risk in the business processes documented in the written set of procedural rules. The outcome of the assessments provides a statement on the appropriateness and effectiveness of the bank-wide internal control system for the Board of Managing Directors and Supervisory Board. The organizational and technical measures integrated into DZ BANK's operational and organizational structure are the starting point for the design of the controls.

The internal control system for the (consolidated) financial reporting process, which is described in chapter 3.10.2 below, is a sub-system of the bank-wide internal control system.

3.10.2 Internal control system for the (consolidated) financial reporting process

Objective and responsibilities

DZ BANK is subject to a requirement to prepare consolidated financial statements and a group management report as well as separate financial statements and a management report. The primary objective of external (consolidated) financial reporting is to provide decision-useful information for the users of the reports. This includes all activities to ensure that (consolidated) financial reporting is properly prepared and that material violations of accounting standards – which could result in the provision of inaccurate information to users or in mismanagement of the DZ BANK Group – are avoided with a sufficient degree of certainty.

In order to limit operational risk in this area of activity, the entities in the DZ BANK Group have set up internal control systems for the (consolidated) financial reporting process as an integral component of the control systems put in place for the general risk management process. In this context, the activities of employees, the implemented controls, the technologies used, and the design of work processes are structured to ensure that the objectives associated with (consolidated) financial reporting are achieved.

Overall responsibility for (consolidated) financial reporting lies with DZ BANK's Group Finance division, with all the consolidated entities in the DZ BANK Group responsible for preparing and monitoring the quantitative and qualitative information required for the consolidated financial statements.

Instructions and rules

The methods to be applied within the DZ BANK Group in the preparation of the consolidated financial statements are set out in writing in a group manual. The methods to be applied within DZ BANK in the preparation of the separate financial statements are documented in a written set of procedural rules. Both of these internal documents are updated on an ongoing basis. The instructions and rules are audited to assess whether they remain appropriate and are amended in line with changes to internal and external requirements.

Resources and methods for minimizing risk

The group's financial reporting process is decentralized. Responsibility for preparing and checking the quantitative and qualitative information required for the consolidated financial statements lies with the organizational units used for this purpose in the entities in the DZ BANK Group. DZ BANK implements the relevant controls and checks in respect of data quality and compliance with the DZ BANK Group rules.

The organizational units post the accounting entries for individual transactions. The consolidation processes are carried out by DZ BANK's Group Finance division and by the accounting departments of each entity in the DZ BANK Group. The purpose of this structure is to ensure that all accounting entries and consolidation processes are properly documented and checked.

Financial reporting, including consolidated financial reporting, is chiefly the responsibility of employees of DZ BANK and the other organizational units deployed for this purpose in the entities in the DZ BANK Group. If required, external experts are brought in for certain accounting-related calculations as part of the financial reporting process, such as determining defined benefit obligations and valuing collateral.

Consolidated financial reporting is based on workflow plans agreed on a binding basis between DZ BANK's Group Finance division and the individual accounting departments of the subsidiaries. These plans set out the procedures for collating and generating the quantitative and qualitative information required for the preparation of statutory financial reports. The plans also apply to the financial reports prepared for DZ BANK.

Generally accepted valuation methods are used in the preparation of the consolidated financial statements and group management report, and the separate financial statements and management report. These methods are regularly reviewed to ensure they remain appropriate.

In order to ensure the efficiency of the (consolidated) financial reporting system, the processing of the underlying data is extensively automated using IT systems. Control mechanisms are in place with the aim of ensuring the quality of processing and are one of the elements used to limit operational risk. (Consolidated) accounting input and output data undergoes automated and manual checks.

Business continuity plans have also been put in place. These plans are intended to ensure the availability of HR and technical resources required for the (consolidated) accounting and financial reporting processes.

Information technology

The IT systems used for (consolidated) financial reporting have to satisfy the applicable security requirements in terms of confidentiality, integrity, availability, and authenticity. Automated controls are used to ensure that the processed (consolidated) accounting data is handled properly and securely in accordance with the relevant requirements. The controls in IT-supported (consolidated) accounting processes include, in particular, validation procedures to ensure consistent issue of authorizations, verification of master data modifications, logical access controls, and change management validation procedures in connection with developing, implementing, or modifying IT applications.

The IT infrastructure required for the use of electronic (consolidated) accounting systems is subject to the security controls implemented on the basis of the general IT security principles in the entities in the DZ BANK Group.

The information technology used for consolidated accounting purposes is equipped with the functionality to enable it to handle the journal entries in individual organizational units as well as the consolidation transactions carried out by DZ BANK's group accounting department and by the accounting departments in the subgroups.

IT-supported (consolidated) accounting processes are audited as an integral part of the internal audits carried out by the internal audit departments of the entities in the DZ BANK Group.

Ensuring and improving effectiveness

The processes used are reviewed to ensure they remain appropriate and fit for purpose; they are adapted in line with new products, circumstances, or changes in statutory requirements. To guarantee and increase the quality of (consolidated) accounting in the entities in the DZ BANK Group, the employees charged with responsibility for financial reporting receive needs-based training in the legal requirements and the IT systems used. When statutory changes are implemented, external advisors and auditors can be brought in if needed in order to provide quality assurance for financial reporting. At regular intervals, the internal audit department audits the internal control system related to the process for (consolidated) financial reporting.

3.11 External control functions

Independent auditors, together with supervisory authorities, form the external control functions and these functions regularly hold discussions with all three lines of defense. The supervisory authorities can specify key points to be covered by independent auditors in their audits of financial statements. The auditors report to the supervisory authorities on the findings of their audits of financial statements and special audits.

Independent **auditors** carry out audits pursuant to section 29 (1) sentence 2 no. 2a KWG in conjunction with section 25a (1) sentence 3 KWG and section 38 (3) KAGB in conjunction with section 28 (1) KAGB in relation to the risk management system, including the internal control functions, of the entities in the Bank sector. For the Insurance sector, an audit of the Solvency II balance sheet is carried out pursuant to section 35 (2) VAG and an audit of the early-warning system for monitoring risks that may jeopardize the ability to continue as a going concern, including the internal monitoring system of R+V, is carried out pursuant to section 35 (3) VAG in conjunction with section 317 (4) HGB and section 91 (2) of the German Stock Corporation Act (AktG).

The **supervisory authorities**, particularly the banking and insurance supervisory authorities, also conduct risk-based audits.

4 Risk management tools

4.1 Risk inventory check and appropriateness test

Every year, DZ BANK conducts a **risk inventory check**, the objective of which is to identify the types of risk that are relevant for the DZ BANK Group and assess the materiality of these risk types. According to need, a risk inventory check may also be carried out at other times in order to identify any material changes in the risk profile during the course of the year. The risks identified in the risk inventory check are broken down by financial and non-financial risk.

As part of the risk inventory check, a **materiality assessment** is carried out for those types of risk that could arise in connection with the operating activities of the entities in the DZ BANK Group. The next step is to assess the extent to which there are concentrations of risk types classified as material in the Bank sector, the Insurance sector, and across sectors.

Another materiality assessment is performed in the course of the risk inventory check that covers the **sustainability risk factors** of relevance to the DZ BANK Group's main types of risk. In this materiality

assessment, the three sustainability dimensions (climate-related and environmental risks, social risks, and corporate governance risks) are first divided into ESG risk factor categories and then into ESG risk factors. The materiality of these sustainability risk factors is assessed based partly on portfolio-based concentration analysis and partly on the results of ESG scenario analysis, analysis of risk types, or overarching analysis (e.g. from the sustainability risk report) that are used to gauge the significance of potential transmission channels for the risks that are backed by capital. If a quantitative assessment is not possible, inhouse experts on the individual risk types are consulted instead. This materiality assessment of sustainability risks is based both on internal risk concentration data and portfolio data and on external data sources. A distinction is made between the short-term, medium-term, and long-term time horizons with regard to the significance of the ESG risk factors to individual types of risk backed by capital.

DZ BANK also conducts an annual **appropriateness test**, both for itself and at DZ BANK Group level. The appropriateness test may also be carried out at other times in response to specific events. The aim is to check whether the risk measurement methods used for all types of risk classified as material are in fact fit for purpose. The appropriateness test found that risk measurement in the DZ BANK Group is generally appropriate, although potential improvements were identified.

The risk inventory check and appropriateness test are coordinated in terms of content and timing between all management units in the DZ BANK Group. The findings from these processes are incorporated into the risk management process. In the material subsidiaries, risk inventory checks and appropriateness tests are generally conducted in a similar way to the approach used for the DZ BANK Group.

4.2 Risk manual

The risk manual, which is available to all employees of the management units, sets out the general parameters for the risk management process. These general parameters are intended to ensure that risk management is properly carried out in the DZ BANK Group. The manual forms the basis for a shared understanding of the minimum standards for risk management throughout the group.

The material subsidiaries also have their own risk manuals covering special aspects of risk related specifically to these management units. R+V has Solvency II guidelines.

4.3 Internal risk reporting

Internal risk reporting by DZ BANK Group entities is based on regulatory requirements. These include, in particular, the principles for the effective definition, collection, and processing of risk data (BCBS 239), the Guide on effective risk data aggregation and risk reporting (RDARR), MaRisk, and KAMaRisk.

The primary aim of internal risk reporting is establishing and enhancing transparency about risks to a company's ability to continue as a going concern, detecting them at an early stage, and monitoring them in the course of risk management. Taking account of the materiality of the exposures, the risk reports are intended to ensure that decision-makers and supervisory bodies receive transparent information on DZ BANK's risk profile and the risks for which they are responsible at all times. The management inputs derived from the internal risk reports feed into the strategic management decisions made by the Board of Managing Directors. Escalation mechanisms that build on the internal risk reports are intended to ensure prompt and appropriate responses to limit overruns.

DZ BANK's internal risk reporting comprises two pillars: standard reporting and special reporting:

- **Standard reporting** is characterized by recurring analyses and reports that are prepared for a predefined group of recipients at fixed intervals. These reporting processes are standardized in terms of input parameters, processing times and timing, and reporting formats.
- **Special reporting** is one-off or ad hoc reporting that can be triggered for a variety of reasons, such as internal or external data requests. The special reports also include ad hoc reports that are triggered when a specific threshold is reached.

Standard risk reporting in the DZ BANK Group has a material monitoring and oversight function based on the KPIs set out in the risk appetite statement.

The standard reports are either aggregated and cover all risk types or they are specific to an individual risk type. The reports covering all risk types relate solely to the DZ BANK Group. By contrast, the risk type-specific reports are based both on groupwide information about the risk situation and on internal entity-specific reporting systems of DZ BANK and the other management units. Fig. VI.6 provides an overview of the main internal risk reports of **DZ BANK**.

The **other management units** have comparable reporting systems for all relevant types of risk.

FIG. VI.6 – DZ BANK'S INTERNAL RISK REPORTS¹

	Frequency				Recipients						Risk types concerned									
	Daily	Monthly	Quarterly	Half-yearly	Supervisory Board	Board of Managing Directors ²	Group Risk and Finance Committee	Risk Committee	Asset/Liability Committee		Aggregate risk	Liquidity risk	Credit risk ³	Equity investment risk ³	Market risk ³	Technical risk of a home savings and loan ³	Business risk ³	Reputational risk ^{3,4}	Operational risk ³	Risks in the Insurance sector
Reports covering all risk types																				
Integrated management report of the finance and risk function		•				•	•				•	•	•	•	•	•	•	•	•	•
Monthly overall risk report		•				•			•		•	•	•	•	•	•	•	•	•	•
Quarterly overall risk report			•		•	•	•				•	•	•	•	•	•	•	•	•	•
Sustainability risk report				•		•			•				•		•		•			
Stress tests report			•		•	•	•				•		•	•	•	•	•	•	•	•
Risk type-specific reports																				
Daily liquidity risk report	•					•					•									
Monthly liquidity risk report		•				•			•		•									
Credit risk report			•		•	•	•						•							•
Daily market risk report	•					•									•					
Monthly market risk report		•							•	•					•					
Monthly trading business report		•							•				•							
Monthly IRRBB and CSRBB reporting		•				•			•	•				•						
Reputational risk report				•		•			•									•		•
Operational risk report			•			•			•										•	•

¹ Standard reporting.

² Full Board of Managing Directors or individual members of the Board of Managing Directors.

³ Bank sector.

⁴ Covered by business risk in the reports covering all risk types.

4.4 Accounting basis for risk management

4.4.1 Accounting basis for risk measurement

The transaction data that is used to prepare the DZ BANK Group's consolidated financial statements forms the basis for the measurement of risk in the Bank sector and Insurance sector. Similarly, the transaction data used by the entities in the DZ BANK Group to prepare separate financial statements and subgroup financial statements is also used for the measurement of risk. A wide range of other factors are also taken into account in the calculation of risk. These factors are explained in more detail during the course of this risk report.

The line items in the consolidated financial statements significant to risk measurement are shown in Fig. VI.7. The information presented is also applicable to the measurement of risk for the separate financial statements of DZ BANK and the measurement of its risk, which does not include the technical risk of a home savings and loan company or the risks incurred by the Insurance sector.

FIG. VI.7 – RISK-BEARING LINE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS¹

		Bank sector										Insurance sector												
		Credit risk		Market risk								Market risk												
				General market risk																				
Consolidated financial statements		Traditional credit risk	Issuer risk	Replacement risk	Equity investment risk	Interest-rate risk	Equity risk	Fund price risk	Currency risk	Commodity risk	Spread and migration risk	Asset-management risk	Technical risk of a home	Life actuarial risk	Health actuarial risk	Non-life actuarial risk	Interest-rate risk	Spread risk	Equity risk	Currency risk	Real-estate risk	Counterparty default risk	Operational risk	
Loans and advances to banks		•		•		•				•		•		•										
Loans and advances to customers		•		•		•				•		•		•										
Derivatives used for hedging (positive fair values)				•		•	•	•	•	•	•	•												
Financial assets held for trading			•	•		•	•	•	•	•	•	•												
Investments			•	•	•	•	•	•	•	•	•	•												
Investments held by insurance companies																		•	•	•	•	•	•	
Property, plant and equipment, investment property, and right-of-use assets					•																			
Other assets		•		•											•	•	•						•	
Financial guarantee contracts and loan commitments		•				•				•														
Deposits from banks						•				•				•										
Deposits from customers						•				•				•										
Debt certificates issued including bonds						•	•	•	•															
Derivatives used for hedging (negative fair values)				•		•	•	•	•	•	•	•	•											
Financial liabilities held for trading				•		•	•	•	•	•	•	•												
Insurance contract liabilities															•	•	•	•						•

¹ The details for liquidity risk are not provided here for reasons of clarity as liquidity risk is generally determined on the basis of all line items in the consolidated financial statements.

The sections below provide a further explanation of the link between individual types of risk and the consolidated financial statements.

A further breakdown of the line items in the consolidated financial statements used to determine **credit risk** is given in chapter VI.8.7.2.

The investments used for the purposes of measuring **equity investment risk** are the following items reported in note 53 of the notes to the consolidated financial statements: shares and other shareholdings, investments in subsidiaries, investments in associates, and investments in joint ventures.

In the **Bank sector**, the measurement of financial instruments both for the purposes of determining market risk and for financial reporting purposes is based on market data provided centrally. Discrepancies in carrying amounts can arise from the differing treatment of impairment amounts in the measurement of market risk and in the accounting figures. They can also arise due to differences between the transaction price and acquisition-date fair value (day-one profit or loss). Day-one profit or loss is presented in note 72 of the notes to the consolidated financial statements. Differences can also arise on exchange-traded financial instruments (e.g. bonds and futures) because the market risk calculation measures them on the basis of models whereas the accounting treatment may use liquid market prices. If no liquid market prices are available for these instruments, models are also used to measure them for accounting purposes. With the exception of these differences, the disclosures relating to **market risk** reflect the fair values of the assets and liabilities concerned.

The measurement of the **technical risk of a home savings and loan company** is based on the loans and advances to banks and customers (home savings loans) described in notes 49 and 50 of the notes to the consolidated financial statements and on the deposits from banks and customers (home savings deposits) described in notes 61 and 62 of the notes to the consolidated financial statements.

Insurance contract liabilities, as reported in the financial statements, are a key value for determining all types of **actuarial risk**. The line item Investments held by insurance companies is used to determine all types of **market risk** and **counterparty default risk**. The line item Other assets is included in the computation of actuarial risk and counterparty default risk.

Operational risk in the Bank sector, business risk (Bank sector), and **reputational risk** (Bank sector and Insurance sector) are measured without a direct link to balance sheet line items reported in the consolidated financial statements. On the other hand, **operational risk in the Insurance sector** is based on insurance contract liabilities.

The calculation of **liquidity risk** is derived from future cash flows, which in general terms are determined from all of the on-balance-sheet and off-balance-sheet items in the consolidated financial statements.

4.4.2 Accounting basis for risk coverage

The link between the counterbalancing capacity, which is used to determine economic liquidity adequacy, and the consolidated balance sheet is described in chapter VI.6.2.6.

The link between available internal capital, which is used to determine economic capital adequacy, and the consolidated balance sheet is covered in chapter VI.7.3.2.

4.5 Risk measurement

4.5.1 Framework

Risk management in the DZ BANK Group is based on a **resource-oriented perspective of liquidity and capital**. The group uses this approach to implement the regulatory requirements ILAAP and ICAAP. This involves dovetailing between the economic and normative perspectives.

A distinction is also made between **economic and normative liquidity adequacy** and **between economic and normative capital adequacy**. The impact of each risk type on both economic capital and economic liquidity is taken into consideration. The effect and materiality of the various types of risk may vary, depending on the resource in question.

4.5.2 Economic perspective

Economic liquidity adequacy

To ascertain the DZ BANK Group's economic liquidity adequacy, the minimum surplus cash that would be available based on the relevant key figures if various scenarios were to materialize – within the following year and in a longer period of up to 10 years – is determined as part of the measurement of liquidity risk as at the reporting date. There is no capital requirement in connection with liquidity risk. In addition, a forward-looking assessment is used to ascertain continuous compliance with these requirements over a medium-term period in the baseline scenario and in adverse scenarios.

Concentrations of liquidity risk can occur primarily due to the accumulation of outgoing payments at particular times of the day or on particular days (concentrations of maturities), the distribution of funding across particular currencies, markets, products, and liquidity providers (concentrations of funding sources), and the distribution of liquidity reserves across particular currencies, ratings, and issuers (concentrations of reserves).

R+V (Insurance sector) is not material with regard to liquidity risk in the DZ BANK Group. This is because liquidity is typically tied up in liabilities with maturities of 5 years or more in insurance business.

Economic capital adequacy

Economic capital adequacy is an internally defined management perspective aimed at ensuring that all of the DZ BANK Group's material capital risks – determined using internal risk measurement methods on the assumption that the group will continue to operate as a going concern – are fully backed by capital plus an internally specified management buffer. The risk measurement methods used are designed to ensure that risk capital management is integrated across the group.

Owing to the close ties between risk management at DZ BANK and that of the DZ BANK Group, the economic capital adequacy of DZ BANK is indirectly managed through the economic capital adequacy of the DZ BANK Group.

Economic capital adequacy is calculated as the ratio of available internal capital to the economic aggregate risk of the DZ BANK Group. The economic aggregate risk is calculated as the sum of the risk capital requirement of the Bank sector, the overall solvency requirement of the Insurance sector, and the central economic capital buffer. Economic capital adequacy of 100 percent or higher indicates that the DZ BANK Group has economic risk-bearing capacity. The risk capital requirement and the overall solvency requirement refer to the capital required to be held in order to cover any potential losses.

In the Bank sector, the **risk capital requirement** is calculated for credit risk, equity investment risk, market risk (in the narrow sense of the term), the technical risk of a home savings and loan company, operational risk, and business risk. It is generally calculated as value-at-risk with a holding period of 1 year and a confidence level of 99.9 percent. The capital requirement for the individual risk types is aggregated into the total risk capital requirement for the Bank sector taking into account various diversification effects. The diversified risk capital requirement reflects the interdependency of individual types of risk.

In the Insurance sector, risk measurement is based on the method specified in Solvency II with the aim of determining value-at-risk, which is the measure of economic capital. The value-at-risk for the change in economic own funds – also referred to as the **overall solvency requirement** – is determined with a confidence level of 99.5 percent over a period of 1 year. Overall solvency requirements are calculated for actuarial risk, market risk, counterparty default risk, operational risk, and risks from entities in other financial sectors.

The DZ BANK Group holds a capital buffer as a component of aggregate risk to allow for a possible lack of precision in the measurement of the risks backed by capital. A distinction is made between centralized and decentralized capital buffer requirements. The **centralized capital buffer** is managed on the basis of a limit covering all sectors and risk types. The **decentralized capital buffer requirements** are determined for the individual risk types in the Bank sector and the Insurance sector and are contained in the risk capital requirement (Bank sector) and in the overall solvency requirement (Insurance sector). To simplify matters, only the terms 'risk capital requirement' and 'overall solvency requirement' will be used in the remainder of this risk report. These include the decentralized capital buffer requirement.

The risks relating to the Bank and Insurance sectors are aggregated, disregarding diversification effects between the sectors while taking account of the centralized capital buffer requirement.

4.5.3 Normative perspective

The normative perspective is a forward-looking multi-year analysis of regulatory KPIs for liquidity adequacy and capital adequacy that are used for management purposes. It comprises the following management dimensions: monitoring of the actual and projected figures for regulatory KPIs, liquidity planning, funding planning, capital planning, and adverse stress tests.

As is the case with the economic perspective, the normative perspective of **liquidity adequacy** relates to the DZ BANK banking group and the liquidity subgroup. No regulatory requirements for liquidity adequacy apply to the DZ BANK financial conglomerate.

The DZ BANK financial conglomerate is included in the normative perspective of **capital adequacy** in addition to the DZ BANK banking group.

4.6 Risk concentrations

Based on an analysis of portfolios, the sector-specific and cross-sectoral identification of risk concentrations aims to identify potential downside risks that may arise from the accumulation of individual risks and, if necessary, to take corrective action. A distinction is made between risk concentrations that occur within a risk type (**intra-risk concentrations**) and concentrations that arise as a result of the interaction between different types of risk (**inter-risk concentrations**). Inter-risk concentrations are implicitly taken into account when determining correlation matrices for the purposes of inter-risk aggregation. They are mainly managed by using quantitative stress test approaches, which aim to provide a holistic view across all types of risk.

Standard processes are in place to manage **sector-specific risk concentrations**. Those processes are presented in the risk-type-specific chapters of this risk report. In the event of major, extraordinary events occurring in **cross-sectoral risk concentrations**, necessary management measures are initiated, coordinated, and monitored, for example by task forces made up of representatives from the risk management and risk control teams in the affected management units. The Board of Managing Directors is notified of such cases on an ad hoc basis. To support the cross-sectoral identification and management of risk, the members of the Board of Managing Directors of DZ BANK hold seats on the Supervisory Boards of its subsidiaries.

4.7 Stress tests

In addition to the risk measurements, the effects of extreme but plausible events are also analyzed. Stress tests of this kind are used to establish whether the DZ BANK Group can sustain its business models, even under extreme economic conditions. Stress tests are carried out in respect of liquidity, economic risk-bearing capacity, and regulatory capital ratios. They also help to identify and quantify specific risks and potential risk concentrations in the DZ BANK Group or in individual portfolios and to assess risk factors, vulnerabilities, and threats.

The stress tests include scenarios for the purposes of liquidity management, capital planning, and internal capital and risk management. Stress tests are also carried out as part of bank recovery and resolution planning. Furthermore, the DZ BANK Group takes part in supervisory stress tests organized by the EBA and ECB. The

outcome of the stress tests provides guidance for the management of risk, business planning, and decisions on liquidity measures or corporate action.

With the help of exploratory scenario analyses, the stress tests examine the impact of physical and transition climate-related risks on the main types of risk affected, taking the channels of impact into account, in order to gauge the resilience of the risk strategy to adverse developments.

4.8 Limitation principles

The DZ BANK Group has implemented a system of limits to ensure that it retains an adequate level of liquidity and maintains its risk-bearing capacity. A system of limits and pre-set threshold values aims to ensure that the **liquidity surplus** at the level of the DZ BANK Group does not become a shortfall and that an adequate level of liquidity is guaranteed.

In the case of **risks backed by capital**, the limits take the form of risk limits or volume limits, depending on the type of business and type of risk. Whereas risk limits in all types of risk restrict the risk capital requirement measured with an economic model, volume limits are applied additionally in lending and trading transactions to limit credit risk. Risk management is also supported by the setting of limits for relevant key performance indicators.

4.9 Hedging objectives and hedging transactions

Hedging activities can be undertaken where appropriate in order to transfer credit risk, market risk (Bank sector), market risk (Insurance sector), actuarial risk, and operational risk to the greatest possible extent to third parties outside the DZ BANK Group. All hedging activities are conducted within the strategic rules specified in writing and applicable throughout the group. Derivatives and other instruments are used to hedge credit risk and market risk.

If the hedging of risk in connection with financial instruments gives rise to **accounting mismatches** between the hedged item and the derivative hedging instrument used, the DZ BANK Group designates the hedging transaction as a hedge in accordance with the hedge accounting requirements of IFRS 9 in order to eliminate or reduce such mismatches. The DZ BANK Group continues to account for portfolio hedges in application of the rules under IAS 39. Hedge accounting in the DZ BANK Group encompasses the hedging of interest-rate risk. It therefore affects market risk in the Bank sector. Hedging information is disclosed in note 83 of the notes to the consolidated financial statements.

DZ BANK uses derivatives to hedge **interest-rate risk**. It uses micro hedges between securities in the liquidity reserve and derivatives used for hedging in order to account for economic hedging in accordance with the provisions of section 254 HGB. Internal hedging instruments are included by means of the deputization principle.

4.10 Recovery and resolution planning

In the reporting year, DZ BANK updated its **group recovery plan** for the DZ BANK Group in accordance with the requirements specified by banking supervisors and submitted it to the ECB. The recovery plan is based on the requirements specified in the German Bank Recovery and Resolution Act (SAG) and in other legal sources, especially Commission Delegated Regulation (EU) 2016/1075, various EBA guidelines, and the German Regulation on Minimum Requirements for the Design of Recovery Plans (MaSanV). The recovery plan is closely linked to the risk appetite statement of the DZ BANK Group as it uses the same KPIs. In addition, R+V prepares a recovery plan based on preventive action in accordance with section 26 (1) sentence 4 VAG in conjunction with section 275 (1) VAG. **R+V's recovery plan** was voluntarily updated in 2025.

In accordance with article 7 (2) of Regulation (EU) No. 806/2014, the Single Resolution Board (SRB) is the European regulator responsible under the **Single Resolution Mechanism (SRM)** for the preparation of resolution plans and for all decisions in connection with the resolution of all institutions that are under the direct supervision of the ECB. A group resolution plan is drawn up for institutions that are subject to supervision at

consolidated level. The SRB works closely with the national resolution authorities (in Germany, this is the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) [German Federal Financial Supervisory Authority]).

The **resolution plan** is aimed at ensuring the resolvability of the banking group. In accordance with section 42 (1) SAG, the resolution authority (BaFin) can demand that the institution provide it with comprehensive assistance in connection with drawing up and updating the resolution plan. For this reason, DZ BANK supported the ongoing preparation of the resolution plan for the DZ BANK Group in 2025. It supplied the resolution authority with numerous analyses related to DZ BANK and completed standardized questionnaires.

5 General risk factors

The entities in the DZ BANK Group are exposed to a range of risk factors that affect multiple risk types. These general risk factors are presented below.

5.1 Regulatory risk factors

DZ BANK and its subsidiaries are exposed to changes in the regulatory environment. This applies especially to regulation of the financial services sector, which is subject to rapid change. The term '**regulation**' refers to all aspects of intervention in the financial services industry involving the imposition of rules. Regulation typically involves standards related to supervisory law, commercial law, capital markets law, company law, or tax law. Changes in the regulatory environment could have a negative impact on the business activities of DZ BANK and its subsidiaries.

There are currently no material regulatory risk factors.

5.2 Macroeconomic risk factors

There are a number of macroeconomic risk factors of relevance to the DZ BANK Group and DZ BANK that, if they materialized, could have an adverse impact on financial position or financial performance. These risk factors are explained below.

Fig. VI.8 provides an overview of the types of risk potentially affected by negative macroeconomic conditions.

FIG. VI.8 – MACROECONOMIC RISK FACTORS AT A GLANCE

Macroeconomic risk factors	Year-on-year change	Risk type affected and relevant chapter in the risk report			
		Bank sector		Insurance sector	
Escalation of geopolitical tensions and economic and strategic fragmentation	No change	Credit risk	Chapter VI.8.9		
		Market risk	Chapter VI.10.3	Market risk	Chapter VI.16.3 Chapter VI.16.5.3
		Operational risk	Chapter VI.14.7		
Ongoing weak growth in Germany	Deterioration	Credit risk	Chapter VI.8.8 Chapter VI.8.10	Market risk	Chapter VI.16.3
Global economic downturn	Deterioration	Credit risk	Chapter VI.8.8 Chapter VI.8.10	Market risk	Chapter VI.16.3
		Market risk	Chapter VI.10.3		
Economic policy divergence in the eurozone	No change	Market risk	Chapter VI.10.3	Market risk	Chapter VI.16.3 Chapter VI.16.5.3
Heightened volatility in the global financial markets	No change	Market risk	Chapter VI.10.3	Market risk	Chapter VI.16.3
Scenarios involving interest-rate cuts	Deterioration	Market risk	Chapter VI.10.3	Market risk	Chapter VI.16.3
Scenarios involving interest-rate hikes	Deterioration	Market risk	Chapter VI.10.3	Life actuarial risk	Chapter VI.15.1.3
		Technical risk of a home savings and loan company	Chapter VI.11.3	Market risk	Chapter VI.16.3
Correction in real estate markets	No change	Credit risk	Chapter VI.8.8.3	Market risk	Chapter VI.16.3

5.2.1 Escalation of geopolitical tensions and economic and strategic fragmentation

Some regions of the world are experiencing conflict that extends beyond their borders and is resulting in tensions between superpowers. It is impossible to rule out adverse financial effects on the real economy in the European Union (EU) including Germany.

The political implications of the **conflict in the Middle East** are much further-reaching than previous disputes in the region. The joint military operation by Israel and the United States against Iran, along with the Iranian reaction toward currently uninvolved neighboring countries, could considerably endanger regional stability. Further escalations of the conflict in the Middle East could lead to the Strait of Hormuz being blocked for a prolonged period, which would cut off around a fifth of the world's oil shipments. Such a blockade, and the sustained high oil price that would result from it, would have severe repercussions for the global economy, as it could further impede global growth. Major bottlenecks in the supply of crude oil and liquefied petroleum gas would have to be expected, which could send global market prices soaring and push up inflation again.

The economic impact of the **war in Ukraine** continues to be felt, posing challenges for many countries. Amid continued fighting, international diplomatic efforts involving the United States are ongoing with the aim of bringing the war to a peaceful end. However, Ukraine and Russia remain deeply divided on fundamental issues, meaning that the war is unlikely to end any time soon. Furthermore, Russia has stepped up its hybrid warfare against western countries, involving acts of sabotage on infrastructure, disinformation campaigns, and cyberattacks, some of which are attributed to pro-Russian, state-sponsored hacker groups. Attacks on critical infrastructure, in particular, can cause considerable economic damage. Other potential consequences of the war for the affected economies would be a strain on public finances due to rising defense spending and a slowdown in economic growth due to increased uncertainty among economic players.

Tensions in the South China Sea continue to simmer. As China does not recognize Taiwan's independence, this dispute is likely to continue fueling tensions between China, the United States, and Japan. The United States has reiterated its security guarantees to Taiwan. An escalation in geopolitical friction between the United States and China poses the risk of far-reaching economic consequences for global relationships and the financial markets.

The geopolitical tensions are increasingly impacting on the political landscape within the EU and giving rise to **political divergence between EU member states**. This is limiting the EU's ability to act on foreign policy, especially in relation to Russia and the United States. The differences in political opinions also have repercussions for the eurozone's economic policy. This is explained in more detail in chapter VI.5.2.4.

The aforementioned geopolitical tensions adversely affect **global trade** too. In addition to the effects of disrupted supply chains, there is a risk that the US administration's expansion of reciprocal tariffs will further escalate trade friction. Despite the trade agreements that are in place, such as with the EU and China, tariffs continue to be a key tool of US trade and foreign policy for advancing US interests. Beyond purely trade issues, potential interventions by the United States in the affairs of sovereign states, especially those with political affinity to Russia or China, pose further potential for conflict between superpowers. Escalation of tensions in relation to strategically positioned territories such as Greenland also poses a risk of destabilizing organizations such as NATO and hampering their ability to take action. Rare earths and chips are examples of sectors that are especially at risk from geopolitical frictions. New tariff arrangements could have a negative impact on the global economy, and on the export-dependent German economy in particular. For companies in Germany, the restrictions on global trade could lead to higher import prices and a shortage of input products on the one hand and, on the other, to a decline in exports.

5.2.2 Ongoing weak growth in Germany

The German economy's phase of weakness that was observable in 2025 – with **growth at around zero** – could well continue despite the German government's fiscal stimulus package, especially given the likely dampening effect of potential additional US import tariffs for Germany and its significant export industry. In 2026, regional elections are to be held in 5 federal states in Germany, which could have a considerable impact on political decision-making at national level. There is a risk that the months of prolonged campaigning and maneuvering between the political parties will delay the extensive structural reforms and investment in the future that Germany urgently needs in order to restore its competitiveness and secure its prosperity.

There is also a risk that **structural problems**, such as shortages of skilled workers and persistently high energy prices, could cause inflation to rise again. Moreover, the resulting inflation may not just be a temporary phenomenon and could remain firmly above the ECB's inflation target for an extended period. This would be particularly problematic if the higher prices, combined with the reduction in manufacturing output, made consumers reluctant to spend and wages simultaneously rose as this would result in a wage/price spiral. This could ultimately lead to a protracted period of stagflation, i.e. a combination of elevated inflation, stagnant output and demand, and rising unemployment.

5.2.3 Global economic downturn

The future trajectory of the global economy continues to depend to a large extent on the United States and China. The macroeconomic outlook for these two countries is illustrated in chapter IV.1.1 and chapter IV.1.2 respectively within the Outlook in the (group) management report.

The comparatively high level of stability of the **US economy** is attributable to exceptionally vast government support programs and to increased capital spending by businesses, especially in the artificial intelligence sector. The annual US budget deficit is currently running at between 6 percent and 8 percent of gross domestic product (GDP). The country's significant public debt, standing at around 125 percent of GDP, will likely persist as the current US administration intends to make more tax cuts, which could push up debt even further. If debt levels remain high in the United States, the interest burden could grow and thus dent consumer demand in the long term. This trend would be intensified by the inflationary impact of new tariffs and a more restrictive migration policy, exacerbating the country's labor shortage and, in the long term, damaging market confidence. In the near term, the US economy is likely to benefit from Trump's pro-business policies. However, if the US administration does not change direction in light of the response in the financial markets, this would, in turn, see capital spending fall, dampen economic activity, and ultimately bring about a recession in the United States.

The private credit market, i.e. lending by finance companies outside the banking sector, has swelled since the global financial crisis. Given the considerable size of the market – most notably in the United States – and the inherent lack of transparency of this lending, private credit business is a risk for the financial markets. In the event of another financial crisis in the United States, this risk could trigger a chain reaction with severe negative effects for the US economy.

A weakening of the US economy would have far-reaching adverse consequences for the world economy as the United States plays a key role in global trade and is an important sales market for many countries. If US demand falls and economic uncertainty rises, other countries could also be impacted by lower exports and economic headwinds, potentially triggering a global recession.

The **Chinese economy** achieved solid growth of 5 percent in 2025. Although Chinese exports to the United States fell significantly as a result of the new trade barriers, China expanded its exports to other sales markets, meaning that its exports continued to grow at a steady rate. The domestic economy, by contrast, was weak and consumer sentiment was muted, chiefly because many private households had seen their savings shrink substantially as a result of falling real estate prices. The crisis in the real estate sector also continued. In fact, the construction downturn has accelerated in recent months. The temporary stabilization of housing demand achieved through local government purchase programs also proved to be short-lived. Investment activity has contracted sharply, putting a significant dampener on economic growth. Although strong foreign trade has so far been able to compensate for the marked slump in domestic demand, it remains to be seen how long that can continue given the ongoing challenges in global trade.

A weak Chinese economy would have adverse consequences for the world economy because China – an important production location and sales market for many countries – plays a key role in global trade. If demand from China falls, other countries could face economic challenges due to a reduced level of exports, potentially leading to a global recession.

5.2.4 Economic policy divergence in the eurozone

Chapter IV.1.3 within the Outlook in the (group) management report describes the anticipated economic situation in the eurozone. The ongoing **structural budget deficits** of some EU countries – chiefly Italy and France – have produced high levels of debt and mounting interest burdens. This is weighing on these countries' budgets and limiting the financial headroom for capital investment and public spending.

Italy's high level of government debt remains its number one challenge. It is likely to rise further over the next 3 years, albeit less steeply according to Moody's Deutschland GmbH (Moody's). Given that Italy's government debt remains high with large holdings of domestic government bonds and its credit quality still in need of improvement, Italian banks will have to accept an appropriate risk premium if they want to obtain funding in the capital markets. Italy's funding requirements will thus probably remain very high despite countermeasures and positive growth forecasts for GDP. The EU has initiated excessive deficit procedures against Italy and several other EU member states, the outcome of which remains open. Furthermore, the return to rising interest rates has pushed up Italy's funding costs substantially. A reduction in the ECB's bond purchases or the absence of progress with bringing down government debt could make it much more difficult for Italy and banks located there to access the capital markets. Further tranches from the EU recovery fund are being disbursed more slowly than initially planned. The reasons for this include the highly complex administrative processes and delays in implementing reforms aimed at stimulating growth, combating climate change, and accelerating digitalization.

France's risk profile continues to be dominated by the lack of a clear parliamentary majority since the 2024 legislative elections. Following several changes of leadership, the French government has been led by the Renaissance party again since mid-October 2025. This center-right government has announced that it will suspend the pension reforms that are regarded as essential. After failing to secure a majority for the consolidation plan, the 2026 budget was only able to be passed using article 49.3 of the constitution, which avoided it being submitted to parliament for a vote. Under this budget, the public deficit will likely remain at over 5 percent of French GDP for the fourth year in a row. Although the approach briefly brought stability to the

government, parliament's work will remain fraught due to the lack of a majority, the need for compromise, and to the potential blocking of proposals, which will further exacerbate uncertainty. No new elections are scheduled for the time being, possibly because current polling indicates a majority for the Rassemblement National, a party on the right-wing nationalist spectrum. Despite the political uncertainty, the French economy has proved to be resilient. However, the issues of the high budget deficit and mounting national debt of over 115 percent remain. With the deficit hovering around the 5 percent mark, public debt as a percentage of GDP will likely rise to more than 120 percent between now and 2027, severely restricting fiscal headroom as a result of increased interest payments.

The increasing influence of populist and nationalistic movements in a number of European states could lead to national governments increasingly putting their own interests first and being less prepared to seek common European solutions. This could lead to **protectionist economic policies**, with individual countries attempting to solve their economic challenges alone and passing costs onto other EU countries instead of working together. This could further reinforce existing economic divergence in the eurozone.

In the last few years, the **expansionary monetary policy of the ECB**, and particularly its buying programs in various bond segments, largely prevented the structural problems in some European Monetary Union (EMU) member countries from being reflected in the capital markets. The ECB developed the transmission protection instrument so that it can intervene in the markets in order to counteract any excessive rise in risk premiums. This monetary policy tool is designed to ensure that monetary policy is transmitted consistently across all Eurozone countries. If this is not achieved, the risk premiums of more highly indebted member states could increase sharply, which would make it considerably more difficult for these countries to obtain funding through the capital markets.

5.2.5 Heightened volatility in the global financial markets

The stock market indices in Europe and the United States reached new heights in 2025 and the price/earnings ratios of listed companies were close to their cyclical peaks. At the same time, investor jitters increased, as was seen when implied volatility soared at the start of April 2025, for example. There is a systemic risk that the existing speculative interdependence and high valuations of some asset classes, such as artificial intelligence, or regions will give rise to large and sudden price falls in stock markets around the world, which could diminish the value of market participants' assets and endanger financial stability. In addition, a number of cryptocurrencies are seeing a high level of volatility that is primarily driven by speculative motives. Substantial price falls in this segment could have wide-reaching consequences for companies with cryptocurrency exposures. If the risks described were to materialize, financial stability around the world would be endangered, which would have a negative impact on the global economy.

5.2.6 Unpredictable interest-rate market

Scenarios involving interest-rate cuts

Interest rates have stabilized at a moderate level following cuts by the Federal Reserve Board and the ECB. However, interest rates continue to have an effect on the rate of inflation, which was around the ECB's target rate of 2 percent during 2025 due to the weak state of the economy and base effects in energy prices. Whereas eurozone markets expect the ECB to hold interest rates, market players are expecting interest rates in the United States to be reduced further. If interest rates are cut too quickly, there is a risk that inflationary effects, such as a wage/price spiral, may push inflation back up.

Scenarios involving interest-rate hikes

The first year under the current US administration and a Republican majority in Congress have led to reassessments of economic prospects and the outlook for interest rates in the United States. The implementation of numerous measures by the US administration could cause the economy to overheat and inflation to pick up further. In this scenario, unexpected interest-rate hikes by the Fed cannot be ruled out. Should interest rates rise in the United States, it is likely that interest rates will also climb in the eurozone, which would call the

sustainability of government debt levels of some European countries into question too. Unexpectedly strong economic growth in Europe could also lead to higher interest rates in the eurozone.

5.2.7 Corrections in real estate markets

The anticipated situation in the real estate markets is described in chapter IV.1.5 within the Outlook in the (group) management report. Despite a tentative change of direction in the real estate market, the challenging macroeconomic environment, political conditions, and geopolitical situation continue to weigh on growth and investment decisions. The market for project development also remains difficult. If the macroeconomic backdrop were to deteriorate and the inclination to invest were thus also to decline, the persistently high level of borrowing costs could reignite the real estate crisis.

5.3 Sustainability risk factors

The DZ BANK Group and DZ BANK are exposed to a number of sustainability risk factors that, if they materialized, could have an adverse impact on financial position or financial performance. These risk factors are explained below.

The impact of transition climate-related risks on various types of risk and of physical climate-related risks on R+V’s actuarial risk that had been seen in 2024 was confirmed in 2025. The materiality of governance risk for operational risk was also confirmed. A new development in 2025 was the materiality of biodiversity risk (transition nature-related risks) for market risk in the Insurance sector.

In 2024, ESG risk factor analysis had identified potential material factors for operational risk and reputational risk as well as a potential material factor in terms of the impact of physical climate-related risks on credit risk. These no longer applied in 2025. For operational risk and reputational risk, this was attributable to further improvements in the qualitative assessment of their relevance. For credit risk, the inclusion of quantitative scenario results from the climate stress test led to a reassessment of the relevance of physical risks.

Fig. VI.9 shows the sustainability risk factors of relevance to the different risk types and indicates the chapters containing more information.

FIG. VI.9 – SUSTAINABILITY RISK FACTORS AT A GLANCE

Sustainability risk factors	Risk type affected and relevant chapter in the risk report			
	Bank sector		Insurance sector	
Physical climate risks			Life actuarial risk	Chapter VI.15.1.3
			Health actuarial risk	Chapter VI.15.2.3
			Non-life actuarial risk	Chapter VI.15.3.3
Transition risks	Credit risk	Chapter VI.8.3	Market risk	Chapter VI.16.3
	Business risk	Chapter VI.12.3		
Corporate governance risks	Operational risk	Chapter VI.14.6	Operational risk	Chapter VI.19.4

Not material.

5.3.1 Physical risks

With physical risk, a distinction is made between physical climate-related risk and physical nature-related risk. It refers to the financial impact of a changing climate or the financial impact of other environmental changes. These include more frequent occurrence of extreme weather events, gradual climate changes, and environmental degradation (e.g. air and water pollution, pollution of land, water stress, loss of biological diversity, and deforestation). A physical risk is considered acute if it arises as a result of extreme events, such as earthquakes, droughts, floods, or storms. If it is the result of gradual changes (e.g. due to rising temperatures, rising sea levels,

loss of biodiversity), the risk is classified as chronic. The impacts can occur directly (such as damage to property or a reduction in productivity) or can have indirect consequences, such as supply chain disruptions.

5.3.2 Transition risks

Transition risk is the danger of financial losses that may directly or indirectly occur, for example for banks or insurance companies, in connection with the process of switching to a lower-carbon and more environmentally sustainable economy. This risk could, for example, arise due to the rapid adoption of political initiatives to protect the climate and the environment, due to technological progress, or due to changes in market sentiment and preferences. A distinction is made between transition climate-related risk and transition nature-related risk, with the latter mainly referring to the processes of adaptation in connection with the transition to a more environmentally sustainable economy.

5.3.3 Corporate governance risks

Corporate governance risks can arise from insufficient or opaque corporate governance practices or from a lack of or inadequate codes of conduct. This includes a lack of established corporate policy on combating money laundering, bribery, and corruption. Inadequate management of critical supply chains can also increase corporate governance risks.

5.4 Rating downgrade for DZ BANK

For the entities in the DZ BANK Group, their own credit rating is an important element in any comparison with competitor banks. A downgrade or even just the possibility of a downgrade in the rating for a management unit could have a detrimental effect in all entities in the DZ BANK Group on the relationship with customers and on the sale of products and services.

If DZ BANK's credit rating or the network rating for the Cooperative Financial Network were to be downgraded, DZ BANK's **costs of raising equity and borrowing** could increase. In the event of a rating downgrade, new **liabilities** could also arise, or liabilities dependent on the maintenance of a specific credit rating could become due for immediate payment.

Furthermore, if a rating downgrade were to occur, the management units could face a situation in which they had to furnish additional **collateral** in connection with rating-linked collateral agreements for derivatives (regulated by a credit support annex to an appropriate master agreement for financial futures) or in which they were no longer considered suitable **counterparties for derivative transactions** at all.

If the credit rating for a management unit were to fall out of the range covered by the top four rating categories (investment-grade ratings, disregarding rating subcategories), the operating businesses of all the entities in the DZ BANK Group could be adversely affected. This could also lead to an increase in the **liquidity requirement in relation to derivatives** and to a rise in **funding costs**. The effects of downgrades of long-term ratings are discussed in the chapter covering the measurement of liquidity risk (see chapter VI.6.2.5).

The rating agencies S&P Global Ratings Europe Limited (Niederlassung Deutschland), Moody's, and Fitch Ratings Ireland Limited confirmed **DZ BANK's ratings** in 2025. The outlooks for the ratings also remained stable.

6 Liquidity adequacy

6.1 Strategy

The management of liquidity adequacy is an integral component of business management in the DZ BANK Group and the management units. The regulatory requirements for a bank's internal liquidity adequacy assessment process (ILAAP) must be followed. Liquidity adequacy is defined as the holding of sufficient liquidity reserves in relation to the risks arising from future payment obligations.

It is considered from both an economic and a normative perspective. The economic perspective focuses on the DZ BANK Group and takes into account the requirements of the ECB Guide to the ILAAP and MaRisk. The normative perspective, which is relevant to the DZ BANK banking group, also takes into account the ECB Guide to the ILAAP and additionally applies the requirements from the CRR and the German national requirements for the implementation of the Capital Requirements Directive (CRD) in KWG.

Economic liquidity adequacy is managed on the basis of the internal liquidity risk model, which takes account of the impact on liquidity of other risks when measuring liquidity risk. Liquidity risk is significantly influenced by the risks that are backed by capital and those that are not backed by capital. In particular, reputational risk is relevant to liquidity risk. The DZ BANK Group fulfills the normative liquidity adequacy requirements by managing economic liquidity adequacy while still monitoring internal risk appetite in respect of the regulatory liquidity ratios.

The activities of DZ BANK and the management units that are deemed material in terms of liquidity risk in the risk inventory check – BSH, DZ HYP, DZ PRIVATBANK, TeamBank, and VR Smart Finanz – are relevant to the **economic liquidity adequacy** of the DZ BANK Group. DZ BANK is considered to be an isolated management unit from the economic perspective. Due to regulatory requirements, DZ BANK along with all entities consolidated for regulatory purposes with regard to normative liquidity risk are included in the calculation of the **normative liquidity adequacy** of the DZ BANK banking group. Due to the liquidity waiver, another management-level focus in both economic and regulatory management is the **liquidity subgroup** comprising DZ BANK and DZ HYP.

6.2 Liquidity adequacy in the economic perspective

Owing to the close ties between management of economic liquidity adequacy at DZ BANK and in the DZ BANK Group, the information below on management of economic liquidity adequacy also applies to DZ BANK. Economic liquidity adequacy is measured using the minimum liquidity surplus and the structural minimum liquidity surplus. Liquidity risk at DZ BANK to a large degree determines liquidity risk in the DZ BANK Group.

6.2.1 Definition

Liquidity risk is the risk that cash and cash equivalents will not be available in sufficient amounts to ensure that payment obligations can be met. It is therefore defined as insolvency risk.

6.2.2 Business background and risk strategy

The bulk of the DZ BANK Group's business activities give rise to liquidity risk. The group's liquidity risk arises mainly in connection with DZ BANK, BSH, DZ HYP, and DZ PRIVATBANK.

There is a material liquidity risk in liabilities-side **deposit-taking and money market business** if customers or market participants do not reinvest their maturing funds. The necessary repayments give rise to an outflow of liquid assets, which can adversely affect DZ BANK's liquidity adequacy if larger volumes are involved.

In **lending business**, material sources of liquidity risk lie in the granting of liquidity options, such as drawdown rights for loan commitments or a choice of currency. Rights of termination can have a risk-mitigating effect as a result of cash inflows from early repayments. Real estate finance and building society operations are special forms of lending business that can also give rise to liquidity risk.

Liquidity risk also arises in **transaction banking** if, over the course of a day, the timings of payments do not coincide. This includes the obligation to process instant payments under Regulation (EU) 2024/886, which was implemented in 2025.

In **capital markets business**, liquidity risk stems from the obligation to pledge collateral in the form of cash or securities. When derivatives business is concluded on derivatives exchanges, processed by a central counterparty, or executed under bilateral collateral agreements, market shifts can trigger additional liquidity requirements.

Specifying and monitoring risk appetite for liquidity risk are key aspects of the liquidity risk strategy. The liquidity risk strategy aims to establish a binding basis for implementing these specifications at operational level.

The operations of the DZ BANK Group as a whole and of the management units are governed by the principle that liquidity risk must only be assumed if it is in compliance with the **risk appetite** specified by the Board of Managing Directors. Solvency must be ensured, even in times of serious crisis lasting more than 1 year. Long-term liquidity of more than 1 year, also referred to as structural liquidity, is intended to ensure ongoing compliance with this management target in a normal market and business environment at the level of the DZ BANK Group, DZ BANK, and DZ HYP. Risk appetite is expressed by the key figures and internal threshold values in the risk appetite statement and by the stress scenarios defined for risk measurement in the economic perspective within the ILAAP. The stress scenarios also take into account the specific MaRisk requirements for the structure of stress scenarios at capital-market-oriented banks.

However, further **extreme scenarios** are not covered by the risk appetite. The risks arising in this regard are accepted and therefore not taken into account in the management of risk. Examples of such scenarios are a run on the bank, i.e. an extensive withdrawal of customer deposits as a result of damage to the reputation of the banking system, or a situation in which all non-collateralized funding sources on money markets completely dry up over the long term, also encompassing transactions with those corporate customers, institutional customers, and customer banks that have close ties to the entities in the DZ BANK Group. On the other hand, the risk of a short-term and complete loss, or the risk of a medium-term and substantial loss, of unsecured funding from institutional investors is not accepted and this risk is the subject of relevant stress scenarios.

Liquidity reserves in the form of liquid securities are held by the entities so that they can remain solvent, even in the event of a crisis. Potential sources of funding in the secured and unsecured money markets are safeguarded by maintaining a broadly diversified national and international customer base. The local cooperative banks also provide a significant source of funding.

DZ BANK aims to ensure that the liquidity risk strategy is consistent with the **business strategies**. To this end, the liquidity risk strategy is reviewed at least once a year with due regard to the business strategies and adjusted as necessary.

6.2.3 Risk factors

The following factors, alone or in combination with each other, could lead to an increase in liquidity risk, adversely affect financial position and, in an extreme case, cause the insolvency of DZ BANK.

Funding is withdrawn but cash nevertheless still flows out when legally due (**follow-up funding risk**). This event can affect current account deposits, overnight money, and fixed-term deposits from customers of entities in the DZ BANK Group. It can also affect unsecured short-term commercial paper or certificates of deposit issued by entities in the DZ BANK Group. If providers of liquidity for entities in the DZ BANK Group lose faith in these entities or if economic or regulatory conditions change, there is a danger that existing funding will not be extended when deposits, fixed-term deposits, or financial instruments fall legally due and the entities in the DZ BANK Group have to repay them. Cooperative banks, institutional investors, and other banks and customers can be providers of liquidity.

Derivatives result in greater collateral requirements that involve cash outflows (**collateral risk**). The entities in the DZ BANK Group undertake a considerable volume of derivatives business. Derivatives are entered into through derivatives exchanges, intermediated via clearing houses, or transacted bilaterally without the involvement of a third party. In most cases, the entities in the DZ BANK Group are required to provide collateral, for example in order to offset a negative fair value for the counterparty. This is done by transferring cash or liquid securities. If there is a change in the market data that influences the fair value of the derivatives or if other defined events occur, such as a rating downgrade of one or more entities in the DZ BANK Group, the amount of collateral required can increase. This can take additional liquidity away from DZ BANK or its subsidiaries.

Changes in the fair value of financial instruments mean that less liquidity can be generated (**fair value risk**). If there is a decrease in the fair value of the securities held by the entities in the DZ BANK Group that can be used to generate liquidity, the cash inflow to the entities in the DZ BANK Group will also decrease if these securities are liquidated. To avert insolvency, it can be necessary to sell large or less marketable exposures in difficult market situations. In certain circumstances, this may only be possible on unfavorable terms.

Cash is paid out earlier than expected because drawing rights are exercised (**drawdown risk**). If a customer is entitled to draw down cash due to an agreement entered into with an entity in the DZ BANK Group, such as a lending or liquidity commitment, the drawdown can occur in a number of ways, including the disbursement of a loan or the debiting of a current account. The cash paid out is then no longer available to DZ BANK or funding has to be obtained in order to make the payout.

Cash outflows are earlier than expected or cash inflows later than expected because termination rights are exercised (**termination risk**). This can affect own issues of entities in the DZ BANK Group with debtor call options, for example. If entities in the DZ BANK Group have to give notice of termination on economic grounds, because factors potentially influencing prices have changed, the own issue will have to be repaid earlier.

New business is entered into on a significant scale, resulting in cash outflows (**new business risk**). If entities in the DZ BANK Group grant new loans – for example, during a liquidity crisis – in order to preserve their own reputation, they will require additional liquidity to do so.

Products are repurchased on a significant scale, resulting in cash outflows (**repurchase risk**). This event can affect own issues or investment certificates. If – for example, during a liquidity crisis – these are repurchased at the request of customers by entities in the DZ BANK Group in order to preserve their reputation, the liquidity of the entities in the DZ BANK Group will be reduced further.

The liquidity requirement to ensure that intraday payment obligations can be satisfied is greater than expected (**intraday risk**). Unless cash is paid in or withdrawn by customers or counterparties of the entities in the DZ BANK Group at the same time, additional liquidity is required. If the intraday payment profile of entities in the DZ BANK Group changes – for example, during a liquidity crisis – because cash inflows are delayed, this can increase the liquidity requirements of the entities in the DZ BANK Group if the affected entities continue to make their own cash payments on schedule.

There has been a negative impact on opportunities for funding in foreign currencies, for example the generation of currency-related liquidity through currency swaps (**foreign currency funding risk**). The entities in the DZ BANK Group cover their foreign-currency liquidity requirements using currency swaps or interest-rate currency swaps. If it is not possible to enter into such transactions because there are no longer sufficient markets for them, for example, this can lead to a liquidity squeeze in the desired currency for the entities in the DZ BANK Group.

The aforementioned events and other events are incorporated into the calculation of liquidity risk as **stress scenarios** (see chapter VI.6.2.5).

6.2.4 Organization and responsibility

The strategic guidelines for the management of liquidity risk by the entities in the DZ BANK Group are established by the **Group Risk and Finance Committee**. At the level of DZ BANK, this is the responsibility of the **Asset/Liability Committee**.

Liquidity risk control in the DZ BANK Group is coordinated by the Group Risk Control working group and carried out in Risk Controlling at DZ BANK independently of the units that are responsible for liquidity risk management. The risk data calculated by the subsidiaries on the basis of intragroup guidelines is aggregated to provide a group perspective.

6.2.5 Risk management

Measurement of liquidity risk

DZ BANK uses an **internal risk model** to determine liquidity risk for the DZ BANK Group and DZ BANK over a short-term time horizon of 1 year and a long-term time horizon of 10 years.

Using this model, four stress scenarios and one risk scenario are simulated on a daily basis for the short-term time horizon of 1 year. For the long-term time horizon of 10 years, a baseline scenario is simulated on a daily basis. In addition to DZ BANK, all other entities in the DZ BANK Group that are material in terms of liquidity risk are integrated into the groupwide measurement of this risk.

A **minimum liquidity surplus** figure is calculated for the risk scenario and the four stress scenarios. This figure quantifies the minimum surplus cash that would be available if the scenario were to materialize suddenly within the time horizon of 1 year. To carry out this calculation, cumulative cash flow (forward cash exposure) is compared against available liquidity reserves (counterbalancing capacity) on a day-by-day basis. The minimum liquidity surplus expresses **short-term economic liquidity adequacy**.

Forward cash exposure includes both expected and unexpected payments. The **counterbalancing capacity** includes balances on nostro accounts, liquid securities, and unsecured funding capacity with customers, banks, and institutional investors. By including the counterbalancing capacity, the calculation of the minimum liquidity surplus already takes into account the effect on liquidity of the measures that could be implemented to generate liquidity in each scenario. These measures include collateralized funding of securities in the repo market.

For a baseline scenario, the **structural minimum liquidity surplus** is calculated by quantifying the surplus cash in the maturity bands 2 to 5 years and 6 to 10 years. This calculation is also carried out by comparing the forward cash exposure and the counterbalancing capacity. The structural minimum liquidity surplus measures **long-term economic liquidity adequacy**.

DZ BANK's internal liquidity risk model is validated using an **appropriateness test** independently of the organizational unit responsible for developing the model. Furthermore, the model is adjusted in line with changes in the market, products, and processes. Validation is carried out for each entity in the DZ BANK Group and aggregated at group level.

For the purposes of DZ BANK's internal funding plan, which is closely linked to the business planning of the DZ BANK Group and is prepared at least once a year and reviewed monthly by retrospectively comparing the planned and actual volumes of business generated, the trend is forecast for the minimum liquidity surplus and structural minimum liquidity surplus KPIs in the time horizon of the next 4 calendar years. These forecasts are intended to ensure that DZ BANK's internal funding plan guarantees an adequate level of liquidity over the plan's time horizon.

Liquidity risk stress tests

Stress tests are conducted for the forward cash exposure and for the counterbalancing capacity using four scenarios. A minimum liquidity surplus is determined for each of these scenarios with defined limits. The stress scenarios are defined as follows:

- **Downgrading:** Long-term ratings awarded by S&P Global Ratings, Moody's Ratings, and Fitch Ratings to one or more entities in the DZ BANK Group downgraded by one notch. The downgrade is triggered by a deterioration in profitability or in the earnings forecast or by a preceding loss of confidence among customers and banks.
- **Corporate crisis:** Serious entity-specific crisis, for example caused by reputational damage. The main consequences of this scenario could be a considerable negative impact on customer behavior and the downgrading by three notches of the long-term ratings awarded by all of the aforementioned rating agencies.

- **Market crisis:** Turmoil in global money and capital markets. The primary feature of this scenario is a sudden, sharp fall in the value of assets traded in these markets. The scenario assumes, for example, a loss of confidence among money market players, which could lead to a liquidity squeeze.
- **Combination crisis:** Analysis of a combination of bank-specific and market-related factors. However, it does not constitute a mere aggregation of the two stress scenarios arising from a market crisis and a corporate crisis. Instead, the interaction between the two scenarios is taken into account. The combination crisis assumes that the financial sector would be particularly badly affected. The underlying scenario is also based on a deterioration in the reputation of the entities in the DZ BANK Group. It assumes there would only be very limited access to unsecured funding from customers, banks, and institutional investors over the forecast period of 1 year.

The stress scenario with the lowest minimum liquidity surplus is deemed to be the **squeeze scenario**. Economic liquidity adequacy for the time horizon up to 1 year is determined as the amount of the minimum liquidity surplus in the squeeze scenario. Further stress scenarios in addition to the scenarios with defined limits are analyzed.

In addition, **adverse stress tests** are carried out to provide a forward-looking assessment of liquidity risk. They involve analyzing whether the DZ BANK Group would be able to ensure an adequate level of liquidity even in the event of exceptional, but plausible, developments over a medium-term horizon. The adverse stress test scenarios underlying this forecast are also used in ICAAP stress testing.

A **reverse stress test** is also carried out that shows which stress events (changes in risk factors) could still occur without liquidity falling below the limit in a subsequent liquidity risk measurement and triggering the need for a business model adjustment.

Management of limits for liquidity risk

Liquidity risk is monitored and managed with the aim of ensuring economic and normative liquidity adequacy at every measurement date. This is based on the minimum liquidity surplus and the structural minimum liquidity surplus. An internal limit system aims to ensure that the DZ BANK Group remains solvent even in serious stress scenarios.

The **minimum liquidity surplus** at the level of the DZ BANK Group, for DZ BANK, and for the liquidity subgroup comprising DZ BANK and DZ HYP is restricted through the use of limits in line with external minimum targets laid down by the supervisory authorities. The limit system of the DZ BANK Group (which is the focus of liquidity risk management) that was established for the minimum liquidity surplus is complemented by the internal minimum threshold and the internal observation threshold, which are both higher than the limit. For DZ BANK and the liquidity subgroup, the management of limits is restricted to the limit and internal observation threshold.

The internal minimum threshold and the internal observation threshold are intended to ensure that corrective action can be initiated in good time before the limit is reached. Limits have also been set for the minimum liquidity surplus of each of the management units included in liquidity risk management. The limit, internal minimum threshold, and internal observation threshold relate to the stress scenario with the lowest minimum liquidity surplus (squeeze scenario).

The **structural minimum liquidity surplus** is managed at the level of the DZ BANK Group and for DZ BANK and DZ HYP using limits that have been established for the maturity bands 2 to 5 years and 6 to 10 years.

The limits, the internal minimum threshold, and the internal observation thresholds are set by the **Board of Managing Directors**. The liquidity risk control function at DZ BANK **monitors** compliance with the limits, the internal minimum threshold, and the internal observation thresholds for the minimum liquidity surplus both at group level and for DZ BANK and the liquidity subgroup. At the level of the DZ BANK Group, monitoring also

includes the subsidiaries' limits. The limits and thresholds relating to the structural minimum liquidity surplus are monitored both at group level and for DZ BANK and DZ HYP.

For the DZ BANK Group as a whole and for each management unit, **emergency liquidity plans** that build on the limit system are in place so that the group is able to respond to crisis events rapidly and in a coordinated manner. The emergency plans are revised annually by the liquidity risk control function at DZ BANK and other management units.

Liquidity risk mitigation

Within liquidity management activities, measures to reduce liquidity risk are initiated by the treasury units of DZ BANK and the relevant subsidiaries. Active liquidity risk management is made possible by holding instruments in the form of cash and liquid securities, and by managing the maturity profile of money market and capital market transactions.

Liquidity transfer pricing system

The DZ BANK Group aims to use liquidity – which is both a resource and a success factor – in line with risks. Liquidity costs, benefits, and risks are allocated within the DZ BANK Group based on the liquidity transfer pricing system using internal prices charged by the units generating liquidity and paid by those consuming liquidity. Care is taken to ensure that the transfer prices are consistent with risk measurement and risk management.

Transfer prices are set for all significant products. The transfer pricing system takes into account the holding period and market liquidity of the products and has an impact on risk/return management.

6.2.6 Quantitative variables in liquidity risk

Liquid securities

The available liquid securities have a material influence on the minimum liquidity surplus and the structural minimum liquidity surplus. Liquid securities are a component of the **counterbalancing capacity** and are largely held in the portfolios managed by DZ BANK's Group Treasury and Capital Markets Trading divisions or in the portfolios of the treasury units at the subsidiaries of DZ BANK. Only bearer bonds are counted as liquid securities.

Liquid securities comprise highly liquid securities that are suitable for collateralizing funding in private markets, securities eligible as collateral for central bank loans, and other securities that can be liquidated in the 1-year forecast period that is relevant for liquidity risk.

The aforementioned securities are only eligible as liquid securities if they are not pledged as collateral, e.g. for secured funding. Securities that have been borrowed or taken as collateral for derivatives business or in connection with secured funding only become eligible when they are freely transferable. Eligibility of the securities in the liquidity reserve taken as collateral is recognized on a daily basis and also takes into account factors such as restrictions on the period in which the securities are freely available.

Liquid securities represent the largest proportion of the counterbalancing capacity and make a major contribution to ensuring solvency in the stress scenarios with defined limits at all times during the relevant forecast period. In the first month, which is a particularly critical period in a crisis, liquid securities are almost exclusively responsible for maintaining solvency in the stress scenarios with defined limits.

Fig. VI.10 shows the liquidity value of the liquid securities that would result from secured funding or if the securities were sold.

FIG. VI.10 – LIQUID SECURITIES OF THE DZ BANK GROUP AND DZ BANK

€ billion	DZ BANK Group		DZ BANK	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Liquid securities eligible for GC¹ Pooling (ECB Basket)	35.0	27.3	27.6	20.2
of which: securities in own portfolio	34.3	28.1	24.8	19.0
of which: securities received as collateral	15.4	11.4	15.4	11.4
of which: securities provided as collateral	-14.7	-12.2	-12.6	-10.3
Liquid securities eligible as collateral for central bank loans	24.2	25.5	19.4	20.4
of which: securities in own portfolio	19.7	23.0	13.5	17.3
of which: securities received as collateral	6.9	5.2	6.9	5.2
of which: securities provided as collateral	-2.3	-2.7	-1.0	-2.0
Other liquid securities	4.2	4.9	4.0	4.7
of which: securities in own portfolio	2.8	3.3	2.6	3.1
of which: securities received as collateral	1.6	1.6	1.6	1.6
of which: securities provided as collateral	-0.2	-0.1	-0.1	-0.0
Total	63.5	57.7	51.0	45.3
of which: securities in own portfolio	56.8	54.5	40.8	39.4
of which: securities received as collateral	23.9	18.2	23.9	18.2
of which: securities provided as collateral	-17.2	-15.0	-13.7	-12.3

¹ GC = general collateral, ECB Basket = eligible collateral for ECB funding.

As at December 31, 2025, the liquidity value at the level of the **DZ BANK Group** was €63.5 billion (December 31, 2024: €57.7 billion). The liquidity value attributable to **DZ BANK** as at December 31, 2025 was €51.0 billion (December 31, 2024: €45.3 billion). The rise in securities that are eligible for GC Pooling was driven by the establishment of a liquidity buffer at DZ BANK. Furthermore, reverse repos with customers, banks in the Cooperative Financial Network, and subsidiaries of DZ BANK led to an increase in securities collateral.

Unsecured short- and medium-term funding

The main factors determining the minimum liquidity surplus and the structural minimum liquidity surplus besides the liquid securities are the availability and composition of the sources of funding.

The DZ BANK Group has a diversified funding base for short-term liquidity. A considerable portion is accounted for by money market activities resulting from the cash-pooling function with the **local cooperative banks**.

Under these arrangements, the cooperative banks can invest excess liquidity with DZ BANK at any time.

Conversely, if the cooperative banks need liquidity, they can obtain it from DZ BANK within the approved limits.

Overall, this regularly results in a liquidity surplus at DZ BANK, which provides one of the main pillars of short-term funding in the unsecured money markets.

Corporate customers and **institutional customers** are another important source of funding for covering short-term liquidity requirements in the DZ BANK Group. In the context of liquidity risk, corporate customers are those customers that are not banks and are not classified as institutional customers.

For funding purposes, the management units also issue **money market products based on debt certificates** under a standardized groupwide multi-issuer euro commercial paper program through the offices and branches in Frankfurt am Main, New York, Hong Kong, London, and Luxembourg. DZ BANK also runs a US-dollar-denominated commercial paper program for Frankfurt am Main. Key repo and securities lending activities, together with the collateral management process, are managed centrally in DZ BANK's Group Treasury division.

The volume of funding on the **interbank market** is low; such funding is not strategically important to the DZ BANK Group or to DZ BANK. The range of funding sources in the unsecured money markets is shown in Fig. VI.11.

FIG. VI.11 – UNSECURED SHORT-TERM AND MEDIUM-TERM FUNDING OF THE DZ BANK GROUP AND DZ BANK

€ billion	DZ BANK Group		DZ BANK	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Deposits	99.4	100.6	90.1	89.7
of which: deposits of local cooperative banks	63.9	64.8	63.3	64.2
of which: current account deposits of other customers	35.5	35.8	26.8	25.5
Money market borrowing	73.9	73.9	68.9	68.0
of which: central banks, interbank, and customer banks	10.9	10.7	10.0	9.6
of which: corporate customers and institutional customers	38.9	41.6	37.0	39.2
of which: certificates of deposit/commercial paper	24.1	21.6	21.9	19.1

Information on **liquidity management** and **funding** can be found in chapter II.5 within the business report of the (group) management report.

The **maturity analysis of contractual cash inflows and cash outflows** is set out in note 85 of the notes to the consolidated financial statements. However, the cash flows in these disclosures are not the same as the expected and unexpected cash flows used for internal liquidity risk management.

6.2.7 Risk position

Minimum liquidity surplus

Short-term economic liquidity adequacy is assured if none of the four stress scenarios with defined limits exhibit a negative value for the key risk indicator 'minimum liquidity surplus'. Fig. VI.12 shows the results of measuring liquidity risk.

FIG. VI.12 – LIQUIDITY UP TO 1 YEAR IN THE STRESS SCENARIOS WITH DEFINED LIMITS:
MINIMUM LIQUIDITY SURPLUSES FOR THE DZ BANK GROUP

€ billion	Forward cash exposure		Counterbalancing capacity		Minimum liquidity surplus ¹	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Downgrading	-9.1	7.6	60.8	42.5	51.7	50.1
Corporate crisis	-71.4	-60.3	96.2	83.0	24.7	22.7
Market crisis	-77.7	-67.4	112.7	101.0	35.1	33.6
Combination crisis	-77.4	-66.7	104.9	93.0	27.5	26.3

¹ The values with an orange background are the minimum liquidity surplus in the squeeze scenario.

The results are based on a daily calculation and comparison of forward cash exposure and counterbalancing capacity. The values reported are the values that occur on the day on which the liquidity surplus calculated over the forecast period of 1 year is at its lowest point.

The liquidity risk value measured for the **DZ BANK Group** as at December 31, 2025 for the stress scenario with defined limits with the lowest minimum liquidity surplus (squeeze scenario) was €24.7 billion (December 31, 2024: €22.7 billion). The liquidity risk value attributable to **DZ BANK** as at December 31, 2025 was €15.6 billion (December 31, 2024: €11.8 billion). The liquidity risk value attributable to the **liquidity subgroup** as at December 31, 2025 was €16.6 billion (December 31, 2024: €13.3 billion). The increase in the minimum liquidity surplus was mainly the result of a reduction in the collateral provided.

The minimum liquidity surplus as at December 31, 2025 for all management levels – the DZ BANK Group, DZ BANK, and the liquidity subgroup – was positive in the stress scenarios with defined limits. This is due to the fact that the counterbalancing capacity was above the cumulative cash outflows on each day of the defined

forecast period in every scenario, which indicates that the cash outflows assumed to take place in a crisis could be comfortably covered.

The limit for the minimum liquidity surplus of the **DZ BANK Group** as at December 31, 2025 was €0.0 billion (December 31, 2024: €1.0 billion). The internal observation threshold stood at €7.5 billion as at the reporting date (December 31, 2024: €5.0 billion). The limit in place for **DZ BANK** and the **liquidity subgroup** as at December 31, 2025 was €0.4 billion (December 31, 2024: €1.9 billion) and the internal observation threshold stood at €4.4 billion (December 31, 2024: €1.9 billion).

As at the reporting date, the minimum liquidity surpluses for the DZ BANK Group, DZ BANK, and the liquidity subgroup exceeded the **external minimum targets** laid down by the supervisory authorities, the **internal minimum thresholds**, and the **internal observation thresholds**. The target/threshold values are shown in Fig. VI.3 and Fig. VI.4. The **limits** were adhered to.

Structural minimum liquidity surplus

The structural economic liquidity adequacy in the baseline scenario is ensured if there is no negative value below the relevant limit in either of the two maturity bands, 2 to 5 years and 6 to 10 years. The results of this measuring of long-term liquidity risk presented in Fig. VI.13 are obtained by comparing the forward cash exposure and the counterbalancing capacity in the relevant maturity bands. The amount of the structural minimum liquidity surplus is disclosed for each maturity band.

The decrease in the structural minimum liquidity surpluses compared with the end of 2024 was largely due to a reduction in current account deposits and overnight money and fixed-term deposits from banks in the Cooperative Financial Network and from customers outside the Cooperative Financial Network. The limits for the structural minimum liquidity surplus were adhered to as at the reporting date, both at the level of the DZ BANK Group and at DZ BANK.

FIG. VI.13 – STRUCTURAL MINIMUM LIQUIDITY SURPLUS OF THE DZ BANK GROUP AND DZ BANK

€ billion	Period	Limit		Structural minimum liquidity surplus	
		Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
DZ BANK Group	2–5 years	-4.0	-4.0	46.5	50.6
	6–10 years	-6.0	-6.0	26.6	28.8
DZ BANK	2–5 years	0.0	0.0	35.2	38.4
	6–10 years	-6.0	-6.0	13.9	14.2

6.2.8 Possible impact from crystallized liquidity risk

One of the main operating activities of the management units is to make long-term liquidity available to their customers for different maturity periods and in different currencies, for example in the form of loans. The units generally organize their funding to match these transactions that tie up liquidity. Any funding needs that are not covered by the local cooperative banks are met by obtaining additional funding in the money and capital markets, with the deposit base from money market funding reducing the need for long-term funding. When funding matures, it is therefore possible that the replacement funding required to fund transactions with longer maturities has to be obtained at **unfavorable terms and conditions**.

The entities in the DZ BANK Group are also exposed to the risk that the minimum liquidity surplus will fall below the limit. If the minimum liquidity surplus were to fall below the limit for an extended period, the possibility of **reputational damage and a rating downgrade** could not be ruled out.

Crystallization of liquidity risk causes an unexpected **reduction in the liquidity surplus**, with potential negative consequences for DZ BANK's financial position and enterprise value. If a crisis were to occur in which the

circumstances were more serious or the combination of factors were significantly different from those assumed in the stress scenarios, there would be a risk of **insolvency**.

6.3 Liquidity adequacy in the normative perspective

6.3.1 Regulatory framework, organization, and responsibility

Liquidity adequacy in the normative perspective is based on the liquidity ratios required under Basel Pillar 1. Its objective is to assess the DZ BANK banking group's ability to comply with regulatory minimum requirements (plus an internally specified management buffer). Internal liquidity risk management is supplemented by the LCR and NSFR calculated in line with the CRR requirements.

The **Group Financial Services** division calculates the liquidity ratios reported for supervisory purposes resulting from the CRR and Commission Delegated Regulation (EU) 2015/61 for the DZ BANK banking group and the liquidity subgroup.

6.3.2 Liquidity coverage ratio

The liquidity coverage ratio has a short-term focus and is intended to ensure that institutions can withstand a liquidity stress scenario lasting 30 days. The LCR is defined as the ratio of available liquid assets (liquidity buffer) to total net cash outflows in defined stress conditions over the next 30 days. DZ BANK reports the LCR of the liquidity subgroup and that of the DZ BANK banking group, calculated in accordance with the CRR in conjunction with Commission Delegated Regulation (EU) 2015/61, to the supervisory authority on a monthly basis.

The LCRs for the **DZ BANK banking group** and the **liquidity subgroup** can be found in Fig. VI.14. The liquidity subgroup comprises DZ BANK and DZ HYP.

FIG. VI.14 – LIQUIDITY COVERAGE RATIOS OF THE DZ BANK BANKING GROUP AND THE LIQUIDITY SUBGROUP

	DZ BANK banking group		Liquidity subgroup	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Total liquidity buffer (€ billion)	125.4	122.0	112.4	106.2
Total net liquidity outflows (€ billion)	80.2	84.8	75.2	76.6
LCR (percent)	156.4	143.9	149.5	138.6

The rise in the LCRs for the **DZ BANK banking group** and the **liquidity subgroup** as at December 31, 2025 to 156.4 percent (December 31, 2024: 143.9 percent) and 149.5 percent (December 31, 2024: 138.6 percent) respectively resulted from an increase in the liquidity buffer and a simultaneous decrease in net liquidity outflows at DZ BANK. The increase in the liquidity buffer was due partly to the reallocation of liquid securities to asset classes with greater liquidity quality and partly to modest growth in funding. This reallocation involved replacing declining deposits from financial customers and short-term commercial paper with deposits from customers outside the financial sector and long-term own issues. These shifts within product categories resulted in a reduction in net cash outflows and thus to a positive effect on the LCR due to the difference in weightings.

As at the reporting date, the **external minimum target** laid down by the supervisory authorities, the **internal minimum threshold**, and the **internal observation threshold** for the LCR were exceeded for both the DZ BANK banking group and the liquidity subgroup. The target/threshold values are shown in Fig. VI.3 and Fig. VI.4.

6.3.3 Net stable funding ratio

The net stable funding ratio has a long-term focus and is intended to identify mismatches between the maturity structures of assets-side and liabilities-side business. The NSFR is the amount of available stable funding (equity and liabilities) relative to the amount of required stable funding (assets-side business). The funding sources are weighted according to their degree of stability and assets are weighted according to their degree of liquidity based on factors defined by the supervisory authority. Excess cover in relation to the NSFR is the difference between the available stable funding and the required stable funding.

The NSFRs calculated for the **DZ BANK banking group** and the **liquidity subgroup** are presented in Fig. VI.15. The liquidity subgroup comprises DZ BANK and DZ HYP. The changes in the NSFRs in 2025 were unremarkable both at the level of the DZ BANK banking group and for the liquidity subgroup.

FIG. VI.15 – NET STABLE FUNDING RATIO OF THE DZ BANK BANKING GROUP AND THE LIQUIDITY SUBGROUP

	DZ BANK banking group		Liquidity subgroup	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Available stable funding (weighted equity and liabilities; € billion)	293.1	290.7	221.4	222.0
Required stable funding (weighted assets; € billion)	231.7	232.5	181.0	186.6
Excess cover/shortfall (€ billion) ¹	61.5	58.2	40.4	35.4
NSFR (percent)	126.5	125.0	122.3	119.0

¹ Excess cover = positive values, shortfall = negative values.

As at the reporting date, the **external minimum target** laid down by the supervisory authorities, the **internal minimum threshold**, and the **internal observation threshold** for the NSFR were exceeded for both the DZ BANK banking group and the liquidity subgroup. The target/threshold values are shown in Fig. VI.3 and Fig. VI.4.

7 Capital adequacy

7.1 Strategy, organization, and responsibility

7.1.1 Strategy

The management of capital adequacy is an integral component of business management in the DZ BANK Group and the management units. Capital adequacy is defined as the holding of sufficient capital to cover the risks assumed by the business. It is considered from both an economic and a normative perspective. The economic perspective takes into account the requirements of the ECB Guide to the ICAAP and MaRisk. The normative perspective also takes into account the ECB Guide to the ICAAP and additionally applies the requirements from the CRR and the German national requirements for the implementation of the CRD.

The aim of the ICAAP is to ensure that, from two complementary perspectives (the economic and the normative perspectives), **capital resources are adequate** for an institution to be able to continue operating. Both perspectives are equally valid management approaches. They are integrated mainly on the basis of the risk inventory check, which the management uses to determine and specify the main risks in the DZ BANK Group.

All management units are included in the groupwide management of capital adequacy. Management of economic and normative capital adequacy aims to ensure that the assumption of risk is consistent with the capital resources of the DZ BANK Group, the DZ BANK financial conglomerate, and the DZ BANK banking group.

7.1.2 Organization and responsibility

The **Board of Managing Directors of DZ BANK** defines the corporate objectives of the DZ BANK Group and DZ BANK in terms of both risks and returns and, in managing the risk profile, strives for an appropriate ratio between risk and risk coverage potential. DZ BANK is responsible for risk and capital management, and for compliance with capital adequacy at group level.

The management of economic and normative capital adequacy is based on internal target values. To avoid any unexpected adverse impact on **target values and capital ratios** and ensure that any changes in risk are consistent with corporate strategy, groupwide economic limits and risk-weighted exposure amounts are planned on an annual basis as part of the **strategic planning process**. This process results in a requirements budget for the economic and regulatory capital needed by the group. Any corresponding measures to raise capital are approved by the Asset/Liability Committee or recommended to the Board of Managing Directors for approval. The implementation of the measures is then coordinated by **Group Treasury** at DZ BANK.

At DZ BANK, the **Group Finance** division is responsible for monitoring and reporting on regulatory capital adequacy. Regular monitoring is designed to ensure that the applicable minimum regulatory requirements for solvency are met at every reporting date. Monitoring takes place monthly for the DZ BANK financial conglomerate, the DZ BANK banking group, and DZ BANK, and at least quarterly for R+V.

7.2 Special features of the calculation of capital adequacy

7.2.1 R+V's volatility adjustment and transitional measure on technical provisions

R+V uses two measures defined by the supervisory authorities – the volatility adjustment and the transitional measure on technical provisions – for individual personal insurance companies. Fundamentally, both measures have a positive impact on economic and regulatory capital adequacy.

The **volatility adjustment**, which can be used indefinitely, is intended to prevent brief fluctuations in the market from affecting the valuation of long-term insurance guarantees.

The **transitional measure on technical provisions** is a time-limited measure designed to make it easier for insurance companies to transition from Solvency I to the current regulatory regime, Solvency II. Having obtained permission to do so from BaFin, R+V uses the transitional measure on technical provisions for individual personal insurance companies. Use of this measure generally reduces insurance liabilities and therefore means that additional own funds can be taken into account, which – all other things being equal – results in an increase in both economic and regulatory capital adequacy. The remeasurement of the transitional measure on technical provisions carried out at the start of 2024 produced a value of zero, which DZ BANK has been using to calculate economic and regulatory capital adequacy since June 30, 2024 as instructed by BaFin. Using a value of zero neutralizes the original equity-increasing effect.

7.2.2 Retrospective recalculation of R+V's overall solvency requirement

The annual recalculation of the overall solvency requirement and the regulatory risk capital requirement took place as at December 31, 2024 owing to scheduled changes to the parameters for the risk measurement procedures carried out in the second quarter of 2025 for the Insurance sector on the basis of R+V's 2024 consolidated financial statements and the updating of actuarial assumptions. The recalculation reflects updated measurements of insurance liabilities based on annual actuarial analyses, updated deferred taxes, and updates to parameters in the risk capital calculation. Because of the complexity and the amount of time involved, the parameters are not completely updated in the in-year calculation. An appropriate projection is made instead.

In the economic perspective, the recalculation led to changes in the available internal capital, key risk indicators, and economic capital adequacy of the DZ BANK Group. In the normative perspective, the own funds, solvency requirements, and coverage ratio of the DZ BANK financial conglomerate were affected by the changes. The figures as at December 31, 2024 given in this risk report have been restated accordingly and are not directly comparable with the figures in the 2024 risk report.

7.3 Capital adequacy in the economic perspective

7.3.1 Calculation methodology and traffic light system

Economic capital adequacy is calculated as the ratio of available internal capital to the economic aggregate risk of the DZ BANK Group. The economic aggregate risk is calculated as the sum of the Bank and Insurance sectors' risk values, which are aggregated taking into account various diversification effects. These risk values comprise the risk capital requirement of the Bank sector, the overall solvency requirement of the Insurance sector, and a central economic capital buffer. Economic capital adequacy of 100.0 percent or higher indicates that the DZ BANK Group has economic risk-bearing capacity.

Economic capital adequacy is managed and monitored using a traffic light system. The switch from green to amber in the traffic light system (**amber threshold**) is set at the internal threshold value for economic capital adequacy specified in the risk appetite statement, which in 2025 was kept unchanged year on year at 120.0 percent. The amber threshold serves as an early-warning indicator. The **red threshold** is the borderline between amber and red in the traffic light system. It was set at 110.0 percent in the year under review, again unchanged compared with 2024. The threshold values for economic capital adequacy are reviewed annually and adjusted if necessary.

7.3.2 Risk-bearing capacity

Available internal capital and limit

Available internal capital is the economic value of equity. The equity used to determine available internal capital is the equity recognized on the balance sheet as calculated in accordance with the relevant accounting standards, plus/minus reserves and liabilities in respect of assets and liabilities, measured at present value. Adjustments are also made, in particular the deduction of components of additional Tier 1 capital.

The available internal capital is determined as follows:

- The available internal capital of the **Bank sector** is calculated on the basis of the IFRS data in accordance with regulatory financial reporting. In this process, R+V is not fully consolidated but taken into account using the equity method.
- The available internal capital of the **Insurance sector** is based on the own funds of R+V in accordance with Solvency II.
- The available internal capital from the two sectors is combined to produce the available internal capital of the **DZ BANK Group**. During this process, the effects of consolidation between the Bank and Insurance sectors are taken into account, resulting in a reduction in the available internal capital at group level.

The available internal capital is reviewed on a quarterly basis and, to some extent, on a monthly basis.

The Board of Managing Directors determines the risk capital requirement **limits** for the year on the basis of the available internal capital. If necessary, the limits can be adjusted during the year, e.g. if economic conditions change.

The DZ BANK Group's **available internal capital** as at December 31, 2025 stood at €33,174 million. The comparable figure as at December 31, 2024 was €28,779 million. The year-on-year increase in available internal capital was largely attributable to higher net profit and to positive market developments as reflected in the Insurance sector's investments, particularly share price gains and a decline in credit spreads. The positive market effects in the Insurance sector were only partially offset by higher insurance liabilities and thus led to overall growth in R+V's own funds.

The **limit** derived from the available internal capital was specified at €21,578 million as at December 31, 2025 (December 31, 2024: €21,191 million). As at December 31, 2025, **aggregate risk** was calculated at €14,951 million. The comparable figure as at December 31, 2024 was €14,365 million.

Economic capital adequacy

As at December 31, 2025, the economic capital adequacy ratio for the DZ BANK Group was calculated at 221.9 percent. The comparable figure as at December 31, 2024 was 200.3 percent. The increase in available internal capital compared with December 31, 2024 was sharper than the increase in aggregate risk. This led to a rise in economic capital adequacy.

As at the reporting date, the economic capital adequacy ratio was above the **external minimum target**, the **internal minimum threshold**, and the **internal observation threshold**. The target/threshold values are shown in Fig. VI.3.

Fig. VI.16 provides an overview of the economic capital adequacy of the DZ BANK Group and its components.

The limits and risk capital requirements for the **Bank sector**, broken down by risk type, are shown in Fig. VI.17.

FIG. VI.16 – ECONOMIC CAPITAL ADEQUACY OF THE DZ BANK GROUP

	Dec. 31, 2025	Dec. 31, 2024
Available internal capital (€ million) ¹	33,174	28,779
Limit (€ million)	21,578	21,191
Aggregate risk (€ million) ¹	14,951	14,365
Economic capital adequacy (percent)¹	221.9	200.3

¹ Value as at December 31, 2024 after recalculation of R+V's overall solvency requirement. Different values were stated in the 2024 risk report.

FIG. VI.17 – LIMITS AND RISK CAPITAL REQUIREMENTS IN THE BANK SECTOR

€ million	Limit		Risk capital requirement	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Credit risk	5,123	4,994	3,937	4,011
Equity investment risk	1,084	1,364	886	807
Market risk	6,310	7,120	3,234	3,621
Technical risk of a home savings and loan company ¹	820	820	509	719
Business risk ²	500	500	–	–
Operational risk	1,206	1,157	1,003	1,041
Total (after diversification)	14,078	14,941	9,009	9,565

¹ Including business risk and reputational risk of BSH.

² Apart from that of BSH, reputational risk is contained in the risk capital requirement for business risk.

Fig. VI.18 sets out the limits and overall solvency requirements for the **Insurance sector**, broken down by risk type, and includes policyholder participation features. The definition of the limits and determination of overall solvency requirements take into account the ability to offset deferred taxes against losses (which arises where deferred tax liabilities can be eliminated in the loss scenario). Diversification effects between the risk types are also taken into consideration. Owing to these effects of correlation, the overall solvency requirement and limit for each risk type are not cumulative.

FIG. VI.18 – LIMITS AND OVERALL SOLVENCY REQUIREMENTS IN THE INSURANCE SECTOR

€ million	Limit		Overall solvency requirement	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024 ¹
Life actuarial risk ²	1,400	1,100	1,157	939
Health actuarial risk	475	400	398	324
Non-life actuarial risk	2,850	2,250	2,395	1,572
Market risk	4,900	4,450	4,123	3,862
Counterparty default risk	350	325	281	252
Operational risk	800	800	668	675
Risks from entities in other financial sectors	190	265	167	200
Total (after diversification)	6,500	5,700	5,182	4,325

¹ Values after recalculation of the overall solvency requirement. Different values were stated in the 2024 risk report.

² Reputational risk is implicitly included in the overall solvency requirement for life actuarial risk (lapse risk).

In addition to the figures shown in Fig. VI.17 and Fig. VI.18, the aggregate risk includes **a centralized capital buffer requirement across all types of risk**, which was calculated at €760 million as at December 31, 2025 (December 31, 2024: €475 million). The corresponding **limit** was €1,000 million (December 31, 2024: €550 million). The increase in the centralized capital buffer requirement was primarily due to the recognition of a capital buffer of €240 million for sustainability-induced risk. This additional capital buffer requirement relates to climate-related physical risks affecting credit risk and to climate-related transition risks affecting credit risk and business risk.

7.3.3 Possible impact from crystallized risk covered by capital

If risk were to materialize and associated losses be incurred, there would be a risk that the risk capital requirement would exceed the available internal capital and the DZ BANK Group would thus **miss its economic capital adequacy target**. However, this situation could also occur with an increase in risk arising from heightened market volatility or as a consequence of changes in the business structure. Additional or more stringent regulatory requirements could also have a negative impact on the economic capital adequacy of the DZ BANK Group.

In a situation in which the economic capital adequacy of the DZ BANK Group could not be guaranteed, there would be insufficient capital available to meet the group's own standards with regard to the coverage of risk. If there is also insufficient capital to meet the level of protection demanded by the supervisory authority, this authority could initiate action, which in extreme cases could lead to the **resolution** of DZ BANK or its subsidiaries.

7.4 Capital adequacy in the normative perspective

7.4.1 Regulatory framework

The normative perspective is an integral part of the ICAAP. The key risk indicators in the normative perspective are specified by the regulatory requirements, mainly the CRR and the CRD, but the selection and specific design of the scenarios are internal decisions. With due regard to regulatory and supervisory guidance, such as the ECB Guide to the ICAAP and the EBA Guidelines on stress testing, the DZ BANK Group selects and simulates scenarios that adequately reflect the vulnerabilities of the business models operated in the group. The scenarios to be analyzed are determined at least once a year.

The normative perspective is based on the capital ratios laid down by the supervisory authorities. It comprises three management dimensions: monitoring of actual and projected figures for regulatory KPIs, capital planning, and adverse stress tests.

Whereas the monitoring of actual and projected figures, together with capital planning, in the baseline scenario focuses on the current regulatory ratios and their changes in probable scenarios, the analysis of these ratios in adverse scenarios is based on capital planning and the quarterly adverse stress tests.

From the normative perspective, risk-bearing capacity is assured if, in the medium term, all regulatory minimum solvency requirements are met, even in crisis situations. An internal management buffer over and above the regulatory requirements for each ratio is also included in order to ensure that the group has an adequate level of capital.

The regulatory ratios presented below are used as part of the internal management of the DZ BANK financial conglomerate, the DZ BANK banking group, and DZ BANK. The procedures used to calculate these ratios are those required under CRR III, which has been in force since January 1, 2025.

The material changes compared with the CRR rules that applied until December 31, 2024 primarily relate to the calculation of the capital requirements for credit risk, both under the Standardized Approach to credit risk (CRSA) and under internal ratings-based (IRB) approaches. The calculation of the capital requirements for operational risk is also affected by the changes. Furthermore, CRR III introduces an 'output floor'. This instrument is aimed at limiting the reductions in risk-weighted exposure amounts (RWEAs; synonym of the term 'risk-weighted assets' used in the 2024 risk report) that are achieved through the use of internal models, thereby ensuring a minimum threshold for the capital requirements. CRR III contains transitional guidance designed to enable institutions to gradually adapt to the new regulatory requirements.

This guidance relates both to the output floor and to the calculation of the risk-weighted exposure amounts on the basis of internal models.

7.4.2 DZ BANK financial conglomerate

The DZ BANK financial conglomerate comprises the DZ BANK banking group and R+V. FKAG forms the main legal basis for the supervision of the DZ BANK financial conglomerate. The calculation methodology for the coverage ratio for the financial conglomerate is taken from Commission Delegated Regulation (EU) No. 342/2014 in conjunction with article 49 (1) CRR. The financial conglomerate coverage ratio is the ratio between the total of own funds and the total of solvency requirements for the conglomerate. The coverage ratio must be at least 100.0 percent.

The changes in the coverage ratio and in the own funds and solvency requirements of the DZ BANK financial conglomerate are shown in Fig. VI.19.

FIG. VI.19 – REGULATORY CAPITAL ADEQUACY OF THE DZ BANK FINANCIAL CONGLOMERATE

	Dec. 31, 2025 ^{1,2}	Dec. 31, 2024 ^{3,4}
Own funds (€ million)	41,449	37,453
Solvency requirements (€ million)	26,863	27,524
Coverage ratio of the financial conglomerate (percent)	154.3	136.1

¹ The values for the DZ BANK banking group included in the calculations were determined in accordance with the CRR III transitional guidance.

² Preliminary figures.

³ Final figures. Preliminary figures were stated in the 2024 risk report.

⁴ In accordance with the CRR transitional guidance relating to IFRS 9.

The coverage ratio calculated for the DZ BANK financial conglomerate rose from 136.1 percent as at December 31, 2024 to 154.3 percent as at December 31, 2025. This was chiefly due to a rise of €3,996 million in own funds, of which €2,259 million was attributable to the R+V Versicherung AG insurance group and €1,737 million to the DZ BANK banking group. Furthermore, the solvency requirement went down by €661 million, of which €545 million was attributable to the DZ BANK banking group. These changes are analyzed in chapters VI.7.4.3 and VI.7.4.4.

The preliminary coverage ratio calculated for the financial conglomerate as at December 31, 2025 was higher than the **external minimum target** laid down by the supervisory authorities, the **internal minimum threshold**, and the **internal observation threshold**. The target/threshold values are shown in Fig. VI.3.

7.4.3 DZ BANK banking group

Procedure for determining risk-weighted exposure amounts

Capital adequacy from a normative perspective serves to ensure that the regulatory capital requirements and rules on capital are met. As part of risk-based banking supervision, it is intended to ensure that a bank's exposures are backed by capital in a volume that is as appropriate as possible for the risk involved. Capital adequacy is defined as meeting the minimum requirements for the common equity Tier 1 capital ratio, the Tier 1 capital ratio, and the total capital ratio.

For all three ratios, the relevant items of capital are calculated using the CRR rules and compared with the total risk exposure determined under the CRR (referred to below as risk-weighted exposure amounts). If the ratios calculated in this way exceed the minimum regulatory ratios, the requirements are deemed met.

The entities in the DZ BANK banking group use the following methods to calculate the risk-weighted exposure amounts in accordance with the CRR:

- **Credit risk:** Primarily the foundation internal ratings-based (IRB) approach, the advanced IRB approach for the retail business and, in some cases, the Standardized Approach to credit risk (CRSA)
- **Market risk:** Predominantly the group's own internal models and, to a minor extent, the Standardized Approaches
- **Operational risk:** Standardized Approach

Regulatory minimum capital requirements

The minimum capital requirements that the DZ BANK banking group had to comply with in 2025 under the SREP comprised those components of Pillar 1 laid down as mandatory by law and those individually specified by the banking supervisor.

Institution-specific requirements under the additional capital requirements in Pillar 2, determined in the SREP conducted for the DZ BANK banking group in 2024, also had to be satisfied. As part of the SREP, the banking supervisor specifies a mandatory add-on (**Pillar 2 requirement**) that is factored into the external minimum targets for the capital ratios and taken into account in the calculation of the threshold for the maximum distributable amount (MDA). Distributions are restricted if capital falls below the MDA threshold.

In addition to this mandatory component, there is a recommended own funds amount under Pillar 2 (**Pillar 2 guidance**), which likewise is determined from the SREP but, unlike the mandatory component, relates exclusively to common equity Tier 1 capital. Although failure to comply with the own funds guidance under Pillar 2 does not constitute a breach of regulatory capital requirements, it is an important early-warning indicator.

BaFin has classified DZ BANK as an other systemically important institution (O-SII). The DZ BANK banking group had to comply with an **O-SII capital buffer** (comprising common equity Tier 1 capital) pursuant to section 10g (1) KWG at a level of 1.0 percent in 2025. The O-SII capital buffer was unchanged compared with 2024.

The minimum capital requirements applicable to **DZ BANK** comprised those components of **Pillar 1** laid down as mandatory by law and those individually specified by the banking supervisor. Pillar 2 add-ons are currently not relevant to DZ BANK.

The mandatory minimum capital requirements relevant to the DZ BANK banking group and DZ BANK under the SREP, and the components of these requirements, are shown in Fig. VI.20.

Regulatory capital ratios

The regulatory **own funds** of the **DZ BANK banking group** as at December 31, 2025 determined in accordance with the CRR amounted to a total of €35,893 million (December 31, 2024: €32,738 million). This equated to a rise in own funds of €3,155 million compared with December 31, 2024 that mainly resulted from an increase in common equity Tier 1 capital of €2,295 million.

The increase in **common equity Tier 1 capital** from €25,663 million as at December 31, 2024 to €27,958 million as at the reporting date was primarily due to the profit of €1,921 million as at the reporting date, which was calculated taking account of all regulatory dividends and charges and was recognized in accordance with Decision (EU) 2015/656 of the ECB. Furthermore, common equity Tier 1 capital went up owing to the rise of €279 million in cumulative other comprehensive income calculated in accordance with IFRS and because there was no longer a deduction of €226 million for the loss allowances deficit for long-term equity investments. This change was due to long-term equity investments being switched from the IRB approach to the CRSA in connection with the introduction of CRR III.

FIG. VI.20 – REGULATORY MINIMUM CAPITAL REQUIREMENTS OF THE DZ BANK BANKING GROUP AND DZ BANK

Percent	DZ BANK banking group		DZ BANK	
	2025	2024	2025	2024
Minimum requirement for common equity Tier 1 capital	4.5	4.5	4.5	4.5
Additional Pillar 2 capital requirement	1.1	1.1		
Capital conservation buffer	2.5	2.5	2.5	2.5
Countercyclical capital buffer ¹	0.7	0.7	0.7	0.7
Systemic risk buffer ¹	0.1	0.1		
O-SII capital buffer	1.0	1.0		
Mandatory minimum requirement for common equity Tier 1 capital	9.9	10.0	7.7	7.7
Minimum requirement for additional Tier 1 capital ²	1.5	1.5	1.5	1.5
Additional Pillar 2 capital requirement ²	0.3	0.3		
Mandatory minimum requirement for Tier 1 capital	11.8	11.8	9.2	9.2
Minimum requirement for Tier 2 capital ²	2.0	2.0	2.0	2.0
Additional Pillar 2 capital requirement ²	0.5	0.4		
Mandatory minimum requirement for total capital	14.2	14.2	11.2	11.2

Not available

¹ The amount of the countercyclical capital buffer and the systemic risk buffer is recalculated at each reporting date. Unlike the other reported values, which apply to the entire financial year, the countercyclical capital buffers and the systemic risk buffers shown for 2025 and 2024 relate solely to the reporting dates.

² The minimum requirement and additional capital requirement can also be satisfied with own funds from higher categories.

Tier 2 capital increased from €3,782 million as at December 31, 2024 to €4,642 million as at December 31, 2025. This year-on-year rise of €860 million was mainly attributable to new issues of Tier 2 instruments amounting to €740 million.

The fall of €10,431 million in the **risk-weighted exposure amounts** from €162,563 million as at December 31, 2024 to €152,132 million as at December 31, 2025 was largely attributable to three effects:

- The risk-weighted exposure amounts for credit risk (including long-term equity investments) went down by a total of €20,614 million. This was essentially caused by methodological changes resulting from the initial application of the CRR III rules, although the impact of the changes was partly canceled out by countervailing effects relating to the volume of new business and existing business as well as by changes to the model in the course of the year.
- The rise of €9,685 million in the risk-weighted exposure amounts for operational risk was also attributable to methodological changes resulting from the initial application of the CRR III rules and to the annual adjustment of risk-weighted exposure amounts for operational risk.

- The risk-weighted exposure amounts determined for market risk advanced by €499 million. This effect was largely attributable to DZ BANK's internal market risk model.

As at December 31, 2025, the DZ BANK banking group's **common equity Tier 1 capital ratio** was 18.4 percent, an increase of 2.6 percentage points compared with December 31, 2024 (15.8 percent). The **Tier 1 capital ratio** of 20.5 percent calculated as at the reporting date was 2.7 percentage points higher than the figure as at December 31, 2024 (17.8 percent). The **total capital ratio** stood at 23.6 percent as at December 31, 2025, representing a rise of 3.5 percentage points compared with December 31, 2024 (20.1 percent).

Fig. VI.21 provides an overview of the regulatory capital ratios for the DZ BANK banking group and for DZ BANK.

FIG. VI.21 – REGULATORY CAPITAL RATIOS OF THE DZ BANK BANKING GROUP AND DZ BANK¹

	DZ BANK banking group		DZ BANK	
	Dec. 31, 2025 ¹	Dec. 31, 2024 ²	Dec. 31, 2025 ¹	Dec. 31, 2024 ²
Capital				
Common equity Tier 1 capital (€ million)	27,958	25,663	15,522	15,191
Additional Tier 1 capital (€ million)	3,293	3,293	3,043	3,043
Tier 1 capital (€ million)	31,251	28,956	18,565	18,234
Total Tier 2 capital (€ million)	4,642	3,782	4,487	3,867
Own funds (€ million)	35,893	32,738	23,052	22,101
Risk-weighted exposure amounts				
Credit risk including long-term equity investments (€ million)	125,361	145,975	75,511	94,808
Market risk (€ million)	6,008	5,509	5,431	4,975
Operational risk (€ million)	20,763	11,078	8,772	4,615
Total (€ million)	152,132	162,563	89,714	104,398
Capital ratios				
Common equity Tier 1 capital ratio (percent)	18.4	15.8	17.3	14.6
Tier 1 capital ratio (percent)	20.5	17.8	20.7	17.5
Total capital ratio (percent)	23.6	20.1	25.7	21.2

¹ In accordance with the CRR III transitional guidance.

² In accordance with the CRR transitional guidance relating to IFRS 9.

The **external minimum targets**, **internal thresholds**, and **internal observation thresholds** for the common equity Tier 1 capital ratio, the Tier 1 capital ratio, and the total capital ratio were exceeded at the level of the DZ BANK banking group and at DZ BANK as at December 31, 2025. The target/threshold values are shown in Fig. VI.3 and Fig. VI.4.

Leverage ratio

The **leverage ratio** shows the ratio of Tier 1 capital to the leverage ratio exposure. In contrast to credit-risk-related capital requirements for which the assumptions are derived from models, the individual exposures in the calculation of the leverage ratio are not allocated their own risk weight derived from an individual credit rating but are generally included in the leverage ratio exposure without being weighted. The leverage ratio exposure comprises exposures reported on the balance sheet, derivatives exposures, securities financing transaction exposures, and other off-balance-sheet exposures.

The leverage ratio and its components are shown in Fig. VI.22.

FIG. VI.22 – LEVERAGE RATIO OF THE DZ BANK BANKING GROUP AND DZ BANK

	DZ BANK banking group		DZ BANK	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Tier 1 capital (€ million)	31,251	28,956	18,565	18,234
Leverage ratio exposure (€ million)	447,437	440,561	281,882	271,968
Leverage ratio (percent)	7.0	6.6	6.6	6.7

The leverage ratio of the **DZ BANK banking group** as at December 31, 2025 was up by 0.4 percentage points compared with the end of 2024. This increase was due to the €2,295 million rise in Tier 1 capital in the numerator and a comparatively low €6,877 million increase in the leverage ratio exposure in the denominator.

The leverage ratios for the DZ BANK banking group and DZ BANK exceeded the **external minimum targets**, the **internal minimum thresholds**, and the **internal observation thresholds** as at the reporting date. The target/threshold values are shown in Fig. VI.3 and Fig. VI.4.

Minimum requirement for own funds and eligible liabilities

The Bank Recovery and Resolution Directive (BRRD), Implementing Regulation (EU) No. 806/2014 establishing a Single Resolution Mechanism, and the transposition of the BRRD into German law in the form of SAG created the legal basis at European and national level for a single resolution mechanism for banks.

The MREL requirements introduced with the BRRD are intended to ensure that banks hold a sufficiently large volume of own funds and liabilities that can be 'bailed-in' to make it possible at all times to carry out an orderly resolution. 'Bail-in-able' liabilities are those that provide for creditors to take an interest in losses incurred and recapitalization if a bank gets into financial difficulties, enabling resolution to take place on the basis of the bail-in and other instruments without recourse to government help and without jeopardizing the stability of the financial system.

The **MREL ratio as a percentage of risk-weighted exposure amounts** is the ratio of the MREL volume to the total risk exposure amount (risk-weighted exposure amounts) of the DZ BANK banking group. The MREL volume is the total of the regulatory own funds of the DZ BANK banking group and the eligible external MREL liabilities of DZ BANK. To calculate the **subordinated MREL ratio as a percentage of risk-weighted exposure amounts**, only subordinated MREL liabilities are included in the numerator in addition to the regulatory own funds of the DZ BANK banking group. The denominator is the same as for the MREL ratio.

The **MREL ratio as a percentage of the leverage ratio exposure** is the ratio of the MREL volume to the leverage ratio exposure, which comprises on-balance-sheet asset items and off-balance-sheet items (including derivatives), known as the leverage ratio exposure of the DZ BANK banking group. To calculate the **subordinated MREL ratio as a percentage of the leverage ratio exposure**, only subordinated MREL liabilities are included in the numerator in addition to the regulatory own funds of the DZ BANK banking group. The denominator is the same as for the MREL ratio.

The MREL ratios are calculated for the DZ BANK banking group, but not for DZ BANK. The calculated MREL ratios are shown in Fig. VI.23.

FIG. VI.23 – MINIMUM REQUIREMENT FOR OWN FUNDS AND ELIGIBLE LIABILITIES OF THE DZ BANK BANKING GROUP

Percent	Dec. 31, 2025	Dec. 31, 2024
MREL ratio		
as a percentage of risk-weighted exposure amounts	40.8	36.2
as a percentage of the leverage ratio exposure	13.9	13.4
Subordinated MREL ratio		
as a percentage of risk-weighted exposure amounts	34.1	29.5
as a percentage of the leverage ratio exposure	11.6	10.9

The increase of 4.6 percentage points in both the MREL ratio and the subordinated MREL ratio as a percentage of risk-weighted exposure amounts compared with the end of 2024 was due to the reduction in the risk-weighted exposure amounts and the growth of both the MREL volume and the subordinated MREL volume. This growth was, in turn, predominantly driven by the increase in the regulatory own funds of the DZ BANK banking group. The rise of 0.5 percentage points in the MREL ratio as a percentage of the leverage ratio exposure and the rise of 0.7 percentage points in the corresponding subordinated MREL ratio were largely attributable to the growth of both the MREL volume and the subordinated MREL volume. These volumes were partially offset by the growth of the leverage ratio exposure.

The **external minimum targets**, **internal minimum thresholds**, and **internal observation thresholds** applicable to the MREL ratios and the subordinated MREL ratios were exceeded as at December 31, 2025. The target/threshold values are shown in Fig. VI.3.

7.4.4 R+V

The regulatory solvency requirements for insurance companies and insurance groups provide a means of evaluating the overall risk position in the R+V Versicherung AG insurance group.

R+V's coverage ratio is calculated in line with the rules in Delegated Regulation (EU) 2015/35 and is the ratio between total own funds and the total solvency requirements. In accordance with the solvency capital requirements for insurance companies, the coverage ratio must be at least 100.0 percent. The changes in the regulatory risk-bearing capacity of R+V as a whole and each of its constituent entities are analyzed at least once a quarter.

Fig. VI.24 shows how the solvency capital requirements are covered by eligible own funds.

FIG. VI.24 – REGULATORY CAPITAL ADEQUACY OF R+V

	Dec. 31, 2025 ¹	Dec. 31, 2024 ²
Own funds (€ million)	17,053	14,619
Solvency capital requirement ³ (€ million)	8,368	8,477
Coverage ratio (percent)	203.8	172.5

¹ Preliminary figures.

² Final figures. The preliminary figures were stated in the 2024 risk report.

³ Referred to as 'solvency requirements' in the 2024 risk report.

The preliminary figure for the regulatory capital adequacy of R+V came to 203.8 percent as at December 31, 2025. The coverage ratio was thus above the external minimum target of 100.0 percent. The final figure as at December 31, 2024 was 172.5 percent (preliminary figure given in the 2024 risk report: 168.5 percent).

The changes in the regulatory risk-bearing capacity were primarily due to the increase in own funds resulting from higher fair values of investments. The higher fair values were attributable, in particular, to share price gains and a decline in credit spreads. These positive effects were offset to some extent by higher insurance liabilities.

7.5 Stress tests for types of risk covered by capital

7.5.1 Adverse stress tests

Adverse stress tests are used to examine the impact on capital, liquidity, and risk from potential **crisis scenarios** that are exceptional, but plausible, and particularly relevant to the DZ BANK Group's value drivers and risk factors. The **KPIs** relating to economic and regulatory capital adequacy are analyzed in this context. However, the stress tests also reflect events that go beyond the methods established for calculating capital adequacy. The term 'adverse stress tests' encompasses those stress scenarios that represent negative macroeconomic trends or events from the perspective of the DZ BANK Group. In this context, 'adverse' indicates that the scenarios may be particularly disadvantageous or even harmful.

Adverse stress tests can provide information on whether the level of capital resources – especially the buffer held to cover crisis situations – is also sufficient to cover various types of moderate to serious crisis scenario. The stress test results also facilitate an assessment of the extent to which the analyzed value drivers and risk factors are material for the DZ BANK Group.

The methods used are designed so that the specific features of R+V's business model and its risk and capital management systems are taken into account when determining the results of stress testing in the DZ BANK Group.

For the adverse stress tests, DZ BANK has put in place a system of threshold values as an **early-warning mechanism**. The threshold values for the scenarios across all risk types are monitored in the ongoing reporting system. These early-warning signals trigger various risk management processes so that there can be an early response to the potential risks highlighted by the stress tests. Control measures potentially available for the crisis scenario in question are also taken into account so that there is a comprehensive, critical evaluation of the stress test results.

7.5.2 Reverse stress tests

Reverse stress tests complement the adverse stress tests and are used to investigate which of the hypothetical scenarios could conceivably be sufficiently plausible and relevant to jeopardize the ability of the DZ BANK Group to **continue as a going concern**.

'Reverse' indicates that the tests are in the opposite direction and distinguishes them from the adverse stress tests. In adverse stress tests, scenarios are defined and the corresponding KPIs determined in order to assess whether there is a sufficient level of capital resources available to cover moderate or serious crisis scenarios. Reverse stress tests, on the other hand, examine which scenarios would have to occur to jeopardize the DZ BANK Group's ability to continue as a going concern.

In reverse stress tests, the risk particularly to the regulatory KPIs is simulated with scenarios in which it would no longer be feasible to **continue the business model** or in which the business model would prove to be no longer sustainable. In the case of reverse stress tests, the priorities are therefore as follows: firstly, to identify relevant scenario approaches that could have the potential to jeopardize the bank's ability to continue as a going concern, and secondly, to estimate the probability and plausibility of a specific, sufficiently serious scenario of this nature.

7.5.3 Scenario analyses in the risk types

The adverse and reverse stress tests are supplemented by a credit risk stress test in the normative perspective and by various risk type-specific scenario analyses in the economic perspective. These analyses serve as a link between vulnerabilities and sensitivities on the one hand and between potential events and adverse scenarios on the other. The scenario analyses also enhance the risk quantification for each risk type by including an alternative perspective.

In the scenario analyses, specific vulnerabilities, risk concentrations, or events are examined in detail for each type of risk by simulating economic losses and comparing them against the relevant risk limit.

7.5.4 Climate stress tests

DZ BANK carries out **exploratory climate risk scenario analysis** in order to obtain a quantitative assessment of the materiality of relevant climate risk factors. This analysis includes the simulation of effects of different physical scenarios (including river flooding and forest fire) and transition scenarios on the DZ BANK Group. For the transition scenarios, macroeconomic models are combined with company- and sector-specific channels of impact and with data relating to the energy efficiency of real estate collateral. Various transmission channels can be examined in terms of credit risk, market risk, and insurance-related risks. The selection of transmission channels can change over time depending on the results of the annual materiality assessment for the sustainability risk factors as well as on the basis of expert assessments. The impacts on economic and normative capital adequacy are presented too.

Climate risks in the adverse stress tests are also factored in, for example by analyzing a specific adverse scenario that represents accelerated climate transition.

Bank sector

8 Credit risk

8.1 Definition

Credit risk is the risk of losses arising from the default of counterparties (borrowers, issuers, other counterparties) or from the migration of the credit ratings of these counterparties.

Credit risk may arise in traditional lending business and also in trading activities. **Traditional lending business** is for the most part commercial lending, including financial guarantee contracts and loan commitments. In the context of credit risk management, **trading activities** refer to securities business in the banking book and trading book, money market business, transactions involving tradable loans and advances (such as promissory notes), currency transactions, transactions involving derivatives, and transactions involving commodities (such as precious metals).

In **traditional lending business**, credit risk arises mainly in the form of default risk and migration risk. In this context, default risk refers to the risk that a customer may be unable to settle receivables arising from loans or advances made to the customer (including lease receivables) or make due payments. It also includes risks arising from contingent liabilities (such as issued guarantees and indemnities). In addition to loans that have already been drawn down (including any existing overdrawn accounts), the calculation of the exposure encompasses undrawn loan facilities promised to third parties. Migration risk is a sub-risk within traditional credit risk and reflects the risk of changes in the fair value of types of exposure in the traditional lending business caused by a change in the rating for a borrower (rating migration).

Credit risk in connection with **trading activities** arises in the form of default risk, which can be subdivided into issuer risk, replacement risk, and settlement risk, depending on the type of transaction involved.

Issuer risk is the risk of default of issuers of tradable debt or equity instruments (such as bonds, shares, profit-participation certificates), of underlying instruments in derivatives (for example, credit or equity derivatives), or a default in connection with investment fund units or the underlying assets.

Replacement risk on derivatives is the risk of a counterparty defaulting during the term of a trading transaction.

Transaction processing risk is a default risk subcategory of replacement risk. It arises in connection with both delivery-versus-payment (DVP) settlement and unilateral payments in a trading transaction and is the result of the counterparty in a trading transaction being unable to perform its contractual obligation.

Migration risk is another sub-risk within replacement risk and reflects the danger of changes in fair value caused by a change in the rating for a counterparty (rating migration). For the migration risk of OTC derivatives, the term CVA risk is used, which also includes spread risk. CVA stands for credit valuation adjustment.

Settlement risk arises when there are two mutually conditional payments and there is no guarantee that when the outgoing payment is made the incoming payment will be received. Settlement risk is the risk of a loss if counterparties do not meet their obligations, counter-performance already having taken place.

Recovery risk forms part of credit risk. It cannot be determined as an exposure amount but increases the risk capital requirement for traditional credit risk, issuer risk, and replacement risk. Recovery risk results from uncertainty regarding the recovery rate for existing collateral and uncertainty regarding the recovery rate for unsecured receivables (or partial receivables).

Country risk is also included within credit risk. Country risk in the narrow sense of the term refers to conversion, transfer, payment prohibition, or moratorium risk (CTPM risk). This risk is twofold. Firstly, it is the risk that a foreign government may impose restrictions preventing a debtor in the country concerned from transferring funds to a foreign creditor. Secondly, it is the danger that a creditor is prohibited from accepting a payment due to sanctions or other restrictive measures imposed by intermediary countries or the creditor's home country.

Another form of CTPM risk is the risk of cross-border payments no longer being made in the agreed currency and instead being made in another currency (local currency or third-party currency). This can be due to statutory rules or individual agreements requiring this in response to a CTPM risk event in relation to the contractual currency. In the broader sense of the term, country risk refers to sovereign risk (the risk arising from exposure to a government itself) or the risk that the quality of the overall exposure in a country may be impaired as a result of country-specific events (country-related borrower risk). In this case, it is not viewed as a separate risk type but as a component of credit risk and is thus recorded within traditional credit risk, issuer risk, and replacement risk.

8.2 Business background and risk strategy

The DZ BANK Group is exposed to considerable credit risk in the Bank sector. The **lending business** is one of the most important core activities of the entities in the Bank sector. In its role as the central institution, DZ BANK covers a broad range of lending business, either in partnership with the local cooperative banks or in direct business, and provides its customers with financing solutions. Its customers include the local cooperative banks themselves, corporate customers, retail customers, the public sector, international companies, and banks and institutions both in Germany and abroad.

Default risk from traditional lending business arises primarily at DZ BANK, DZ HYP, BSH, and TeamBank. The risk results from the specific transactions in each management unit and therefore has varying characteristics in terms of diversification and size in relation to the volume of business.

Default risk relating to trading transactions arises from issuer risk, particularly in connection with the trading activities and investment business of DZ BANK. Replacement risk arises for the most part at DZ BANK and DZ PRIVATBANK.

The entities in the Bank sector pursue a decentralized business policy aimed at promoting the cooperative banks and are bound by the core strategic guiding principle of fulfilling the role of a **network-oriented central institution and financial services group**. The business and risk policy for the credit-risk-bearing core businesses in the group is formulated on the basis of risk-bearing capacity. The credit risk strategy therefore forms the basis for credit risk management and reporting across the whole group and ensures that there is a

standard approach to credit risk within the group. It takes into account the business models of each of the management units.

The management units aim to ensure that their credit portfolios always have **a sound credit quality and risk structure**. One of the objectives is to make sure that the portfolios remain highly diversified going forward.

8.3 Risk factors

Key values used in determining credit risk include the concentrations of lending volume in terms of counterparties, sectors, country groups, and residual maturities, and the credit quality structure of the credit portfolio. **Significant concentrations of volume** in counterparties, sectors, or countries increase the risk that an accumulation of credit risk will become critical, for example if there are defaults among greater concentrations of counterparties or, in economic crises, defaults in sectors or countries with significant concentrations in the credit portfolio.

The term of loan agreements is also a key credit risk factor because the probability of a deterioration in credit rating and therefore of a counterparty default during the term of an agreement generally increases over time. Particularly in the case of an **accumulation of exposures that have longer terms to maturity** and a non-investment-grade rating, there is a danger that the credit risk will materialize and the recognition of impairment losses will become necessary.

In addition to the aforementioned exposure-specific risk factors, **negative macroeconomic conditions** could lead to higher credit risk, more defaults among individual counterparties, and therefore a greater need to recognize impairment losses in the lending business. The biggest threats to general borrower credit quality stem from the following adverse factors:

- Escalation of geopolitical tensions and economic and strategic fragmentation (chapter VI.5.2.1)
- Global economic downturn (chapter VI.5.2.3)
- Ongoing weak growth in Germany (chapter VI.5.2.2)
- Correction in real estate markets (chapter VI.5.2.7)

If these adverse factors persist for a while longer yet, or escalate, credit risk in the Bank sector will likely rise significantly.

The lending exposures affected to differing extents by the aforementioned macroeconomic risk factors are described in chapters VI.8.8, VI.8.9, and VI.8.10.

The sustainability risk factors presented in chapter VI.5.3 can also adversely impact on credit risk. In particular, there is a risk that negative **transition effects** directly or indirectly cause the financial circumstances of counterparties – borrowers, issuers, and other counterparties – to deteriorate. This can lead to higher probabilities of default and lower credit ratings for the relevant counterparties and to a greater need for the entities in the Bank sector to recognize impairment losses. There is also a risk that collateral for loan exposures could become impaired. The degree to which the entities in the Bank sector are affected by climate-related and environmental risks depends on their individual business model.

8.4 Organization and responsibility

Responsibilities in the lending process have been laid down and are documented in a written set of procedural rules. These responsibilities cover loan applications, approvals, and termination, including periodic credit control with regular analysis of ratings. Decision-making authority levels are specified by the relevant **rules** based on the risk content of lending transactions.

Established **reporting and monitoring processes** help to provide decision-makers with information about the risk structure of credit portfolios and changes therein and form the basis for managing credit risk.

8.5 Risk management

8.5.1 Rating systems

Use and characteristics of the rating systems

The generation of internal credit ratings for the counterparties of entities in the Bank sector helps to provide a solid basis for lending decisions and loan monitoring processes. In addition, internal ratings are used to incorporate the credit quality of the counterparties when calculating expected and unexpected losses in the credit portfolio. In this way, credit quality is included in risk measurement, pricing, risk management, and the calculation of loss allowances.

The **VR rating system** used as standard throughout the Cooperative Financial Network aims to ensure that all the entities in the network apply a sophisticated uniform methodology producing ratings that are comparable.

DZ BANK primarily uses rating systems in its credit risk management system to assess large corporates, banks, investment funds, and project finance (slotting approach). The internal assessment approach is also used to evaluate the liquidity lines and credit enhancements made available by DZ BANK to programs for the issuance of asset-backed commercial paper (ABCP). These rating systems have been approved by the competent supervisory authority for the purposes of calculating regulatory capital using the **foundation IRB approach** or the **slotting approach**.

For **internal management purposes**, DZ BANK uses further rating systems to assess small and medium-sized enterprises (corporate customers, including agricultural businesses and not-for-profit organizations; foreign SMEs), countries, object finance, acquisition financing, public-sector entities, and insurance companies.

Most of the other entities in the Bank sector use the DZ BANK rating systems for banks, countries, and large corporates. Rating systems for specific business segments are also used by individual subsidiaries.

Development and expansion of rating systems

Validation in 2025 covered all rating systems approved for the Common Reporting Framework (COREP) and all rating systems that were included in the internal validation planning.

DZ BANK credit rating master scale

The credit rating master scale serves as a groupwide rating benchmark with which to standardize the different rating systems used by the entities in the Bank sector as a result of differences in their business priorities. It thereby provides all management units with a uniform view of counterparties' credit ratings.

Fig. VI.25 shows DZ BANK's credit rating master scale and matches the internal credit ratings to the ratings used by S&P Global Ratings, Moody's Ratings, and Fitch Ratings. Some internal ratings cannot be matched with a particular external rating because of the greater degree of refinement in the credit rating master scale. The ratings for securitization exposures are matched to various different external ratings depending on the asset class and region.

In DZ BANK's master scale, the default bands remain unchanged to ensure comparability over the course of time, whereas some fluctuation in default rates can be seen in external ratings.

FIG. VI.25 – BANK SECTOR: DZ BANK'S VR CREDIT RATING MASTER SCALE AND EXTERNAL CREDIT RATINGS

Internal rating class	Average default probability	External rating classes			Rating category
		Moody's Ratings	S&P Global Ratings	Fitch Ratings	
1A	0.01%	Aaa to Aa2	AAA to AA	AAA to AA	Investment grade
1B	0.02%	Aa3	AA-	AA-	
1C	0.03%				
1D	0.04%	A1	A+	A+	
1E	0.05%				
2A	0.07%	A2	A	A	
2B	0.10%	A3	A-	A-	
2C	0.15%	Baa1	BBB+	BBB+	
2D	0.23%	Baa2	BBB	BBB	
2E	0.35%				
3A	0.50%	Baa3	BBB-	BBB-	Non-investment grade
3B	0.75%	Ba1	BB+	BB+	
3C	1.10%	Ba2	BB	BB	
3D	1.70%				
3E	2.60%	Ba3	BB-	BB-	
4A	4.00%	B1	B+	B+	
4B	6.00%	B2	B	B	
4C	9.00%	B3	B-	B-	
4D	13.50%				
4E	30.00%	Caa1 or lower	CCC+ or lower	CCC+ or lower	
5A	DPD default				Default
5B	Specific loan loss allowance / internal neutralization of interest / rating-related sale with significant loss / further bank-internal criteria				
5C	Distressed restructuring				
5D	Insolvency				
5E	Direct impairment / workout				
NR	Not rated				

Therefore, it is not possible to map the internal ratings directly to the ratings used by the rating agencies. Consequently, the chart can only be used as a starting point for comparison between internal and external credit ratings.

DZ BANK Rating Desk

The VR rating systems for banks and countries are also available to DZ BANK subsidiaries and the cooperative banks. Users can enter into a master agreement to access the ratings via an IT application (Rating Desk), which is available throughout the Cooperative Financial Network, in return for the payment of a fee. Any accessed ratings are first validated by the entities in the Bank sector or the cooperative banks before they are included in the user's credit procedures.

8.5.2 Management of exposure in traditional lending business

Measuring exposure in traditional lending business

Individual lending exposures are managed on the basis of an analysis of gross lending exposure. The period taken into account in this case is equivalent to the monitoring cycle of 1 year. Together with risk-related credit-portfolio management, volume-oriented credit risk management is one of the components in the management of risk concentrations in the lending business.

In traditional lending business, the credit exposure or lending volume is generally the same as the nominal value of the total loan book and reflects the maximum volume at risk of default. The credit exposure is a gross value because risk-bearing financial instruments are measured before the application of any credit risk mitigation and before the recognition of any loss allowances. The maximum credit exposure comprises the total lines of credit committed to third parties, or in the case of limit overruns, the higher amounts already drawn.

In building society operations, nominal amounts are used as a basis for measuring the lending volume. In addition, loans and advances to customers in building society operations are reduced by the associated deposits.

Limit system for managing exposures in traditional lending business

Limits are set in the relevant entities in the Bank sector for individual borrowers and groups of connected customers. Counterparties are also managed centrally at the level of the Bank sector, depending on the limit level and credit rating.

As a prerequisite for prompt monitoring of limits, suitable **early-warning processes** have been established in the management units that are of material significance for the Bank sector's credit risk. In this context, financial covenants are often incorporated into loan agreements to act as early-warning indicators for changes in credit standing and as a risk management tool for lending exposures.

In addition, processes have been set up in the Bank sector to handle instances in which limits are **exceeded**. Such excess exposures must be approved by the relevant level of authority in the management units concerned and in accordance with applicable internal requirements; measures to reduce them must also be initiated if necessary.

Country exposure in the traditional lending business is managed by setting **country limits** for industrialized countries and emerging markets at the Bank sector level.

8.5.3 Management of credit exposure in trading transactions

Measuring credit exposure in trading transactions

Issuer risk, replacement risk, and settlement risk are exposure-based measurements of the potential loss in trading transactions. These are determined without taking into account the likelihood of a default. In order to determine the credit exposure, securities in the banking book and trading book are predominantly measured at fair value, while derivatives are measured at fair value and, in respect of settlement risk, at the cash-flow-based accepted value.

The fair value of a securities exposure is used to determine the **issuer risk**. Risks relating to the underlying instruments in derivative transactions are also included in issuer risk.

At the level of the Bank sector, **replacement risk** is generally determined on the basis of fair value, taking into account appropriate add-ons. At **DZ BANK**, which is of particular significance as far as replacement risk is concerned, these add-ons are determined primarily according to each individual transaction as part of a portfolio simulation. The portfolio simulation models future exposures, taking into account a large number of risk factors. The add-ons for the remaining derivatives not included in the portfolio simulation are determined on the basis of a product-specific allocation, which also takes into account specific risk factors and residual maturities. Transaction processing risk is additionally factored into the exposure calculation for replacement risk. This risk is largely determined as the net present value of the reciprocally required performance.

Where legally enforceable, netting agreements and credit support annexes are used at counterparty level for all derivatives in order to reduce exposure. In the case of repos and securities lending transactions, haircuts are applied instead of add-ons. Unsecured money market transactions are measured at fair value.

As regards **settlement risk**, the risk amount is the expected payment due. Settlement risk is recognized for the specified settlement period. It takes into account the amount and timing of outstanding cash flows for the purposes of managing the risk associated with settlement by the two parties at points of time in the future. These future cash flows are already factored into the replacement risk through the fair value measurement and are therefore included in the risk capital requirement. As a result, settlement risk does not need to be covered with risk capital in addition to that for the other types of credit risk related to trading activities.

Limit system for managing trading exposure

DZ BANK has established an exposure-oriented **limit system** related to credit ratings to limit the default risk arising from trading business. Replacement risk is managed via a structure of limits broken down into maturity bands. Unsecured money market transactions are subject to separate limits. The transaction processing risk forming part of the replacement risk is included in the shortest maturity band. A daily limit is set in order to manage settlement risk. A specific limit for each issuer or, in certain circumstances, a general limit is determined as the basis for managing issuer risk. The specific limit can also be broken down into seniority bands; in the case of asset-backed securities, the specific limit can be broken down into rating bands. Issuer risk relating to cover assets is subject to separate limits, as are settlement risk and replacement risk attaching to cover assets. Issuer risk in connection with the trading book and issuer risk in connection with the banking book are subject to separate limits. The material subsidiaries have their own comparable limit systems.

The standardized methodology for measuring and monitoring trading exposure at DZ BANK (**pre- and post-transaction control**) is included in an IT-supported limit monitoring system, to which all relevant trading systems are directly or indirectly connected. Furthermore, the trading exposure in the Bank sector is managed on a decentralized basis at management unit level.

As in the traditional lending business, processes have also been established in the trading business to provide **early warnings and notification of limit overruns** and for daily and monthly reporting. The material subsidiaries have their own comparable processes.

Country exposure in the trading business is managed in the same way as in the traditional lending business by setting **limits for countries** at the Bank sector level.

8.5.4 Management of risk concentrations and correlation risks

Identifying risk concentrations

One of the Bank sector's key concerns in the management of credit risk is to avoid undesirable concentrations and correlations of risks in the credit portfolio. To this end, it has established credit risk strategies, policies, and principles that must be applied in the various areas of business. The main structural elements are managed on this basis with the aim of ensuring that the credit portfolio is appropriately diversified. The structural elements include specifications for rating-related maximum exposures, strategic borrower limits, the restriction of areas of business to specified countries or regions, maturity limits, specific requirements for certain operating segments and industries, and requirements relating to collateral, loan agreement clauses, and key credit-risk-related figures.

Measurement and monitoring of risk concentrations

The structural requirements include general parameters to ensure that the credit portfolio in the Bank sector is comprehensively diversified. They therefore provide important guidance for managing new business. The ongoing monitoring of potential risk concentrations is also of fundamental importance. With this in mind, the Bank sector's credit portfolio is constantly checked for concentrations in terms of asset class, area of business, industry, country, country group, residual maturity, size category, and rating class. Significant attention is also paid to monitoring concentrations linked to individual borrowers. Exposures are analyzed and managed using monitoring lists, particularly to identify if specified volume limits are exceeded.

Besides volume-oriented parameters, the credit value-at-risk for individual borrowers and groups of connected customers is a core parameter used in modeling concentration risk. A key factor is the possibility of a simultaneous default by a number of borrowers who share the same characteristics. This is why determining the correlated exposure to loss as a part of the calculation of the risk capital required for credit risk is essential for managing risk concentrations.

Wrong-way risk between borrowers and collateral

In managing the traditional lending business and its trading business, DZ BANK takes into account the correlation between collateral and the borrower pledging the collateral or between the collateral and the counterparty whose replacement risk the collateral is intended to mitigate. If there is a significant positive correlation between the collateral and the borrower or the counterparty pledging the collateral, the collateral is disregarded or accorded a reduced value as collateral. This situation arises, for example, where a protection provider, garnishee, or issuer forms a group of connected clients or a similar economic entity with the borrower or counterparty.

Wrong-way risk in trading activities

General wrong-way risk can arise as a result of DZ BANK's trading activities. This is defined as the risk of a positive correlation between the default probability of a counterparty and the replacement value (replacement risk exposure) of a (hedging) transaction entered into with this counterparty because of a change in the macroeconomic market factors of the traded underlying instrument (e.g. price changes for exchange rates).

Specific wrong-way risk can also occur. This is the risk of a positive correlation between the default probability of a counterparty and the replacement value (replacement risk exposure) of a (hedging) transaction entered into with this counterparty because of an increase in the default probability of the issuer of the traded underlying instrument. This type of risk largely arises in connection with OTC equity and credit derivatives in which the underlying instrument is a (reference) security or (reference) issuer.

Other measures to prevent concentration risk and wrong-way risk in trading activities

In order to prevent unwanted risks that may arise from the concentration or correlation of collateral in the trading business or from general wrong-way risk, DZ BANK has brought into force a **collateral policy** and its own internal **minimum requirements for bilateral reverse repo transactions and securities lending transactions**. Both policies are explained in chapter VI.8.5.5.

If material specific wrong-way risk arises in connection with a bilateral OTC trading transaction, it is taken into account when the exposure is calculated.

Quarterly reporting has been established for relevant wrong-way risk and concentration risk arising in connection with derivatives and securities financing, including any necessary exposure adjustments.

8.5.5 Mitigating credit risk

Collateral strategy and secured transactions

In accordance with the credit risk strategy, customer credit quality forms the main basis for any lending decision; collateral has no bearing on the borrower's credit rating. However, depending on the structure of the transaction, collateral may be of material significance in the **assessment of risk** in a transaction. In particular, collateral received reduces the credit value-at-risk (see chapter VI.8.5.7).

Collateral in line with the level of risk is generally sought in traditional corporate customer lending business where the rating category is 3B or below on the credit rating master scale and in medium-term or long-term financing arrangements. In addition, recoverable collateral equivalent to 50.0 percent of the finance volume is expected in the joint credit business with the local cooperative banks for new business entered into with SME customers in rating category 3E on the credit rating master scale.

Collateral is used as an appropriate tool for the management of risk in export finance or structured trade finance transactions. In the case of project finance, the financed project itself or the assignment of the rights in the underlying agreements typically serve as collateral.

Secured transactions in traditional lending business encompass commercial lending including financial guarantee contracts and loan commitments. In order to limit defaults in these transactions, a decision on whether to obtain traditional collateral is made on a case-by-case basis.

Types of collateral

The entities in the Bank sector use all forms of **traditional loan collateral**. Specifically, these include mortgages on residential and commercial real estate, registered ship and aircraft mortgages, guarantees (including sureties, credit insurance, and letters of comfort), financial security (certain fixed-income securities, shares, and investment fund units), assigned receivables (blanket and individual assignments of trade receivables), and physical collateral.

Privileged mortgages, guarantees, and financial collateral are the main sources of collateral recognized for regulatory purposes under the CRR.

In accordance with DZ BANK's collateral policy, only cash, investment-grade government bonds, and/or Pfandbriefe are normally accepted as **collateral for trading transactions** required by the credit support annexes used to mitigate the credit risk attaching to OTC derivatives. Entities in the Bank sector also enter into netting agreements to reduce the credit risk arising in connection with OTC derivatives. The prompt evaluation of collateral within the agreed margining period also helps to limit risk.

Credit derivatives, such as credit default swaps, are used to reduce the issuer risk arising on bonds and derivatives. Macro hedges are used dynamically to mitigate spread and migration risk as well as risks attaching to underlying assets. In isolated cases, transactions are conducted on a back-to-back basis. For risk management purposes, the protection provided by credit derivatives is set against the reference entity risk, thereby mitigating it. The protection providers/counterparties in credit derivatives are financial institutions, namely investment-grade banks and funds in the VR rating classes 1A to 2E.

Management of traditional loan collateral

Collateral management is the responsibility mainly of **specialist units**, generally outside the front-office divisions. The core tasks of these units include providing, inspecting, measuring, recording, and managing collateral and providing advice to all divisions in related matters.

To a large extent, standardized contracts are used for the provision of collateral and the associated declarations. Specialist departments are consulted in cases where customized collateral agreements are required. Collateral is managed in separate IT systems.

The **measurement** of collateral is performed in accordance with internal guidelines and is usually the responsibility of the back-office units. As a minimum, carrying amounts are normally monitored annually or on the agreed submission date for documents relevant to measurement of the collateral. Shorter monitoring intervals may be specified for critical lending exposures. Regardless of the specified intervals, collateral is tested for impairment without delay if any indications of impairment become evident.

The workout units are responsible for **recovering collateral**. In the case of non-performing loans, it is possible to depart from the general measurement guidelines and measure collateral on the basis of its likely recoverable value and time of recovery. Contrary to the general collateralization criteria, collateral involved in restructuring exposures can be measured using market values or the estimated liquidation proceeds.

Collateral management

In addition to **netting agreements** (ISDA Master Agreement and German Master Agreement for Financial Futures), both collateral agreements for variation margin (Credit Support Annex to the ISDA Master Agreement and Collateralization Annex to the German Master Agreement for Financial Futures) and collateral agreements for initial margin are entered into as instruments to reduce credit exposure in OTC transactions.

DZ BANK's **collateral policy** regulates the economic aspects of credit support annexes and the responsibilities and authorization levels. This policy specifies contractual parameters, such as the type and quality of collateral, minimum transfer amounts, and delivery deadlines as permitted by regulatory requirements. As a rule, the collateral policy permits only collateral in the form of cash (in euros) to be accepted for mitigating risks arising from OTC derivatives on the basis of the Credit Support Annex or the German Collateralization Annex. General exceptions to this rule exist for older contracts entered into before the collateral agreement obligation came into force and, in particular, for contracts with local cooperative banks that permit thresholds and securities collateral. Securities collateral must be eligible as collateral with the ECB and have a minimum credit rating of A3 (Moody's Ratings) or A- (S&P Global Ratings, Fitch Ratings). Exceptions to the standard conditions must be approved on the basis of the authorization levels specified in the collateral policy.

High-grade collateral is also required for repo and securities lending transactions in compliance with generally accepted master agreements and DZ BANK's own internal **minimum requirements for bilateral reverse repo transactions and securities lending transactions**, although the range of collateral is somewhat broader here than in the case of OTC derivatives. There are a few individual exceptions for banks in the Cooperative Financial Network. Furthermore, the minimum requirements applicable at DZ BANK exclude prohibited correlations and specify collateral quality depending on the credit rating of the counterparties.

DZ BANK regularly uses **bilateral collateral agreements**. Exceptions apply to cover assets and special-purpose entities, as the special legal status of the counterparties means that only unilateral collateral agreements can be usefully enforced, and to supranational or government entities. Any decision not to use a bilateral collateral agreement for counterparties not subject to the rules of Regulation (EU) No. 648/2012 (European Market Infrastructure Regulation, EMIR) must be approved by a person with the relevant authority.

Netting and collateralization generally result in a significant reduction in the exposure from trading business. IT systems are used to measure exposures and collateral. **Margining** is carried out on a daily basis for the vast majority of collateral agreements in accordance with the collateral policy requirements.

Collateral agreements generally include minimum transfer amounts and, in some cases, also **thresholds** that are independent of the credit rating. There are also some agreements with triggers based on the credit rating. In these agreements, for example, the unsecured part of an exposure is reduced in the event of a ratings downgrade or the borrower is required to make additional payments (for example, payments known as 'independent amounts'). The supervisory authorities have specified these contractual provisions as standard for EMIR-compliant agreements.

EMIR requires the exchange of an initial margin in bilateral OTC derivatives transactions in addition to the variation margin. The transfer of initial margin takes account of counterparty-specific thresholds.

Other risk mitigation methods

Under EMIR, market players must report and promptly confirm all exchange-traded and OTC derivatives to central trade repositories. The regulation also requires a portfolio reconciliation of transactions that are not settled by a central counterparty. The frequency of the reconciliation depends on the number of such transactions.

Central counterparties

Under EMIR, market players must also use predefined steps to settle certain standardized OTC derivatives via central counterparties (known as clearing houses). Furthermore, risk mitigation methods have to be used for OTC derivatives that are not settled centrally through a clearing house. This is intended to minimize counterparty risk.

Any market players not exempted from this clearing obligation must be connected to a central counterparty. The market player concerned may be a direct member of a clearing house or may settle its derivative contracts using a bank that is a clearing member of a central counterparty.

DZ BANK is a direct member of London Clearing House Ltd, London, (LCH Ltd), which is Europe's largest clearing house for interest-rate derivatives, and of Eurex Clearing AG, Eschborn. DZ BANK therefore has direct access to central counterparties for derivatives for the purposes of clearing derivative transactions. In the case of credit derivatives, it also has indirect access to London Clearing House S.A., Paris, (LCH S.A) via clearing broker Deutsche Bank AG, Frankfurt am Main.

As a direct member, DZ BANK is connected to LCH S.A. and LCH Ltd for the purpose of clearing repos. Listed derivatives are traded via Eurex Frankfurt AG and – through UBS Group AG, Zurich, and UBS Securities LLC, New York – on international derivatives exchanges.

8.5.6 Management of closely monitored and non-performing lending exposures

The following descriptions apply to **DZ BANK**. Where required, similar procedures have been implemented in the subsidiaries that have a material traditional lending business (**BSH**, **DZ HYP**, and **TeamBank**), which adapt them to the characteristics of the risks faced in their particular business.

Management and monitoring

Early identification of risk is a key component of the management and monitoring of traditional lending business. The system for identifying risk at an early stage is designed to detect emerging risks at the earliest opportunity and return the affected lending exposures to acceptable levels of risk quality. Another objective is to minimize losses from loan defaults.

In order to identify risk at an early stage, criteria are defined as early-warning indicators that should show when exposures must become subject to special, closer monitoring (intensified loan management) and when lending exposures must be transferred to the specialist units responsible for loan restructuring and workout.

The following lists are maintained to monitor lending exposures that are subject to intensified management and lending exposures that are in default:

- The **yellow list** for exposures with latent risk
- The **watchlist** for exposures with heightened risk
- The **default list** for exposures with acute risk (exposures that are classified as in default and thus non-performing)

Borrowers are classified as in default and thus **non-performing** either if a material portion of their overall obligation under the loan agreement is past due by more than 90 consecutive calendar days or if it is unlikely that they will meet their payment obligations under the loan agreement in full without the management unit in the Bank sector that granted the loan having recourse to actions such as the recovery of any available collateral. This corresponds to the definition of default specified by the CRR. Borrowers in default are assigned a rating of between 5A and 5E on the VR credit rating master scale.

Non-performing loan exposures are also referred to by the abbreviation NPL. They are monitored using the following key figures:

- **Extended coverage ratio** (specific loan loss allowances plus collateral as a proportion of the volume of non-performing loans)

- **NPL ratio** (volume of non-performing loans as a proportion of total lending volume), calculated in line with regulatory financial reporting (FinRep)

Workout units become involved at an early stage of identified difficulties. By providing intensified loan management for critical exposures and applying problem-solving strategies, these special units aim to establish the basis for securing and optimizing exposures with heightened risk.

Exposures with heightened risk are generally reviewed and the documentation updated on a quarterly basis. The process is also carried out at shorter intervals if required. This process is supported by IT systems.

Forbearance

Forbearance is a tool for managing non-performing exposures or those close to non-performing. Forbearance measures include **concessions** regarding the obligations under a loan agreement of a borrower in financial difficulties. Such concessions may consist of **contractual modifications**, such as adjustments to covenants or changes to the interest rate, repayment structure, or loan maturity. They may also amount to **refinancing measures**, such as debt-equity swaps, further loan facilities, turnaround or bridging financing, or debt restructuring. The aim of such concessions is to ensure that borrowers who cannot satisfy the terms and conditions of their loan agreements because of their financial circumstances are placed in a position whereby they can repay the loans granted by DZ BANK.

Concessions qualify as forbearance measures if a borrower is found to meet one of the following **criteria** during the monitoring of credit risk:

- The borrower is included in the default list, watchlist, or yellow list with a rating of 4A.
- The borrower is classified with a rating of 4B or worse, regardless of whether the borrower is on one of the lists or not.
- Payments are past due by more than 30 days within a period of 3 months prior to the concession.

The borrower must satisfy all of the following criteria before **exiting forbearance status**:

- The borrower is classified as performing.
- The borrower has undergone a probation period of at least 2 years. In the case of borrowers who have recovered from a default, the probation period begins with their reclassification as 'recovered'. Borrowers not previously in default begin the probation period when forbearance measures are initiated.
- The borrower has made regular interest payments or repayments of principal during at least half of the probation period.
- No payments are past due by more than 30 days.

Recognition of loss allowances

The description required by GAS 20 A1.7(c) of the methods used for recognizing loss allowances is included in note 5 of the notes to the consolidated financial statements.

8.5.7 Credit-portfolio management

Internal credit-portfolio models operated on a decentralized basis in the material management units are used together with value-at-risk methods to quantify unexpected losses from lending and trading business. The **credit value-at-risk** reduced by the expected loss is referred to as the risk capital requirement for transactions subject to credit risk. Credit value-at-risk is calculated on the basis of a holding period of 1 year and a confidence level of 99.9 percent. The risk capital requirement quantifies the risk of unexpected losses if default or migration events were to materialize.

Expected loss is calculated by multiplying the exposure at default (EAD) by the loss given default (LGD) and by the probability of default (PD). **Exposure at default** equates to the expected outstanding loan or receivable or the potential economic loss in respect of a counterparty if the counterparty defaults, without taking into account any collateral. **Loss given default** refers to the expected percentage loss on default of a borrower, whereby the loss is reduced by any proceeds anticipated from the recovery of **collateral**. **Probability of default** is the

probability, calculated on the basis of historical data, that a borrower will not be able to meet their payment obligations within a particular, future period. For the purposes of credit-portfolio management in the Bank sector, this period is 1 year. The probability of default reflects the borrower's current rating and, in individual cases, also takes into account business-specific factors.

When determining credit value-at-risk, **recovery risk** is taken into account as the amount by which the actual loss deviates from the expected recovery rate or – in the case of transactions already in default – from the specific loan loss allowances. Existing netting agreements are included in the measurement of trading exposures subject to default risk.

The credit value-at-risk amounts determined for the management units are aggregated by DZ BANK at **Bank sector** level.

For the purposes of **managing** the credit portfolio, the credit value-at-risk and the decentralized capital buffer requirement are restricted by the **credit risk limit**. The calculation of the decentralized capital buffer requirement is explained in chapter VI.4.5.2. A **traffic light system** is used to monitor Bank sector management units' compliance with the limits specified for credit risk.

8.6 Managing sustainability risks in the lending business

8.6.1 Principles of sustainability risk management in the lending business

The **group credit standards** of the DZ BANK Group provide guidelines on sustainable lending in the Bank sector. These guidelines contain exclusion criteria that prohibit lending that does not satisfy the minimum ESG requirements or entails heightened reputational risk. The sustainability assessment considers positive criteria and ascertains that the funding has a sustainability-oriented focus. In addition, the group credit standards include a definition of sustainability risks and a description of how these should be addressed in the business activities, especially in the granting and monitoring of loans and the valuation of collateral.

The rules on taking account of sustainability matters in **lending processes** encompass processes for the extension of loans, the monitoring of loans, and the valuation of collateral. Sustainability matters are also taken into account in regular and ad hoc credit control. The rules are continually refined. Employees working in front-office divisions and credit analysis are kept up to date and trained on any changes.

Before a detailed sustainability-related credit check is carried out, funding projects are checked as to whether **exclusion criteria** apply and whether **sector criteria** are satisfied. If the findings of the check are negative, the funding project is not pursued further.

DZ BANK has committed to the 10 universally accepted principles of responsible conduct in relation to human rights, labor standards, environmental protection, and the fight against corruption set forth in the **United Nations Global Compact** (UN Global Compact) and it observes these principles when considering funding projects. It has also undertaken to comply with other voluntary frameworks, such as the **Equator Principles** – a voluntary set of guidelines adopted by banks to ensure compliance with environmental and social standards in project finance – and the **International Finance Corporation (IFC) Performance Standards**. The above standards are operationalized using the exclusion criteria and the sector criteria as well as ESG checklists.

The **ad hoc exclusion criteria committee** supports DZ BANK in the interpretation of exclusion criteria and sector criteria in its lending decisions. Its members are points of contact for the Credit, Corporate Banking, Structured Finance, and Strategy & Group Development divisions and meet weekly.

8.6.2 Exclusion criteria and sector criteria

The entities in the Bank sector have developed sector-specific **exclusion criteria** for lending activities in order to prohibit lending that does not satisfy the minimum ESG requirements or entails heightened reputational risk. The exclusion criteria are reviewed on an ongoing basis, and adapted and expanded as necessary. The current principles applicable to the Bank sector are very similar to DZ BANK's exclusion criteria.

DZ BANK's exclusion criteria primarily relate to the following activities and types of business:

- Oil extraction activities (upstream) and oil/gas extraction that involves fracking, oil shale/oil sands, Arctic drilling, or deep sea mining
- Activities connected with the construction, operation, or maintenance of nuclear power stations
- Trading of endangered animal or plant species
- Significant threats to the environment, particularly uranium/asbestos extraction, mining activities involving the mountain-top removal method, and projects, assets, or activities that pose a high risk of nuclear, biological, or chemical contamination (excluding biogas facilities), or hazardous goods with insufficient measures to minimize risk

A borrower's corporate governance can also pose a risk in the course of lending business. Indications of such risk include suspected corruption, tax evasion proceedings, and ongoing antitrust proceedings. In these cases, the risk lies in the potentially negative effects on the borrower's reputation, which could lead to declining revenue and a reduction in earnings power. The lending and loan monitoring process is designed to ensure that transactions with customers that do not satisfy the minimum corporate governance requirements defined by the DZ BANK Group are prohibited. Checks for critical corporate governance aspects relating to anti-corruption, competition, and tax are conducted and evaluated in a standardized manner prior to lending.

DZ BANK applies further sector-specific requirements – **sector criteria** – for certain industries that are particularly vulnerable from a sustainability perspective. These criteria specify the details to be reviewed with reference to international industry-specific conventions, recognized standards and certification, and optimum production processes.

The sector criteria mainly focus on the following aspects:

- Dams and water infrastructure
- Commodities industry
- Agriculture
- Forestry
- Fishing
- Maritime industry
- Palm oil

8.6.3 ESG checklists

Factors of relevance to the financing arrangement in question are systematically assessed and documented in relation to social, ethical, and environmental risks using ESG checklists, which are based on the 10 principles of the UN Global Compact. Various asset-class-specific ESG checklists exist for corporates, finance companies, and countries as well as for project finance. The ESG checklist for project finance looks at whether the Equator Principles are applied. The corporates ESG checklist used by DZ BANK and DZ HYP forms the basis for all other ESG checklists, which differ from the corporates checklist in that they only include questions that are relevant to the specific asset class.

The ESG checklists are intended to help to gauge the sustainability efforts of a customer or the sponsor of a funding project and to determine the funding's reputational impact on DZ BANK. They contain up to 16 questions that examine the environmental, social, and corporate governance dimensions and analyze the customer's / project sponsor's general engagement with sustainability. The ESG checklists also enable possible negative environmental impacts of a funding project (such as air pollution and water shortages), including on

biodiversity, to be identified. As a rule, the ESG checklists are initially filled in for each counterparty to the application by front-office employees and are then checked by credit analysis employees.

The findings of the sustainability assessment are depicted on a four-level scale that ranges from neutral/green (neutral impact on DZ BANK's reputation) to high/red (strong negative impact on DZ BANK's reputation). Loan applications with an elevated or strong ESG-related negative reputational impact require approval at a higher authorization level.

8.6.4 ESG credit risk score and pricing

DZ BANK uses the **ESG credit risk score** to assess the effects of sustainability matters on customers' credit risk. This score supplements the internal credit rating for corporate customers by providing an additional statement on the probability and scope of a potential future change in creditworthiness due to sustainability matters for a medium-term time horizon (5 to 10 years). The process provides a cross-sectoral statement on creditworthiness. This means that two corporate customers that operate in different sectors but have the same ESG credit risk score can be affected to a similar degree, irrespective of how their respective sector is affected by ESG risk.

The underlying methodology of the ESG credit risk score is based on relative revenue intensity, which is calculated, for example, as the absolute greenhouse gas emissions of a counterparty relative to the entity's revenue. In addition to internally available revenue data, data from external sources is also used.

The ESG credit risk score encompasses **physical environmental risks** and **transition risks, social risks, and corporate governance risks**, providing a separate subscore for each risk type. The individual results for the different risk types within the ESG credit risk score have five possible risk levels, ranging from A (very low risk) to E (very high risk).

Particularly in the case of transition risks, statutory measures such as a ban on internal combustion engines will lead to credit rating downgrades and potentially even loan defaults if companies fail to transform in the ESG sphere. However, such effects will materialize only in the medium term. Poor ESG credit risk scores are therefore mainly significant for long-term loan agreements and less so for short-term lending. The greenhouse gases associated with a financing arrangement are critical in determining transition risk. In 2025, this information was only publicly available from companies that were subject to statutory ESG disclosure requirements. Greenhouse gas emissions were therefore not available for all of DZ BANK's borrowers. Average industry figures were used in these cases.

In the last quarter of 2025, the automatic ESG credit risk score for banks went live. The method used to calculate the score is based on that of the ESG score for corporates, albeit adapted for the banking industry. The score quantifies the assessed banks' lending portfolio exposure to physical and transition risks to the climate and environment.

The ESG credit risk score is factored into **pricing** for lending business with corporate customers by adding an ESG markup factor to the standard risk costs for corporates in pre- and ex-post analysis of loans. Changes in the probability of default for a customer (known as a PD shift) are determined in a two-step process. In the first step, the average anticipated markups for the corporate portfolio are calculated using the simulation results from the climate scenarios devised by the Network for Greening the Financial System (NGFS) and from the NGFS baseline scenario. In a second step, these average markups are used to define customer-specific markups, taking the customers' individual ESG credit risk scores into account. The level of the customer-specific markup depends on the customer's individual score. In line with the observation period for the ESG credit risks, the markups are only applied to business with a term of more than 5 years. This process applies both to new business and to extensions.

8.6.5 Sustainability-related valuation of collateral

The sustainability-related valuation of collateral has been integrated in DZ BANK's general collateral valuation process. DZ BANK checks and documents relevant sustainability matters that could negatively affect the value of

collateral in the first valuation and any subsequent valuation of collateral. The main types of collateral concerned are real estate and immovable collateral (machinery, equipment, inventories). On the one hand, the recoverability of such collateral may be jeopardized by physical climate-related and environmental risks, such as flooding or heavy rain. On the other hand, these types of collateral may themselves have an adverse impact on the climate or environment, for example due to harmful emissions or consumption of energy and other resources. In turn, this may have a negative or positive (e.g. where a building is exceptionally energy-efficient) effect on market value and thus on the value of the collateral.

If elevated physical climate-related and environmental risks are identified for collateral, DZ BANK checks whether any mitigation measures – such as sufficient insurance cover for identified risks or construction work following a property inspection – need to be requested. If any uncertainty remains as to whether the risk has been reasonably mitigated, the organizational unit responsible for handling collateral reduces the valuation by an adequate amount.

The real estate finance providers in the Bank sector largely classify collateral risk at asset level. At **BSH**, physical and transition risks in the existing credit portfolio are regularly monitored, in particular because properties with poor energy efficiency are exposed to heightened transition risk, for example due to statutory requirements regarding building renovation. In its lending decisions and in the context of credit control, **DZ HYP** takes into account the energy efficiency of the property being financed or serving as collateral and the property's exposure to physical environment and climate-related risks.

The mortgageable value of a property is based on the long-term and sustainability-related characteristics of that property. **BSH** and **DZ HYP** take into account circumstances that affect this value. Identifiable sustainability risks that may arise due to the property's characteristics or location are also factored into the valuation, such as risks resulting from poor energy efficiency or flooding.

8.6.6 Overall assessment of a loan application from a sustainability perspective

The findings from application of all of the ESG tools (check against exclusion criteria and sector criteria, ESG checklist, ESG credit risk score) are factored into the separate **ESG vote** within the loan application process. The aim is to provide decision-makers with an overview of the customer's ESG aspects so that they can be taken into account in the lending decision.

8.7 Lending volume in the entire credit portfolio

8.7.1 Definition of lending volume

One of the ways in which credit risk is managed is on the basis of the lending volume. In the **traditional lending business**, the lending volume is no more than the total amount of loans already drawn down, plus commitments to third parties. In the **trading business** (securities business, together with derivatives business and money market business), the lending volume largely equates to the exposure at default.

Business with **central banks** of EU countries, the Bank of England, the Swiss National Bank, and the Federal Reserve Board that is denominated in the currency of the relevant central bank is not included in the determination of the risk capital requirement or in the presentation of the credit portfolio.

8.7.2 Reconciliation of lending volume to the consolidated financial statements

To reconcile the lending volume managed at Bank sector level with the lending volume reported on the balance sheet, the volume is broken down by traditional lending business, securities business, derivatives business, and money market business, because this breakdown corresponds to the classes of risks from financial instruments used for external reporting purposes.

Fig. VI.26 shows a reconciliation of the lending volume on which the risk management is based to individual balance sheet items in order to provide a transparent illustration of the link between the consolidated financial statements and risk management. The lending volume represents the maximum credit risk arising from financial

instruments in accordance with IFRS 7.35k(a) and IFRS 7.36 from an economic perspective. The maximum credit risk determined in accordance with financial reporting standards can be found in note 84 of the notes to the consolidated financial statements under maximum exposure to credit risk.

For some financial instruments, there are discrepancies in **recognition** and **measurement** between the internal management and external consolidated financial reporting figures owing to the focus on the risk content of the items.

Another reason for the discrepancies between the internal management figures and those in the external consolidated financial statements are differences in the **scope of consolidation**. These differences arise because, in internal credit risk management, only the entities in the Bank sector that contribute significantly to the aggregate risk of the sector are included. In the consolidated financial statements, by contrast, all entities in the Bank sector that are in the scope of consolidation under IFRS are included.

The discrepancy in the **securities business** is mainly due to the variations in carrying amounts that arise because credit derivatives are offset against the issuer risk attaching to the underlying transaction in the internal management accounts, whereas such derivatives are recognized at their fair value as financial assets or financial liabilities held for trading in the consolidated financial statements.

€ billion		Reconciliation									
Lending volume for internal management accounts		Scope of consolidation		Carrying amount and measurement		Lending volume for the consolidated financial statements				Notes	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024			
Traditional lending business							115.8	113.4	Loans and advances to banks		
							115.9	113.4	of which: loans and advances to banks excluding money market placements		
							-0.1	-	of which: loss allowances for loans and advances to banks		
	383.9	381.3	4.9	6.3	25.9	20.8	414.7	203.5	408.4	202.9	Loans and advances to customers
							206.3	205.7	of which: loans and advances to customers excluding money market placements		
							-2.8	-2.8	of which: loss allowances for loans and advances to customers		
							95.4	92.2	Financial guarantee contracts and loan commitments		
Securities business	82.4	83.8	-	-	-13.9	-17.8	68.5	66.1	Bonds and other securities		
							11.3	9.1	of which: financial assets held for trading / bonds excluding money market placements		
							1.0	1.0	of which: financial assets held for trading / promissory notes and registered bonds		
							56.2	56.0	of which: investments / bonds excluding money market placements		
Derivatives business							-1.0	1.4	Derivatives		
							0.9	0.8	of which: derivatives used for hedging (positive fair values)		
	12.9	13.5	-	-0.1	-13.8	-12.1	-1.0	13.2	1.4	16.2	of which: financial assets held for trading / derivatives (positive fair values)
							-0.5	-0.7	of which: derivatives used for hedging (negative fair values)		
							-14.6	-15.0	of which: financial liabilities held for trading / derivatives (negative fair values)		
Money market business							41.2	37.2	Money market placements		
							34.4	30.1	of which: loans and advances to banks / money market placements		
							3.9	3.0	of which: loans and advances to customers / money market placements		
	8.1	7.4	0.6	-	32.6	29.8	41.2	0.9	37.2	1.4	of which: financial assets held for trading / money market instruments
							-	0.7	of which: financial assets held for trading / money market placements		
							2.0	2.1	of which: investments / money market instruments		
Total	487.3	486.1	5.4	6.2	30.8	20.8	523.4	513.1			
Difference							36.2	27.0			
Difference (percent)							7.4	5.6			

The differences between the **derivatives business** and the **money market business** arise because of differences in the treatment of offsetting items in internal risk management and in external financial reporting. Offsetting items are actually netted for the purposes of risk management, whereas netting of this nature is not permitted in the consolidated financial statements. In addition, add-ons are attached to the current fair values of derivative positions in the internal management accounts to take account of potential future changes in their fair value. By contrast, the external (consolidated) financial statements focus as a rule on the fair values determined as at the valuation date, and, unlike in the internal accounts, collateral must not be recognized for risk mitigation purposes.

In **money market business**, further discrepancies arise between the consolidated financial statements and internal risk management due to the method used for the recognition of repo transactions. In contrast to the treatment in the consolidated financial statements, securities provided or received as collateral are offset against the corresponding assets or liabilities for the purposes of the internal analysis.

8.7.3 Asset class structure of the credit portfolio

The reporting to the Board of Managing Directors on concentrations of credit risk includes a presentation of the credit portfolio broken down by asset class. This is done by dividing the credit portfolio into business-related homogeneous segments on the basis of characteristics such as industry code to reflect the sector, product type, and the rating system used to determine the credit rating. The characteristics are selected in such a way that the segments are subject to uniform risk factors.

In its role as central institution for the Cooperative Financial Network, DZ BANK provides funding for the entities in the Bank sector and for the cooperative banks. For this reason, the cooperative banks, which are assigned to the asset class **entities within the Cooperative Financial Network**, account for one of the largest loans and receivables items in the group's credit portfolio.

DZ BANK also supports the cooperative banks in the provision of larger-scale funding to corporate customers. Corporate banking exposures relate to business with commercial customers, which is assigned mainly to the 'corporates' asset class and the 'asset-based lending / project finance' asset class. The syndicated business resulting from the corporate customer lending business, the direct business of DZ BANK, the real estate lending business of DZ HYP and BSH, and DZ HYP's local authority lending business determine the asset-class breakdown for the remainder of the portfolio.

The total lending volume of the **Bank sector** increased in the year under review, from €486.1 billion as at December 31, 2024 to €487.3 billion as at December 31, 2025. As at December 31, 2025, a significant proportion (38 percent) of the lending volume was concentrated in the financial sector (December 31, 2024: 40 percent). The financial sector comprises entities within the Cooperative Financial Network (cooperative banks) and the 'financials' asset class (mainly banks from other sectors of the banking industry and other financial institutions).

DZ BANK's lending volume rose from €306.3 billion as at December 31, 2024 to €308.8 billion as at December 31, 2025. Here too, a significant proportion (57 percent) of the loans was concentrated in the financial sector as at December 31, 2025 (December 31, 2024: 59 percent).

Fig. VI.27 shows the breakdown of the credit portfolio by asset class.

8.7.4 Geographical structure of the credit portfolio (excluding Germany)

Fig. VI.28 shows the geographical distribution of the credit portfolio by country group. Borrowers based in Germany are not included in this breakdown. The relevant country for the assignment to a country group is the one in which the economic risk arises. As at December 31, 2025, 69 percent of the Bank sector's lending outside Germany (December 31, 2024: 67 percent) and 64 percent of DZ BANK's lending outside Germany (December 31, 2024: 62 percent) was concentrated in Europe.

FIG. VI.27 – BANK SECTOR: LENDING VOLUME, BY ASSET CLASS

€ billion	Bank sector		DZ BANK	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Entities within the Cooperative Financial Network ¹	137.5	143.4	137.2	143.0
Financials	49.2	48.7	38.9	36.3
Corporates ²	85.8	84.5	78.8	79.0
Asset-based lending/project finance	15.8	13.6	15.8	13.6
Public sector	48.3	45.2	26.0	22.2
Real estate (commercial and retail customers)	119.3	118.6	–	–
Retail business (excluding real estate customers)	18.6	18.3	–	–
Asset-backed securities and asset-backed commercial paper	12.1	12.3	12.0	12.1
Other	0.7	1.5	0.1	–
Total	487.3	486.1	308.8	306.3

¹ Cooperative banks.

² Including cooperatives for the purchase/sale of goods.

FIG. VI.28 – BANK SECTOR: LENDING VOLUME, BY COUNTRY GROUP

€ billion	Bank sector		DZ BANK	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Europe	61.3	60.8	45.8	44.7
of which: eurozone	39.4	38.6	27.4	26.3
North America	13.8	16.1	12.7	15.0
Central America	0.3	0.2	0.3	0.2
South America	1.1	1.1	1.1	1.1
Asia	9.4	8.9	9.1	8.6
Africa	1.6	1.2	1.6	1.2
Other	1.7	2.0	1.3	1.6
Total	89.0	90.3	71.9	72.4

8.7.5 Rating structure of the credit portfolio

In the **Bank sector**, the proportion of the total lending volume accounted for by rating classes 1A to 3A (investment grade) remained unchanged year on year at 88 percent as at the reporting date. Rating classes 3B to 4E (non-investment grade) represented 11 percent (December 31, 2024: 10 percent). Defaults, represented by rating classes 5A to 5E, amounted to €5.7 billion as at December 31, 2025 (December 31, 2024: €5.5 billion). They thus accounted for 1 percent of the total lending volume, as had also been the case at the end of 2024.

Rating classes 1A to 3A (investment grade) also dominated lending at **DZ BANK**, where they accounted for 91 percent of the total lending volume as at December 31, 2025, which was unchanged compared with the end of 2024. Rating classes 3B to 4E (non-investment grade) represented 8 percent as at the reporting date, which was also unchanged. Defaults continued to account for 1 percent of the total lending volume as at December 31, 2025.

Fig. VI.29 shows the lending volume in the Bank sector and at DZ BANK by rating class according to the VR credit rating master scale.

FIG. VI.29 – BANK SECTOR: LENDING VOLUME, BY INTERNAL RATING CLASS

€ billion		Bank sector		DZ BANK	
		Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Investment grade	1A	44.3	43.0	28.4	26.6
	1B	7.0	5.7	4.5	3.6
	1C	159.5	158.4	149.3	151.1
	1D	19.0	19.6	10.3	10.8
	1E	18.6	21.9	10.2	10.9
	2A	22.6	21.3	12.3	11.6
	2B	27.6	30.1	17.1	15.9
	2C	34.5	34.7	14.5	15.1
	2D	31.0	33.7	12.4	14.6
	2E	37.6	37.5	12.7	13.2
	3A	24.9	23.1	8.1	5.4
Non-investment grade	3B	16.1	14.6	7.0	6.7
	3C	10.4	11.1	5.1	4.4
	3D	8.8	8.1	5.0	4.9
	3E	6.3	5.7	3.0	3.2
	4A	3.2	3.2	1.4	1.5
	4B	2.9	2.5	1.9	1.5
	4C	1.7	1.3	1.1	0.6
	4D	0.7	0.3	0.2	0.1
	4E	2.1	2.1	0.6	0.8
Default		5.7	5.5	3.1	3.3
Not rated		2.4	2.5	0.8	0.5
Total		487.3	486.1	308.8	306.3

8.7.6 Collateralized lending volume

In the **traditional lending business**, the lending volume is a gross figure that has not been offset by collateral. The uncollateralized lending volume is defined as lending volume less the collateral received. In **derivatives and money market business**, where the lending volume already reflects the risk-mitigating effects of netting agreements and credit support annexes, collateral values are relatively low. In the **securities business**, there is generally no further collateralization to supplement the collateral already taken into account. For this reason, securities business is not included in the presentation of the collateralized lending volume.

Fig. VI.30 shows the breakdown of the collateral value by type of collateral.

Total collateral value in the **Bank sector** fell from €131.4 billion as at December 31, 2024 to €130.5 billion as at December 31, 2025. The collateralization rate was 32.2 percent as at the reporting date (December 31, 2024: 32.7 percent).

At €12.7 billion, **DZ BANK's** total collateral value as at December 31, 2025 was up year on year (December 31, 2024: €12.0 billion). The collateralization rate had increased to 5.0 percent as at the reporting date (December 31, 2024: 4.8 percent).

FIG. VI.30 – BANK SECTOR: COLLATERAL VALUE, BY TYPE OF COLLATERAL

€ billion	Bank sector		DZ BANK	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Guarantees, indemnities, risk subparticipations	6.9	6.9	1.9	2.0
Credit insurance	7.4	6.6	7.4	6.6
Land charges, mortgages, registered ship and aircraft mortgages	112.4	113.3	1.6	1.8
Pledged loans and advances, assignments, other pledged assets	1.8	1.8	1.1	1.0
Financial collateral	1.7	2.5	0.4	0.4
Other collateral	0.3	0.3	0.2	0.2
Total collateral	130.5	131.4	12.7	12.0
Lending volume	404.9	402.2	251.3	248.3
Uncollateralized lending volume	274.4	270.8	238.6	236.3
Collateralization rate (percent)	32.2	32.7	5.0	4.8

8.8 Credit portfolios particularly affected by negative macroeconomic conditions

The following sections describe the lending volume of credit portfolios in which the effects of negative macroeconomic conditions were more noticeable than in the rest of the credit portfolios.

8.8.1 Impact of US tariff policy

The trade policy decisions of the United States, particularly on tariff policy, influenced global financial markets and corporate supply chains in 2025. However, thanks to the Bank sector's diversified customer base, the impact on the credit portfolio was limited. The few customers that were more heavily affected by the tariffs were found to be sufficiently resilient to the volatile market conditions. It was therefore not necessary to make adjustments to the management of credit risk in 2025. DZ BANK is monitoring the ongoing impact of US trade policy on the global markets and supply chains, as well as the indirect effects on borrowers.

8.8.2 Structural change in the automotive sector

The automotive sector has been undergoing a period of transformation for a number of years and faces certain challenges compared with other industries, such as low profit margins and a need for high levels of capital, coupled with long investment cycles. A major aspect of the transformation is the progressive switch from internal combustion technology to alternative drives, especially electric ones. In addition, new manufacturers – especially firms in China – have made headway in the field of electric vehicles, generating a high market share in their domestic markets and beyond. This puts German vehicle manufacturers under pressure, particularly in the currently high-margin Chinese market, and has triggered extensive cost-cutting programs. Long-term trends relating to digitalization, connectivity, assistance systems, and autonomous driving are playing an ever greater role in the industry's transformation too. These developments are continuing to maintain a very high level of pressure on the industry to transform.

The automotive industry is currently recording lackluster growth in Europe and, to some extent, in China too. Globally, the industry is also being adversely affected by geopolitical tensions, tariffs, and potential trade disputes. Another factor is the renewed risk of supply chain disruptions as a result of further potential bans on the export of rare earths from China or in relation to semiconductors. This is increasingly affecting vehicle production. The outlook for 2026 remains muted. In the medium term, growth is expected to be weaker, especially for German and European vehicle manufacturers.

As at December 31, 2025, the volume of lending in the Bank sector's automotive finance portfolio was concentrated in DZ BANK and came to €4.4 billion in the **Bank sector** (December 31, 2024: €5.5 billion) and €4.1 billion at **DZ BANK** (December 31, 2024: €5.1 billion). This portfolio includes loans to automotive suppliers, which are analyzed separately in chapter VI.8.10.3. The decline in the lending volume compared with December 31, 2024 was due to changes in how the portfolio is defined at DZ BANK and to a reduction in loans to automotive suppliers.

8.8.3 Commercial real estate finance

Business model and macroeconomic risks

Within the Bank sector, **DZ HYP's** lending business with corporates includes financing for office real estate and real estate mainly used for retail/wholesale businesses (department stores, shopping malls, and inner-city commercial properties that are mainly used for retail/wholesale businesses not offering day-to-day essentials). In addition, DZ HYP provides financing to property developers and project developers. It also finances purchases of land for which development plans have been drawn up.

The aforementioned asset classes have been negatively affected by a number of general and specific sources of uncertainty in recent years. In 2025, the price of residential and commercial real estate continued to rise slightly. Yields held steady, whereas rents on new contracts for all types of property maintained a constant upward trend. The investment market showed signs of a tentative trend reversal toward the end of 2025 too. Whereas the volume of transactions in the commercial real estate market was roughly on a par with the previous year for 2025 as a whole, the number of transactions picked up significantly in the second half of the year. Although the number of transactions in the residential segment fell slightly year on year, residential property continued to be the asset class with the highest volume of transactions. Willingness to invest is being curtailed by a challenging environment. Adverse macroeconomic trends, muted economic forecasts, global crises, and declining interest-rate levels are continuing to hamper growth and investment decisions. They will pose a risk to the stability of real estate markets in 2026 too.

The portfolios in question have so far proven to be crisis-resistant with no structural anomalies. Although the number of exposures with increased risk content subject to close monitoring continued to rise over the course of 2025, these loans remained at a moderate level. Moreover, critical exposures were regularly able to be transferred back to normal processing because counterparties stabilized or because of portfolio restructuring. The heightened requirements established in recent years with regard to the underlying value and cash flow performance of financed real estate had a supportive effect.

Nevertheless, uncertainty stemming from risk factors of relevance for commercial real estate finance persists, particularly in terms of whether financially viable rental and purchase prices can be achieved. This could continue to adversely impact on cash flow, capital expenditure, and market values in 2026. For a return to a normal level, the economy and the macroeconomic climate must stage a significant and sustained recovery.

Risks specific to individual real estate finance segments

The financing of office real estate continues to be subject to uncertainty with regard to tenants' future wishes and their space requirements in light of the new ways of working, which involve new space concepts and remote working. It is becoming apparent that less space will be required going forward, with demand increasingly focused on modern and high-quality premises in city centers or well connected locations with good access to services and amenities. Demand for office space would pick up if the economy were to bounce back and the business climate improved as a result. In fact, there are tentative signs of growing interest among larger investors. Prime and average rent levels are rising and present values are also experiencing a modest uptrend. Although the vacancy rate in the office segment is still rising, it has slowed down and remains comparatively low.

In 2025, the rental markets for **real estate mainly used for retail/wholesale businesses** continued to recover on the back of the rise in rents on new contracts and the improved take-up of rental space. With demand for rental space being affected by ongoing consolidation processes, the market remains fast-moving. Major tenants of large spaces continue to focus on prime locations but are reducing the number of branches in their networks. Conversely, there is growing interest from new retailers/wholesalers who are entering the German market or looking to implement their expansion plans. The present values of retail property rose for the first time in several years. Although property-specific factors such as location, quality, flexibility, and management are still critical for the success of retail/wholesale real estate, the weak economic climate and persistently negative consumer sentiment are dampening the outlook for the market as a whole. It remains to be seen how the subdued consumer climate and protracted negative mood among consumers in Germany will pan out.

Despite construction prices being relatively stable once more, **finance with construction risk** remains challenging as the leasing and sale of property continues to be slow. Property development transactions continued to show signs of growth, led by private own and third-party use. The market for project development remained difficult in 2025. However, signs of a modest recovery in 2026 are emerging. Whereas the prospect of possible exits from advanced projects is brightening with the number of sales negotiations increasing once more, construction projects that have not yet commenced continue to pose challenges. Financing for land purchases remains fraught amid delays to planning permission and uncertain sales prospects, feeding the general reluctance to invest. Construction projects are also being affected by construction costs going over budget.

Lending volume by finance segment

The Bank sector entities' lending volume in the real estate asset class, which is presented in Fig. VI.27, totaled €119.3 billion as at December 31, 2025 (December 31, 2024: €118.6 billion). Of this sum, €45.8 billion was attributable to the commercial real estate finance business under the umbrella of DZ HYP as at December 31, 2025 (December 31, 2024: €46.0 billion). Fig. VI.31 shows DZ HYP's commercial finance lending volume in segments that are particularly affected by the negative macroeconomic conditions.

FIG. VI.31 – BANK SECTOR: CREDIT PORTFOLIOS PARTICULARLY AFFECTED BY NEGATIVE MACROECONOMIC CONDITIONS: COMMERCIAL REAL ESTATE FINANCE

€ billion	Dec. 31, 2025	Dec. 31, 2024
Financing of office real estate ¹	12.8	12.1
Financing of real estate mainly used for retail/wholesale businesses ¹	3.6	3.5
of which: department stores	0.4	0.4
of which: shopping malls ¹	2.5	2.4
of which: inner-city commercial properties ¹	0.7	0.7
Finance with construction risk	5.5	5.8
of which: property development transactions	0.5	0.8
of which: project development transactions	4.0	3.9
of which: financing for land purchases	1.0	1.1
Total	21.9	21.4

¹ In the 2024 risk report, finance with construction risk was also included in other finance segments. For this reason, the figures as at December 31, 2024 for financing of office real estate (2024 risk report: €14.6 billion), financing of shopping malls (2024 risk report: €2.5 billion), and financing of inner-city commercial properties (2024 risk report: €0.8 billion) have been restated in this risk report.

8.8.4 Financing for retail customers in the consumer finance business

The economic conditions described in chapter VI.5.2 continue to impact on the financial strength of retail customers. This was especially apparent in **TeamBank's** consumer finance business. Some key risk indicators deteriorated further over the course of 2025. Among other things, this led to a rise in non-performing loans.

As at December 31, 2025, the volume of consumer finance extended by TeamBank amounted to €14.0 billion (December 31, 2024: €14.1 billion).

8.8.5 Finance for corporates

The macroeconomic situation is increasingly affecting **VR Smart Finanz's** financing for small and medium-sized enterprises. Some key risk indicators deteriorated over the course of 2025. This led to a rise in non-performing loans.

As at December 31, 2025, the volume of finance extended by VR Smart Finanz to corporates amounted to €3.6 billion (December 31, 2024: €3.5 billion).

8.9 Credit portfolios particularly affected by acute geopolitical tensions

The following sections present the lending volume in the credit portfolios in which the effects of acute global crises were more noticeable than in the rest of the credit portfolios. This exposure mainly comprised short-dated trade finance, project finance backed by export credit agencies, and syndicated bank loans.

The **Bank sector's** total lending volume particularly affected by geopolitical tensions amounted to €5,059 million as at December 31, 2025 (December 31, 2024: €4,613 million). This equated to around 1 percent of the total lending volume as at the reporting date, which was unchanged compared with the end of 2024. The proportion of **DZ BANK's** affected lending volume stood at around 2 percent (December 31, 2024: 1 percent). Fig. VI.32 shows the breakdown of the lending volume in the countries affected by the various crises.

FIG. VI.32 – BANK SECTOR: LENDING VOLUME IN COUNTRIES PARTICULARLY AFFECTED BY GEOPOLITICAL TENSIONS

€ million	Bank sector		DZ BANK	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Lending volume in countries affected directly by the war in Ukraine	504	650	481	635
of which uncollateralized: Belarus	–	1	–	1
of which uncollateralized: Russia	86	86	63	72
of which uncollateralized: Ukraine	2	–	2	–
Lending volume in countries affected by the conflict in the Middle East	3,026	2,416	3,025	2,415
of which uncollateralized: Egypt	56	13	56	13
of which uncollateralized: Iraq	6	2	6	2
of which uncollateralized: Israel	1	1	1	1
of which uncollateralized: Saudi Arabia	395	143	395	143
of which uncollateralized: Turkey	739	504	738	504
Lending volume in regions affected directly by tensions in the South China Sea	1,529	1,547	1,502	1,518
of which uncollateralized: China	1,118	1,146	1,092	1,121
of which uncollateralized: Taiwan	74	92	73	90
Total	5,059	4,613	5,008	4,568
of which uncollateralized lending volume	2,476	1,989	2,426	1,947

8.10 Credit portfolios with increased risk content

The lending volume in the credit portfolios with increased risk content is analyzed separately because of their significance for the risk position.

8.10.1 Finance for borrowers in the construction industry

Given its above-average sensitivity (with a time lag) to changes in the wider economy and the fierce level of competition, the construction industry has been battling several negative factors for quite a while. The risk situation for home improvement stores and the civil engineering and cement subportfolio of the construction industry improved. Home improvement stores are benefiting from robust demand in the retail customer segment. Civil engineering and cement proved resilient, underpinned by a positive outlook in terms of expected capital expenditure. These types of finance are therefore no longer assigned to the credit portfolio with increased risk content.

High costs for materials and energy and expensive financing parameters pushed up construction prices and dampened demand in sub-sectors of residential construction. Despite the protracted decline in planning permissions since April 2022, new orders and planning permission for residential construction have seen a moderate uptick since December 2024 but remain at a low level. The projection for orders on hand for the entire primary construction industry was more upbeat in the reporting year than in 2024, although there are no signs of an actual turnaround as yet. Capacity utilization in the construction segment remains low overall. International

companies are in a better position in relative terms, as are German firms that have diversified as broadly as possible across the construction industry and potentially also operate in international markets.

Public-sector construction is expected to see a boost from the German government's special off-budget infrastructure fund. However, actual orders are not anticipated before 2026 or 2027 due to long lead times for planning and permissions. In any case, orders will only be able to be executed gradually due to the ongoing shortage of skilled workers.

The lending volume in this portfolio is mainly attributable to DZ BANK. As at December 31, 2025, loans and advances in the **Bank sector** and at **DZ BANK** amounted to €5,066 million (December 31, 2024: €6,267 million) and €4,488 million (December 31, 2024: €5,592 million) respectively. As at December 31, 2025, subsegments of the construction industry were no longer classified as a credit portfolio with increased risk content. The lending volume as at December 31, 2024 that was presented in the 2024 risk report amounted to €6,630 million for the Bank sector and €5,930 million for DZ BANK.

8.10.2 Finance for borrowers in the steel and metal industry

The macroeconomic environment for the steel and metal industry is difficult, which led to a rise in credit risk in this subportfolio in 2025. This situation is unlikely to change in 2026. The deterioration is a combination of structural and economic factors, including a persistently weak economy, high energy costs, geopolitical uncertainty, and rising excess capacity outside of Europe. Current indicators underscore the challenging situation. The German purchasing managers' index is stuck at a level that suggests a sustained contraction in manufacturing activity. Raw steel production has declined significantly compared with the previous year and capacity utilization is lower than the benchmark profitable level. Furthermore, imports are surging due to growing capacities around the world.

Another dominant problem is the protracted lull in demand in the metalworking sectors. This is affecting engineering, the automotive industry, and pipeline construction, where falling demand is being felt across the entire value chain. In addition, US tariffs, the appreciation of the euro, high energy costs, and carbon pricing made export conditions worse. Although current initiatives of the EU and the German government – such as increasing protectionist measures through stricter import quotas and the introduction of an industrial electricity price starting in 2026 – promise a certain amount of relief, they are unlikely to provide a structural remedy for the underlying problems.

As at December 31, 2025, the lending volume in the Bank sector and at DZ BANK in this industry amounted to €3,233 million (December 31, 2024: €2,892 million) and €3,087 million (December 31, 2024: €2,744 million) respectively. The increase compared with the volume as at the end of the prior year was attributable to the expansion of business with customers with good credit ratings.

8.10.3 Finance for automotive suppliers

In addition to the factors described in chapter VI.8.8.1 that apply to the automotive sector as a whole, conditions remain particularly challenging for automotive suppliers in Germany and the rest of Europe.

The automotive supply industry's capital requirements remain at a high level and margins are still under significant pressure. Compared with vehicle manufacturers, automotive suppliers are in a relatively weak competitive position. In many cases, financial performance in the supply industry hinges primarily on the volume of vehicles produced, which was flat overall in 2025 due to weak global demand. This situation is also reflected in the latest forecasts covering the period up to and including 2026. Current geopolitical uncertainty regarding tariffs and the pressure on supply chains – for example in relation to rare earths and semiconductors – could reduce expectations further.

The technology and development expertise of major global suppliers will ensure that they remain the partner of choice for global vehicle manufacturers. However, they are also in increasing competition with new market players that are leading the way when it comes to assistance systems and digitalization and will therefore acquire

a growing share of value added at the expense of established suppliers. In the years ahead, growth impetus is anticipated first and foremost from Asia, and also to an extent from North American markets. Uncertainty surrounding future drive systems and vehicle designs as well as expected geopolitical tensions and tariffs will likely have a long-term adverse impact on the market and thus also on suppliers and their transformation. It is also anticipated that the cost-cutting programs of European vehicle manufacturers will eat into suppliers' financial performance. Additional pressure could arise going forward if Chinese manufacturers, in particular, begin to establish production capacity in Europe but continue to source components from China.

Within the Bank sector, finance for companies in the automotive supply industry, which falls into the 'corporates' asset class, mainly relates to DZ BANK. As at the reporting date, the loans and advances in the **Bank sector** and at **DZ BANK** amounted to €2,483 million (December 31, 2024: €2,887 million) and €2,480 million (December 31, 2024: €2,709 million) respectively. The decrease compared with the volume as at the end of the prior year was attributable to redemptions by a number of individual customers.

8.10.4 Finance for borrowers in the clothing and textile industry

The clothing and textile industry tends to be sensitive to changes in the economic environment and inflation. Consumer retail demand remained slack in 2025. The willingness of consumers to spend on clothing and footwear (with the exception of necessities) is generally lower than for other consumer goods. This reluctance is compounded by high inflation, chiefly on food, which has further eroded consumers' overall budgets. Against this backdrop, the danger of further insolvencies is rising. Unlike brick-and-mortar retail, the e-commerce segment recorded strong growth in 2025. A large proportion of that growth is attributable to providers from Asia.

It is expected that US trade policy will weigh heavily on the clothing and textile industry. This will likely affect multinational companies with strong US business and a high degree of production in Asia. Because current US tariff policy is causing Chinese providers to direct their flow of goods away from the United States and toward European markets, companies operating in the same price and/or product segment as Chinese competitors are indirectly affected by the policy changes too.

Within the Bank sector, the lending exposure to the clothing and textile industry is concentrated at **DZ BANK**. As at December 31, 2025, the lending volume in the Bank sector and at DZ BANK in this industry amounted to €1,867 million (December 31, 2024: €1,718 million) and €1,811 million (December 31, 2024: €1,658 million) respectively.

8.10.5 Finance for cruise ship building

Owing to a high level of demand, utilization of cruise ship building capacity at the shipyards financed by **DZ BANK** is ensured until well into 2029. Nevertheless, the shipyards' credit standing remains poor due to structural challenges that have yet to be solved. The affected companies' financial circumstances have not yet stabilized sufficiently, making the outlook uncertain.

The lending volume related to the financing of cruise ship building is exclusively attributable to DZ BANK and stood at €422 million as at December 31, 2025, which was unchanged compared with the end of 2024. Collateral worth €357 million was available as at December 31, 2025 (December 31, 2024: €354 million). As at the reporting date, the collateral chiefly comprised export credit insurance of €205 million (December 31, 2024: €177 million) and €152 million from other public-sector guarantees, which was unchanged compared with the end of the prior year.

8.11 Volume of closely monitored and non-performing loans

8.11.1 Closely monitored loans and forbore exposure

Fig. VI.33 shows the volume of loans on the three monitoring lists – **yellow list**, **watchlist**, and **default list** – and the forbore exposure also included in these lists. A further item in the table shows the exposure managed as forbore but not subject to intensified loan management, i.e. not included in the lists.

FIG. VI.33 – BANK SECTOR: CLOSELY MONITORED LENDING VOLUME AND FORBORNE EXPOSURE

€ million	Bank sector		DZ BANK	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Yellow list lending volume	4,696	4,842	3,186	3,367
of which: forbore exposure	78	152	18	94
Watchlist lending volume	6,131	4,712	3,075	2,425
of which: forbore exposure	1,478	1,068	596	677
Default list lending volume¹	5,725	5,475	3,121	3,332
of which: forbore exposure	3,053	2,759	1,954	1,927
Total lending volume on monitoring lists	16,551	15,029	9,382	9,124
of which: forbore exposure	4,609	3,979	2,568	2,698
Off-monitoring-list forbore exposure	170	207	–	–
Total forbore exposure²	4,779	4,186	2,568	2,698

¹ Non-performing loans.

² Both on and off the monitoring lists.

The **closely monitored lending volume** in the **Bank sector** rose by 10 percent from December 31, 2024 to December 31, 2025. This increase was chiefly due to rises of €890 million at DZ HYP, €258 million at DZ BANK, €193 million at BSH, and €113 million at TeamBank.

The closely monitored lending volume at **DZ BANK** rose from €9,124 million as at December 31, 2024 to €9,382 million as at December 31, 2025, equating to year-on-year growth of 3 percent.

The Bank sector's **forbore exposure** rose from €4,186 million as at December 31, 2024 to €4,779 million as at December 31, 2025, predominantly owing to an increase of €688 million at DZ HYP.

8.11.2 Non-performing loans

The volume of non-performing loans in the **Bank sector** rose from €5,475 million as at December 31, 2024 to €5,725 million as at December 31, 2025. The NPL ratio remained unchanged year on year at 1.4 percent as at December 31, 2025. From 2025, regulatory rules require the NPL ratio to be calculated in line with the method prescribed for FinRep. Previously, it was calculated using an ICAAP-based method. In order to maintain comparability between the NPL ratio as at December 31, 2025 and as at December 31, 2024, the prior-year ratio presented in this risk report has been restated. The NPL ratio in the 2024 risk report was 1.1 percent under the old method.

Non-performing loans at **DZ BANK** amounted to €3,121 million as at December 31, 2025 (December 31, 2024: €3,332 million). As a result, the NPL ratio declined from 1.1 percent as at December 31, 2024 to 0.9 percent as at the reporting date. For DZ BANK, the prior-year figure is the same under the new method and the old method.

Fig. VI.34 shows the key figures relating to non-performing loans.

FIG. VI.34 – BANK SECTOR: KEY FIGURES FOR NON-PERFORMING LOANS

	Bank sector		DZ BANK	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Total lending volume (€ billion)	487.3	486.1	308.8	306.3
Volume of non-performing loans (€ billion) ¹	5.7	5.5	3.1	3.3
Balance of loss allowances (€ billion) ²	2.3	2.3	1.4	1.5
Extended coverage ratio (percent) ³	74.1	74.3	65.0	67.9
NPL ratio (percent)	1.4	1.4	0.9	1.1

¹ Volume of non-performing loans excluding collateral. Equates to the default list lending volume.

² IFRS specific loan loss allowances at stage 3, including provisions.

³ The extended coverage ratio equates to the coverage ratio stated in the 2024 risk report.

8.12 Risk position

8.12.1 Risks in the entire credit portfolio

The risk capital requirement for credit risk is based on a number of factors, including the size of single-borrower exposures, individual ratings, collateral, and the industry sector of each exposure.

As at December 31, 2025, the **credit value-at-risk** in the Bank sector was €3,937 million (December 31, 2024: €4,011 million) with a **limit** of €5,123 million (December 31, 2024: €4,994 million).

DZ BANK's credit value-at-risk as at December 31, 2025 amounted to €2,294 million (December 31, 2024: €2,306 million). The corresponding **limit** was unchanged year on year at €2,800 million.

Fig. VI.35 shows the credit value-at-risk together with the average probability of default and expected loss.

In the analysis of **individual concentrations** as at December 31, 2025, the 20 counterparties associated with the largest credit value-at-risk accounted for 21 percent of the total credit value-at-risk in the **Bank sector** (December 31, 2024: 23 percent) and 33 percent of the total credit value-at-risk at **DZ BANK** (December 31, 2024: 38 percent).

FIG. VI.35 – BANK SECTOR: FACTORS DETERMINING THE CREDIT VALUE-AT-RISK

	Bank sector		DZ BANK	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Average probability of default (percent)	0.4	0.4	0.2	0.2
Expected loss (€ million)	508	462	195	184
Credit value-at-risk (€ million)	3,937	4,011	2,294	2,306

8.12.2 Risks in the credit portfolios with increased risk content

The risk capital required in the **Bank sector** and at **DZ BANK** for credit portfolios exposed to increased credit risk is shown in Fig. VI.36.

FIG. VI.36 – BANK SECTOR: CREDIT VALUE-AT-RISK¹ FOR CREDIT PORTFOLIOS WITH INCREASED RISK CONTENT

€ million	Bank sector		DZ BANK	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Finance for borrowers in the construction industry ²	51	49	31	30
Finance for borrowers in the steel and metal industry	25	23	21	20
Finance for automotive suppliers	50	55	50	54
Finance for borrowers in the clothing and textile industry	17	14	16	12
Finance for cruise ship building	26	25	26	25

¹ Excluding decentralized capital buffer requirement.

² In the 2024 risk report, finance for borrowers in the construction industry was presented along with finance for home improvement stores. The credit value-at-risk reported in the prior year for these types of finance came to €56 million in the Bank sector and €35 million at DZ BANK. Because the financing of home improvement stores was no longer subject to increased risk as at December 31, 2025, the figures as at December 31, 2024 presented in this risk report were restated in order to ensure comparability with the reporting date figures.

9 Equity investment risk

9.1 Definition and business background

Equity investment risk is defined as the risk of losses arising from negative changes in the fair value of that portion of the long-term equity investments portfolio for which the risks are not included in other types of risk. Equity investment risk also includes the risk of losses arising from negative changes in the fair value of the management units' real estate portfolios caused by a deterioration in the general real estate situation or specific factors relating to individual properties (such as vacancy, tenant default, loss of use).

In the Bank sector, equity investment risk arises primarily at DZ BANK, BSH, and TeamBank.

The entities in the Bank sector hold long-term equity investments largely for strategic reasons, especially to cover markets, market segments, or parts of the value chain in which they themselves or the cooperative banks are not active. These investments therefore support the sales activities of the cooperative banks or help to reduce costs by bundling functions. The investment strategy is continuously aligned with the needs of Cooperative Financial Network policy.

9.2 Risk strategy and responsibility

Risk strategy requirements must be observed in the management of long-term equity investments. Such management is subject to the principle that equity investment risk (measured as risk capital requirement) may be taken on only if the risk remains below the existing limits.

The **investment portfolio is managed** in line with the provisions of the equity investment risk strategy. At DZ BANK, these provisions are supplemented by rules and instructions, which stipulate, for example, that ongoing investment management and the monitoring of the performance of long-term equity investments are subject to MaRisk requirements.

Decisions on whether to acquire or dispose of **long-term equity investments** are made by the Board of Managing Directors of the entities in the Bank sector in consultation with the relevant committees.

At DZ BANK, the Group Finance division is responsible for **supporting these investments**. At BSH, this is the responsibility of the Group Development and Financial Controlling divisions. At TeamBank, the investments are the responsibility of the Corporate Development division.

Equity investment risk in the entire Bank sector is **measured and monitored** by DZ BANK.

9.3 Risk factors

The level of equity investment risk is significantly influenced by the equity investment's industry sector, the location of its registered office, and the carrying amount of the investment. The possibility cannot be ruled out that a future impairment test on the long-term equity investments held by the entities in the Bank sector could lead to a significant reduction in the **carrying amounts of these investments** reported on the balance sheet. In the case of non-controlling interests, there is also a risk that key information may not be available or cannot be obtained promptly by virtue of the fact that the **investment is a minority stake** and this could result in a need to recognize impairment losses.

9.4 Risk management

The carrying amounts of the long-term equity investments are regularly tested for possible impairment in the last quarter of the financial year.

For the real estate directly owned by DZ BANK, the Bank Finance division and the central facility management team perform an impairment test every six months based on the carrying amounts and current valuation reports. If there are any indications during the course of the year of possible impairment, more frequent impairment tests are also carried out.

The risk capital requirement for the vast majority of the long-term equity investments is determined using a Monte Carlo simulation with a 1-year observation period and a confidence level of 99.9 percent (portfolio risk measurement). In this method, portfolio concentrations in sectors and individual counterparties are taken into account by simulating industry-wide and individual investment-related risk factors. The risk capital requirement is influenced, in particular, by the market values of the long-term equity investments and by past changes in market value, with market price fluctuations mainly derived from reference prices listed on an exchange. For a minority of the long-term equity investments, a look-through approach is taken in which the individual risk types that exist in each long-term equity investment are measured (differentiated risk measurement).

9.5 Carrying amounts of long-term equity investments and risk position

As at December 31, 2025, the **carrying amounts of long-term equity investments** relevant for the measurement of equity investment risk amounted to €2,692 million in the **Bank sector** (December 31, 2024: €2,827 million) and €2,006 million at **DZ BANK** (December 31, 2024: €2,139 million). The decline in the carrying amounts of long-term equity investments was due in part to write-downs in the investment portfolio of VR Equitypartner GmbH, Frankfurt.

The **risk capital requirement** for equity investment risk in the **Bank sector** was calculated to be €886 million as at the reporting date (December 31, 2024: €807 million). The **limit** was €1,084 million (December 31, 2024: €1,364 million). The **risk capital requirement** for **DZ BANK** as at December 31, 2025 came to €713 million (December 31, 2024: €653 million) with a **limit** of €820 million (December 31, 2024: €870 million). The lowering of the limit was attributable to the sale of a major long-term equity investment at BSH. A change in the risk modeling methods also led to a reduction in the level of risk measured, allowing the limit to be lowered by €100 million in the Bank sector.

10 Market risk

10.1 Definition

Market risk comprises market risk in the narrow sense of the term, and market liquidity risk. **Market risk in the narrow sense** is the risk of loss that could arise from adverse changes in market prices or in parameters that influence prices. Market risk encompasses a number of risk subtypes, including interest-rate risk in the banking book, interest-rate risk in the trading book, spread risk (broken down by banking book and trading book; constantly monitored component) and migration risk (as intermittent spread risk), currency risk, equity risk, fund price risk, commodity risk, and asset-management risk. Parameters that determine market risk also include a category of risk factors referred to as 'opaque'. These risk factors are parameters that are relevant to

measurement but cannot be directly observed and must therefore be derived from quoted market prices using models.

The subcategories of **market risk in the narrow sense** are defined as follows:

- **Interest-rate risk** is the risk of losses that could arise from financial instruments due to a change in the (notionally credit-risk-free) basis yield curve or the interest-rate volatility used for valuation. It also comprises the risk of losses that could arise from the change in the spread of discount and forward curves relative to the basis yield curve if there are differences in collateralization, payment frequency (known as the tenor basis spread), or the base currency (known as the cross-currency spread) relative to the basis yield curve. Credit spreads or issuer-specific spreads are explicitly not a component of interest-rate risk. They are subsumed under spread risk.
- **Spread risk** is the risk of losses that could arise from financial instruments due to a change in the credit spreads with an unchanged credit rating.
- **Migration risk** is the risk of losses that could arise from financial instruments due to a change in the issuer credit ratings or issue ratings, which are parameters that have an influence on prices.
- **Currency risk** is the risk of losses that could arise from financial instruments due to a change in exchange rates or exchange-rate volatility.
- **Equity risk** is the risk of losses that could arise from financial instruments due to a change in share prices or share price volatility.
- **Fund price risk** is the risk of losses that could arise from a change in fund prices where the funds' risks are not covered by other types or subtypes of market risk or by equity investment risk.
- **Commodity risk** is the risk of losses that could arise from financial instruments (including cryptocurrencies) due to a change in commodity prices or commodity price volatility (including cryptocurrencies).
- **Asset-management risk** is the risk that further margin payments have to be made to investors due to contractual obligations. These payments fall due if guaranteed minimum capital values are not met for guarantee funds or guarantee products.

For the purposes of measuring and managing risk, market risk in the narrow sense is broken down into spread and migration risk, asset-management risk, and general market risk, the last of which encompasses all the other risk subtypes.

Market liquidity risk is the risk of losses that could arise from adverse changes in market liquidity – for example, because of market disruption or a reduction in market depth – such that assets can only be liquidated in markets if they are discounted and that it is only possible to carry out active risk management on a limited basis.

10.2 Business background and risk strategy

10.2.1 Business background

The DZ BANK Group is exposed to considerable market risk in the Bank sector. Market risk arises mainly in connection with BSH, DZ HYP, and UMH in addition to DZ BANK. The assumption of market risk by these entities in the Bank sector is primarily attributable to the DZ BANK Group's strategic focus on the Cooperative Financial Network. This strategy means that each entity in the DZ BANK Group specializes in certain types of product with a corresponding impact on the respective entity's risk profile.

Market risk arises in the Bank sector mainly as a consequence of the following business activities:

- **DZ BANK:** own trading activities; traditional lending business with non-retail customers
- **BSH:** building society operations; traditional lending business largely aimed at financing privately owned real estate; securities portfolios
- **DZ HYP:** financing for real estate and local authorities; portfolios of securities held to manage liquidity and cover assets
- **UMH:** own-account investing activities; guarantee obligations to customers contained in Riester fund-linked savings plans and guarantee funds

UMH's Riester fund-linked savings plans consist of UniProfiRente, a retirement pension solution certified and subsidized by the German government. The amounts paid in during the contributory phase and the contributions received from the government are guaranteed to be available to the investor at the pension start date together with any increase in value achieved during the contributory phase. The pension is then paid out under a payment plan with a subsequent life annuity. If UMH has to provide additional capital to be able to meet its guarantee commitments, this could have a detrimental impact on the financial performance of the DZ BANK Group.

Liabilities and – where present in a group entity – assets related to direct pension commitments are a further source of market risk. Market liquidity risk arises primarily in connection with securities already held in the portfolio as well as funding and money market business.

10.2.2 Risk strategy

The following principles for managing market risk apply to the entities in the **Bank sector**:

- Market risk is only taken on to the extent that it is necessary to facilitate attainment of business policy objectives.
- The assumption of market risk is only permitted within the existing limits.
- Statutory restrictions, provisions in the Articles of Association, or other limitations enshrined in the risk strategy that prohibit the assumption of certain types of market risk for individual management units are observed.

The entities in the Bank sector pursue the following strategies in relation to the individual **types of market risk**:

- **Spread and migration risk** is consciously and selectively assumed and managed within the limits.
- **Interest-rate risk** associated with the original business purpose of the management units is hedged within defined limits. In contrast, interest-rate risk from defined benefit obligations and market risk from assets (generally funds) held to meet defined benefit obligations are accepted and included in the calculation of risk-bearing capacity.
- **Equity risk** and **fund price risk** are consciously assumed within the limits in place and actively managed.
- Virtually all **currency risk** is hedged.
- **Commodity risk** is assumed only to a very small degree.
- **Market liquidity risk** is consciously assumed following an analysis that takes into account the prevailing liquidity.

10.3 Risk factors

Spread and migration risk, interest-rate risk, equity risk, fund price risk, commodity risk, and currency risk are caused by changes in the yield curve, credit spreads, exchange rates, share prices, fund prices, and commodity prices.

Spread risk, including migration risk, is the most significant type of market risk for the entities in the Bank sector. The widening of credit spreads is triggered by an elevated level of market uncertainty about assets subject to default risk. Rising credit spreads stem from market players being more reluctant to buy – or more willing to sell – assets subject to default risk. If there is also a deterioration in rating agencies' assessments of credit risk, this triggers a downgrade in the issuer credit rating or issue rating (migration of credit ratings).

Both a widening of credit spreads and migrations of credit ratings can stem from a number of macroeconomic risk factors. These primarily include the **escalation of geopolitical tensions** and **economic and strategic fragmentation** (chapter VI.5.2.1), a **global economic downturn** (chapter VI.5.2.3), and **economic policy divergence in the eurozone** (chapter VI.5.2.4). Such developments can lead to increased credit spreads and to the migration of credit ratings of bonds held by entities in the Bank sector. This could particularly affect government bonds from countries in poor financial health.

The **unexpected movements in the interest-rate market** described in chapter VI.5.2.6 could also have an adverse impact on the Bank sector's investments as follows:

A **rise in interest rates** and a widening of bond spreads would lead to a reduction in the fair values of investments and funding. Falls in fair value caused by a rapid rise in interest rates or the widening of spreads could – depending on the term structure of the asset-side capital market products in conjunction with liabilities-side capital market products – have a temporary or permanent impact on profit and equity. A negative change in the fair values of investments associated with a widening of credit spreads in isolation could also cause a deterioration in risk-bearing capacity.

For the asset management activities of UMH, there is also a risk that rising interest rates could cause the fair values of fixed-income funds to fall. Particularly in the case of pension schemes with short residual maturities and a high volume of fixed-income funds, this may mean that the guarantee commitments given to customers cannot be met from the investment instruments in the products (unfavorable duration asymmetry).

By contrast, a **fall in interest rates** would increase the fair values of the investments and funding. If the average term of the liabilities is longer than the average investment horizon, which is the case for defined benefit obligations and pension schemes with long residual maturities, for example, this could have an adverse impact on profit and equity.

A share price slump in the equity markets in the wake of heightened **volatility in the global financial markets** could result in fair value losses on the investments of entities in the Bank sector and on the shareholdings in UMH's pension products. The potential causes of such a development are explained in chapter VI.5.2.5.

10.4 Organization and responsibility

Market risk in the **Bank sector** is managed on a decentralized basis by the individual management units within the centrally specified limits for the capital requirement for market risk. Each unit bears responsibility for the risk and performance associated with each portfolio. Responsibility for managing risk within a management unit is normally brought together under a local treasury unit.

One exception is **DZ BANK**, where portfolios are managed at the level of subordinate organizational units (group, department, division). In this case, the relevant traders bear direct responsibility for risk and performance. The organizational units are structured in such a way that the responsibility for the marketing of certain types of product is assigned in each case to a trading division with product responsibility.

10.5 Risk management

10.5.1 Central market risk measurement

Central market risk measurement in the overall portfolio

Various components are used to quantify market risk in the Bank sector from a present-value perspective. These components are combined to determine the aggregate risk capital requirement for market risk, taking into account the effects of concentration and diversification. The risks arising in connection with the assets and liabilities associated with direct pension commitments are also factored in. The risk measurement models are operated centrally by DZ BANK and are fed with input data provided by the management units on each trading day. Sector-wide standards and rules are in place to ensure that the modeling is appropriate.

The **first component** of the measurement approach creates a **spread and migration risk model** based on a **Monte Carlo simulation**. It determines the combined spread and migration risk over a longer-term (strategic) horizon of 1 year with a confidence level of 99.9 percent. Whereas spread risk quantifies credit-risk-related losses from financial instruments in a short-term view of value-at-risk, this becomes the combined spread and migration risk in the risk capital requirement over a longer-term perspective. For this reason, migration risk is not shown in the table of values-at-risk in Fig. VI.37.

The **second component** is a **value-at-risk model** based on a **historical simulation** in which the general market risk is determined from a short-term (operational) perspective over one day and with a confidence level of

99.0 percent. The day-by-day calculation of market risk is based on a historical observation period of 250 trading days. A number of risk factors, categorized into groups, are included in the risk calculation. The relevant risk factor groups considered in the risk model include yield curves, basis and credit spreads, share prices, exchange rates, and commodity prices. The model also includes implied volatility in the risk measurement. Drawing on the results of the value-at-risk measurement, a **transformation model** turns the operational key risk indicators (also taking account of stress events) into a strategic perspective in which a 1-year holding period and a confidence level of 99.9 percent are assumed.

In the last step, the results from the spread and migration risk model and from the transformation model are then combined to give the **aggregate risk capital requirement** for market risk.

Central market risk measurement for interest-rate risk in the banking book

For internal sector-wide management purposes, the banking book and trading book are treated in the same way in terms of the models and key risk indicators used, the frequency of risk measurement, and the main risk measurement parameters. To supplement this risk measurement approach in which the banking and trading books are analyzed holistically, interest-rate risk in the banking books of the entities in the Bank sector from a regulatory perspective is managed separately using a present-value approach.

On behalf of the other management units in the Bank sector, DZ BANK also operates a partially centralized model for quantifying periodic interest-rate risk. Overall, these methods are used to record the impact from changes in interest rates, both from an economic perspective (based on present value) and from the angle of net interest income.

Concentrations of market risk

Concentrations in the portfolio affected by market risk are identified by classifying the exposure in accordance with the risk factors associated with interest rates, spreads, migration, equities, currencies, and commodities. This incorporates the effects of correlation between these different risk factors, particularly in stress phases.

Integration of market liquidity risk into the measurement of market risk

The calculation of general market risk in the Bank sector using the transformation model and the spread and migration risk model takes market liquidity risk into account.

Within the transformation model, stress events are expressly integrated into the analysis when market risk is transferred from an operating perspective to a strategic perspective. The change in risk factors in these events is based on the assumption that it is not possible to make changes to the exposures in the portfolio of the Bank sector over a specified period.

The spread and migration risk model implicitly factors in phases of diminishing market liquidity via the calibration of the credit spread volatility included in the model. The estimation of volatility based on market data from the recent past also uses a lower limit determined from longer-term data. This prevents any low level of credit spread volatility in a calm market environment with normal liquidity from being transferred directly into the model parameters.

10.5.2 Decentralized market risk measurement

Decentralized measurement of general market risk and spread risk

In addition to the models specified in chapter VI.10.5.1, the material **management units** operate their own risk models to satisfy ICAAP requirements from the perspective of the individual institution. With the exception of asset-management risk at UMH, the results from these models are not used to manage market risk on a present-value basis in the Bank sector and therefore do not form part of this risk report.

Decentralized measurement of asset-management risk

The risk capital requirement for asset-management risk is determined locally by **UMH** and then added to the risk capital requirement for general market risk and spread risk calculated centrally for the Bank sector. Asset-management risk comprises risks related to guarantee funds and Riester pensions. Following the approach used for the central measurement of market risk, the risk capital requirement for asset-management risk is calculated on the basis of a Monte Carlo simulation, using a confidence level of 99.9 percent and a 1-year holding period, and taking into account the specific investment selections made in the customer investment account.

Decentralized measurement of periodic interest-rate risk and spread risk in the banking book

In addition to the present-value perspective, which considers the total term when determining the risk of transactions involving risk, the interest-rate risk in the banking book (IRRBB) and the credit spread risk in the banking book (CSRBB) are managed in a periodic approach limited to a period of 1 year. These risks are also referred to as periodic interest-rate risk and spread risk. Periodic risk management is based on specific regulatory requirements.

Periodic interest-rate risk and spread risk in the banking book represent the impact of changes – stipulated by the supervisory authority – in interest rates and spreads on the accounting profit of the DZ BANK Group and DZ BANK. Building on the periodic net interest income (NII) risk, which measures the effects of interest-rate and spread changes on net interest income without considering measurement effects, the NIIMV risk also includes the risk resulting from present-value changes in market value (MV) in respect of transactions recognized in the income statement or directly in equity (other comprehensive income, OCI) in accordance with IFRS. OCI consists of changes in equity that are not captured in the income statement and are not attributable to deposits or withdrawals by owners. In this manner, all earnings risks impacting on the income statement or OCI for a forecast horizon of 1 year are condensed into a periodic key risk indicator.

The interest-rate scenarios used to calculate periodic interest-rate risk in the banking book contain substantial parallel shifts and rotations of the current yield curve. To calculate periodic spread risk in the banking book, both general and rating-dependent spread changes are taken into account.

The interest-rate sensitivities for periodic interest-rate risk and spread risk in the banking book are determined by changing the yield curve. Some of the management units use behavior-based models to measure periodic interest-rate risk. These models help, in particular, to accurately reflect the optionalities in the traditional lending business and in building society operations. Examples of these include options for drawing down loans or credit lines, termination options, and special repayment options. Calculating NII risk involves a 1-year future projection of NII. This is based on assumptions regarding interest-rate changes (swap curves) and an assumption of a constant balance sheet to aid comparability and predictability. The difference between the NII simulated in the baseline scenario (constant interest rates) and the NII simulated in an assumed interest-rate scenario is described as the periodic interest income risk for the particular interest-rate scenario.

NII risk is determined by the management units on a decentralized basis in line with DZ BANK's rules. DZ BANK's Group Risk Controlling division supplements the results of the decentralized calculations with market value effects relevant to the balance sheet (NIIMV) and condenses the results into an aggregate figure representing the Bank sector's NIIMV risk.

10.5.3 Backtesting and stress tests

The central value-at-risk model is subject to **backtesting**, the purpose of which is to verify the predictive quality of the model. Changes in the value of portfolios on each trading day are usually compared against the value-at-risk calculated using risk modeling. For UniProfiRente, backtesting is carried out on the basis of monthly changes in the value of the portfolio.

Risks arising from extreme market situations are primarily recorded using **stress tests**. The crisis scenarios underlying the stress tests include the simulation of significant fluctuations in risk factors and serve to highlight potential losses not generally recognized in the value-at-risk approach. Stress tests are based on extreme market

fluctuations that have actually occurred in the past together with crisis scenarios that – regardless of market data history – are considered to be economically relevant. The crisis scenarios used in this case are regularly reviewed to ensure they are appropriate. The following are deemed to be risk factors: interest-rate risk, spread risk, migration risk, currency risk, equity risk, and commodity risk.

10.5.4 Management of market risk

Management of limits for market risk

The starting point for limiting market risk is a limit for the capital requirement for market risk in the **Bank sector** specified as part of operational planning. This limit is broken down into an individual limit for the market risk capital requirement in each management unit.

Within **DZ BANK**, this limit is then further subdivided into a system of limits for the divisions, departments, and groups to appropriately reflect the decentralized portfolio responsibility assigned to these units and the nature of the bank from a regulatory perspective as a trading book institution. Limits are monitored on every trading day.

Mitigating market risk

The entities in the Bank sector use various approaches to mitigate market risk. For example, some market risk from the assets-side business (such as traditional lending business) or from the liabilities-side business (such as home savings deposits) is offset by suitable countervailing liability or asset transactions (such as own issues or securities). These activities are carried out as part of asset/liability management. In other cases, financial derivatives are used for hedging purposes.

As the measurement of market risk is based on the inclusion of the individual items subject to market risk, there is no need to monitor the economic effectiveness of hedges.

Management of interest-rate risk

Interest-rate risk arising from operating activities at **DZ BANK** and **DZ HYP** is mitigated primarily by means of hedging using interest-rate derivatives, on the basis of either individual transactions or portfolios. At **BSH**, an asset/liability management approach based on the maturities of the securities in the investment portfolio is the predominant method used to manage interest-rate risk arising from the collective building society operations and the traditional lending business, including the interest-rate risk associated with direct pension commitments. Interest-rate derivatives are also used for risk management purposes but are currently of minor significance.

DZ BANK is notably exposed to significant **interest-rate risk from direct pension commitments** in addition to the interest-rate risk arising from operating activities. This risk is consciously assumed within the existing limits.

Periodic and present-value risk is taken into account when managing interest-rate risk.

Management of spread and migration risk

Most of the spread and migration risk in the **Bank sector** arises from non-trading portfolios and is consciously assumed within the established limits in accordance with the associated long-term investment strategy. Hedging instruments are also used in carefully selected trading book portfolios. The central measurement of this risk means that the level of the risk on every trading day is transparent. If there is any indication that the ability to bear the spread and migration risk is in jeopardy, Group Treasury at DZ BANK will initiate corrective measures across the sector.

Management of equity risk and fund price risk

Equity risk and fund price risk from the non-trading portfolios are managed first and foremost by directly changing the underlying exposure. Derivative products are also used within the trading portfolio to keep the type of risk involved within the allocated limits. Some funds are broken down into their constituent parts for the purposes of measuring the risk. In such cases, the risk is not treated as part of fund price risk, but is managed within the type of market risk determined for the constituent part concerned.

Management of asset-management risk

Asset-management risk arises from minimum payment commitments given by **UMH** and/or its subsidiaries for guarantee products. The risk from these guarantee products is managed mainly by using asset allocation. Asset-management risk is reported using UMH's separate internal system and is monitored regularly by UMH.

10.6 Risk position

10.6.1 Value-at-risk

Fig. VI.37 shows the average, maximum, and minimum values-at-risk measured for the Bank sector and DZ BANK over the reporting year, including a further breakdown by type of market risk. In addition, Fig. VI.38 shows the change in market risk for the Bank sector by trading day in the reporting year. In both figures, the value-at-risk relates to the **trading and banking books for regulatory purposes**.

FIG. VI.37 – BANK SECTOR: VALUE-AT-RISK FOR MARKET RISK, BY RISK SUBTYPE^{1, 2}

€ million	Bank sector				DZ BANK					
	Dec. 31, 2025	Average	Maximum	Minimum	Dec. 31, 2024	Dec. 31, 2025	Average	Maximum	Minimum	Dec. 31, 2024
Interest-rate risk	62	51	73	35	39	3	5	7	3	7
Spread risk	34	51	60	34	56	21	32	39	21	33
Equity risk ³	23	20	24	13	15	3	3	5	2	3
Currency risk	4	4	7	2	4	4	4	7	3	4
Commodity risk	2	2	3	1	1	1	1	2	1	1
Aggregate risk⁴	55	63	78	44	68	23	32	43	19	30

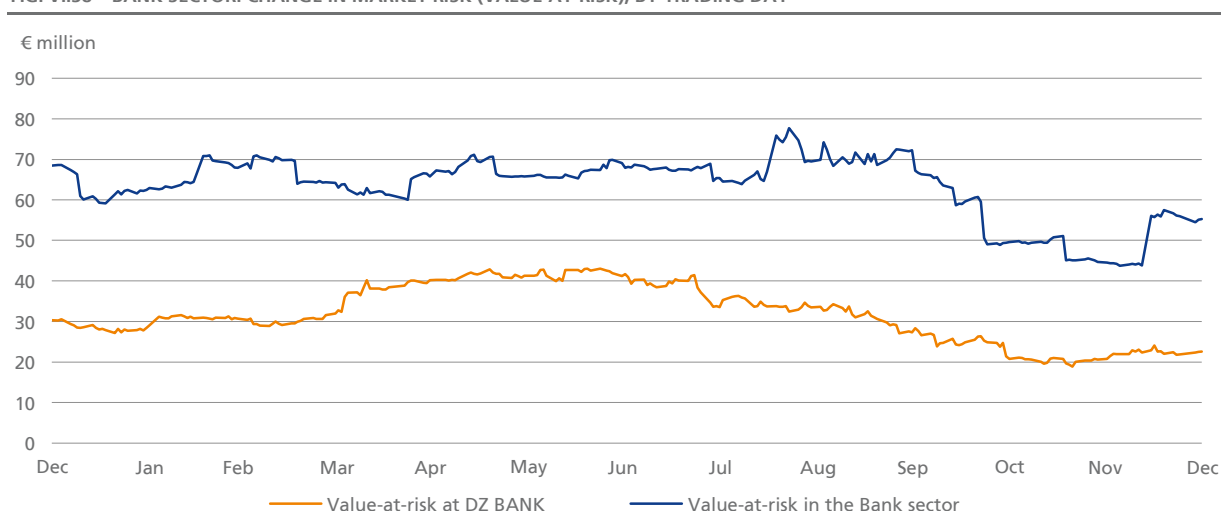
¹ The disclosures relate to general market risk and spread risk. Asset-management risk is not included.

² Value-at-risk with 99.0% confidence level, 1-day holding period, 1-year observation period, based on a central market risk model for the Bank sector. Concentrations and effects of diversification were taken fully into account when calculating the risks.

³ Including funds, if not broken down into constituent parts.

⁴ Due to the diversification effect between the market risk subtypes, the aggregate risk does not tally with the total of the individual risks.

FIG. VI.38 – BANK SECTOR: CHANGE IN MARKET RISK (VALUE-AT-RISK), BY TRADING DAY¹



¹ Value-at-risk with 99.0% confidence level, 1-day holding period, 1-year observation period, based on a central market risk model for the Bank sector. Concentrations and effects of diversification were taken fully into account when calculating the risks.

The value-at-risk for interest-rate risk in all of the portfolios and the value-at-risk for interest-rate risk in the banking book for regulatory purposes are calculated using identical risk models. Variations in risk values are attributable directly to differences in the calculation bases used for the various portfolios.

As at December 31, 2025, the value-at-risk for the **interest-rate risk in the banking book for regulatory purposes** was calculated as follows (prior-year figures in parentheses):

- **Bank sector:** €62 million (€37 million)
- **DZ BANK:** €3 million (€4 million)

The increase in interest-rate risk was attributable to the rise in interest rates in the eurozone. In the historical simulation, new scenarios arose that were influenced by rising interest rates. The decrease in value-at-risk in the Bank sector from €68 million as at December 31, 2024 to €55 million as at December 31, 2025 was mainly attributable to changes in the portfolio.

10.6.2 Periodic interest-rate risk and periodic spread risk in the banking book

The periodic interest-rate risk and spread risk calculated for the banking book are shown in Fig. VI.39.

FIG. VI.39 – BANK SECTOR: PERIODIC INTEREST-RATE RISK AND PERIODIC SPREAD RISK IN THE BANKING BOOK

€ million	Bank sector		DZ BANK	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
IRRBB NIIMV risk	484	288	401	185
CSRBB NIIMV risk	43	90	170	70

The rise in the **IRRBB NIIMV risk** of the Bank sector and DZ BANK measured as at December 31, 2025 compared with the end of 2024 was largely attributable to improved risk modeling, changes to exposures, and the changed interest-rate environment.

The decline in the Bank sector's **CSRBB NIIMV risk** was chiefly due to improved risk modeling and changes to exposures that gave rise to a change in the relevant worst-case scenario. At DZ BANK, improved risk modeling and changes to exposures led to an increase in risk.

10.6.3 Risk capital requirement

As at December 31, 2025, the risk capital requirements for **market risk** in the **Bank sector** and at **DZ BANK** amounted to €3,234 million (December 31, 2024: €3,621 million) and €1,454 million (December 31, 2024: €1,972 million) respectively. The **limit** for the Bank sector was €6,310 million as at the reporting date (December 31, 2024: €7,120 million). At DZ BANK, the limit as at the reporting date was unchanged compared with December 31, 2024 and amounted to €3,000 million. The decline in risk capital requirements was attributable to the rise in interest rates in the eurozone and the reduction of corporate bonds in DZ BANK's portfolio. Fig. VI.40 provides an overview of the risk values.

FIG. VI.40 – BANK SECTOR: RISK CAPITAL REQUIREMENT FOR MARKET RISK, BY RISK SUBTYPE

€ million	Bank sector		DZ BANK	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Spread and migration risk	1,978	2,427	1,413	1,753
General market risk	1,212	1,103	42	219
Asset-management risk	45	90		
Risk capital requirement	3,234	3,621	1,455	1,972



Not available

11 Technical risk of a home savings and loan company

11.1 Definition

Technical risk of a home savings and loan company is subdivided into two components: new business risk and collective risk. **New business risk** is the risk of a negative impact from possible variances compared with the planned new business volume. **Collective risk** refers to the risk of a negative impact that could arise from variances between the actual and forecast performance of the collective building society operations caused by significant long-term changes in customer behavior unrelated to changes in interest rates.

BSH's business risk and reputational risk are included within the technical risk of a home savings and loan company.

11.2 Business background and risk strategy

Technical risk of a home savings and loan company arises in the Bank sector in connection with the business activities of **BSH**. This risk represents the entity-specific business risk of BSH. A home savings arrangement is a system in which the customer accumulates savings earmarked for a specific purpose. The customer enters into a home savings contract with fixed credit balance and loan interest rates, so that when the savings phase (which may be subsidized under statutory arrangements) is completed at a later point and a loan is allocated under the contract, they can receive a home savings loan with a fixed rate of interest. A home savings agreement is therefore a combined asset/liability product with a long maturity.

Technical risk of a home savings and loan company is closely linked with the BSH business model and cannot therefore be avoided. Against this backdrop, the **risk strategy** aims to prevent an uncontrolled increase in risk.

11.3 Risk factors

A variance between the actual and planned new business volume (**new business risk**) could lead to lower deposits from banks and customers over the short to medium term. Over the medium to long term, the lower level of new business could also lead to a decrease in loans and advances to banks and customers.

Variances between the actual and forecast performance of the collective building society operations caused by significant long-term changes in customer behavior unrelated to changes in interest rates (**collective risk**) could also lead to lower loans and advances to banks and customers and to lower deposits from banks and customers.

Over the medium to long term, there is a risk that a lower level of new business and changes in customer behavior could lead to a fall in earnings and therefore to a decline in capital.

A higher starting rate of interest could lead to outflows in collective building society operations, thereby exacerbating the adverse impact of varied parameters in the technical risk of a home savings and loan company and increasing that risk. The causes of a potential interest-rate rise are explained in chapter VI.5.2.6.

11.4 Responsibility and risk management

BSH is **responsible** for managing the technical risk of a home savings and loan company within the Bank sector. This includes measuring the risk and communicating risk information to the risk management committees at BSH and to the Board of Managing Directors and Supervisory Board of BSH.

A special collective simulation, which includes the integrated effects of a (negative) change in customer behavior and a drop in new business, is used to **measure the technical risk of a home savings and loan company** on a quarterly basis. The input parameters are selected to ensure a confidence level of 99.9 percent. Due to the specifics of building society operations, effects beyond a holding period of 1 year are taken into account for the technical risk of a home savings and loan company. The results from the collective simulation for the technical risk of a home savings and loan company are fed into a long-term forecast of earnings. The variance between the actual earnings in the risk scenario and the earnings in a base forecast with the same reference date is used as a risk measure. The variance is discounted to produce a present value. The total present value of the variances

represents the technical risk of a home savings and loan company and therefore the risk capital requirement for this type of risk. **Concentrations** of this risk are most likely to arise from new business risks.

Technical risk of a home savings and loan company is **managed** in particular through a forward-looking policy for products and scales of rates and charges, and through appropriate marketing activities and sales management.

11.5 Risk position

As at December 31, 2025, the **risk capital requirement** for the technical risk of a home savings and loan company amounted to €509 million (December 31, 2024: €719 million) with a **limit** of €820 million, which was unchanged year on year. The lower level of new business in the baseline scenario led to a reduced initial portfolio in collective building society operations. This lessened the effect of the changes to the parameters in the risk scenario, which gave rise to a lower risk capital requirement compared with the end of 2024.

12 Business risk

12.1 Definition and business background

Business risk refers to the risk that financial performance is not in line with expectations, and this is not covered by other types of risk. In particular, this comprises the risk that, as a result of changes in material circumstances (for example, economic conditions, product environment, customer behavior, market competitors) or inadequate strategic positioning, corrective action cannot be taken to prevent losses.

Business risk mainly affects DZ BANK. DZ BANK's core functions as a **central institution and corporate bank** and **holding company** mean that it focuses closely on the local cooperative banks, which are its customers and owners. In this context, business risk can arise from corporate banking, retail banking, capital markets business, and transaction banking.

12.2 Risk strategy

The objective of the business risk strategy is to specify how business risk is to be managed, taking into account the relevant **business drivers**, and thus contribute to achieving the targets set out in the business strategy. The focus is on preventing both an unplanned increase in risk and potential losses arising from a slump in income or from increases in staff expenses or operating costs.

The following **instruments** are used to support the attainment of targets:

- Forward-looking assessment of success factors and specification of targets as part of the strategic planning process
- Groupwide coordination of risk management, capital allocation, and corporate strategy, together with the leveraging of synergies
- Setting of limits and monitoring

12.3 Risk factors

Over the next few years, DZ BANK and the DZ BANK Group are likely to continue to face increased costs, and thus reduced profits, in connection with implementing the requirements resulting from **regulatory legislative initiatives**.

Moreover, there is a danger for DZ BANK that fiercer **competition in retail and corporate banking based on pricing and terms** could give rise to margins that are economically unattractive or that do not adequately cover the risk arising from the related transactions.

Sustainability-related risk factors can lead to a rise in business risk. This relates to **transition risk**, which can be triggered by the following developments, in particular:

- Political and regulatory initiatives

- Technological progress such as energy efficiency, sustainable energy sources, and key technologies
- Changes in behavior, due, for example, to a change in market sentiment, market preferences, or the market environment
- Use of renewable energy in the energy transition

The aforementioned risk factors could lead to rising costs and falling customer demand, and thus to a deterioration in the financial performance of DZ BANK and the DZ BANK Group.

12.4 Organization and responsibility

The management of business risk is a primary responsibility of the **Board of Managing Directors** and is carried out in consultation with the senior management of the material subsidiaries and the heads of the DZ BANK divisions involved. Group management is integrated into a committee structure, headed by the **Group Coordination Committee**. The Group Finance division supports the Board of Managing Directors as part of its role in supervising the activities of the subsidiaries. Details of the committee structure and the supervision of subsidiaries can be found in chapter I.2.2 of the (group) management report.

12.5 Risk management

To identify regulatory initiatives with a material impact on the DZ BANK Group and its entities, a **centralized regulation management office** has been set up at DZ BANK. This office establishes direct contact with the relevant units at DZ BANK and the other management units, and organizes regular bank-wide and groupwide dialogue on identified and new strategic regulatory initiatives. It also uses a 'regulatory map' to report to the relevant steering committees, the Board of Managing Directors, and the Supervisory Board.

Business risk in the Bank sector is **quantified** with a confidence level of 99.9 percent using a risk model operated by DZ BANK and centralized data at the level of the DZ BANK Group. The risk model is based on an earnings-at-risk approach with due regard to the definition of economic available internal capital. A Monte Carlo simulation is used to model a probability distribution for the earnings relevant to business risk, which comprise selected income and expense items from the IFRS income statement, with an analysis period of 1 year. This distribution produces the risk capital requirement in the amount of the modeled actual loss.

The broad diversification and sustainability of the business models used by the entities in the Bank sector are intended to prevent excessive **concentrations of income**. As part of a groupwide risk concentration analysis, which itself forms part of the risk inventory check, a review is carried out annually, and on an ad hoc basis as required, to identify concentrations of income and assess their materiality. This aims to ensure that income concentrations are appropriately taken into account in risk-bearing capacity.

The **management** of business risk is closely linked with the tools used in the **strategic planning process**. It is based on the setting of targets for the management units. The strategic planning process is described in chapter I.2.4 of the (group) management report.

12.6 Risk position

As at December 31, 2025, the **risk capital requirements** for business risk were unchanged year on year at €0 million, both in the **Bank sector** and at **DZ BANK**. The risk capital requirement was set at zero as the model's loss distribution was positive.

The **limits** as at the reporting date were unchanged compared with December 31, 2024 and amounted to €500 million in the **Bank sector** and €425 million at **DZ BANK**.

Reputational risk is included in the figures shown.

13 Reputational risk

13.1 Definition and business background

Reputational risk refers to the risk of losses from events that damage confidence, mainly among customers (including the cooperative banks), shareholders, employees, the labor market, the general public, and the supervisory authorities, in the entities in the Bank sector or in the products and services that they offer.

Reputational risk can arise either as an independent risk (primary reputational risk) or as an indirect or direct consequence of other types of risk (secondary reputational risk). Reputational risk can arise in connection with any of the business activities in the entities within the Bank sector.

13.2 Risk strategy

Reputational risk is incorporated into the risk strategy by pursuing the following **objectives**:

- Avoiding loss resulting from reputation-damaging incidents by taking preventive action
- Mitigating reputational risk by taking preventive and responsive action
- Raising awareness of (potential) reputational risk within the Bank sector, e.g. by defining the people responsible for risk and establishing a sector-wide reporting system and set of rules for reputational risk

These objectives are applicable both at the Bank sector level and in the management units. The management units are responsible for complying with the rules and for deciding what suitable preventive and responsive action to take.

The reputational risk strategy is based on the **business strategies** in each management unit and to this end is reviewed at least once a year and adjusted as necessary.

13.3 Risk factors

If the Bank sector as a whole or the individual management units acquire a negative reputation, there is a risk that existing or potential customers will be unsettled with the result that existing **business relationships** might be terminated or it might not be possible to carry out planned transactions. There is also a risk that it will no longer be possible to guarantee the backing of **stakeholders** – such as shareholders, partners of the Cooperative Financial Network, and employees – necessary to conduct business operations. The possibility cannot be ruled out either that R+V will be affected if entities in the Bank sector have a negative reputation.

13.4 Organization and responsibility

Each management unit is responsible for managing its reputational risk and must comply with the requirements laid down in the set of rules for reputational risk. The relevant control units ensure that risk in the entities in the Bank sector is monitored independently. The principle of decentralized responsibility applies equally within the management units. Based on this approach, responsibility for managing reputational risk lies with each division with the involvement of other functions such as communications & marketing, corporate security, and compliance.

13.5 Risk management

Reputational risk in the Bank sector is taken into account within **business risk** and is therefore implicitly included in the measurement of risk and assessment of capital adequacy. At BSH, reputational risk is measured and the capital requirement determined mainly as part of the technical risk of a home savings and loan company.

In addition, the risk that obtaining funding may become more difficult as a consequence of reputational damage is specifically taken into account in liquidity risk management.

Reputational risk control follows a **stakeholder approach** that is based on the principle that the material stakeholders' perception of the DZ BANK Group is the critical metric for reputational risk. The stakeholders' responses are evaluated in the context of ongoing reporting using a mood barometer, particularly if a reputation-

damaging incident occurs. This is underpinned by indicators for each stakeholder that implicitly and explicitly take account of **sustainability matters**.

14 Operational risk

14.1 Definition

Operational risk refers to the risk of losses from human behavior, technological failure, weaknesses in process or project management, or external events.

In the reporting year, the following subtypes of operational risk were material for the Bank sector:

- Compliance risk including compliance conduct risk
- Legal risk
- Information risk including ICT risk
- BCM risk
- External procurement risk
- Project risk

Other subtypes of operational risk that are not material when viewed in isolation are categorized as 'Other operational risk'. This category is used to cover operational risks that cannot be allocated to the aforementioned subtypes of operational risk and – measured on the basis of risk profile – are of lesser importance.

14.2 Business background and risk strategy

Operational risk can arise in any division of the entities in the Bank sector. DZ BANK as well as DZ HYP and UMH are particularly subject to operational risk.

The management units aim to manage operational risk efficiently. They apply the following principles:

- Reinforce risk awareness
- Handle operational risk openly and largely without penalties
- Avoid, reduce, transfer, or accept risk as optional courses of action
- Manage operational risk on a decentralized basis but within the limits set out in the framework for operational risk
- Ensure that the impact of corporate policy decisions on operational risk is taken into account

14.3 Organization and responsibility

Each management unit is responsible for managing its operational risk. The principle of **decentralized** responsibility applies equally within the management units.

One of the purposes of the **framework for operational risk** is to harmonize risk management throughout the sector. The sector-wide coordinated approach to operational risk is also managed by a **committee** assigned to the Group Risk Control working group.

A **DZ BANK** organizational unit responsible for controlling operational risk located within the Group Risk Control & Services division develops the management and control methods based on regulatory requirements and business needs applicable to the Bank sector. This organizational unit ensures the independent monitoring of operational risk and is responsible for central reporting in relation to operational risk in the Bank sector and at DZ BANK. Similar organizational units are also in place at the other material entities in the **Bank sector**.

Specialist divisions with central risk management functions are also assigned tasks relating to the management of operational risk. As part of their overarching responsibility, these specialist divisions also perform an advisory and guiding function for the matters within their remit in the relevant entities in the Bank sector.

Because operational risk can affect all divisions in the management units, **local operational risk coordinators** are located in each division and they liaise with central Risk Controlling.

14.4 Central risk management

14.4.1 Identifying operational risk

The main tools used to manage operational risk in the DZ BANK Group's Bank sector are described below.

Loss database

The collation of loss data in a central database allows the Bank sector to identify, analyze, and evaluate loss events, highlighting patterns, trends, and concentrations of operational risk. In particular, data is recorded for operational risk that materializes and results in a gross loss of €1,000 or more.

Risk self-assessment

All management units assess operational risk using a scenario-supported risk self-assessment process in order to identify and evaluate all material operational risks and ensure maximum possible transparency regarding the risk position. The main potential risks for all first-level event categories as defined by the CRR are calculated and described using risk scenarios. The scenarios are also designed to enable risk concentrations to be identified.

Risk indicators

In addition to the loss database and risk self-assessment, risk indicators are intended to enable risk trends and concentrations to be identified at an early stage and to detect weaknesses in business processes. A system of warning lights is used to indicate risk situations based on specified threshold values. Risk indicators within the Bank sector are collected systematically and regularly.

14.4.2 Measurement of operational risk

An **internal portfolio model** that takes into account net loss data and the results from the risk self-assessments is used to determine the risk capital requirement for operational risk in the Bank sector. Within the portfolio model, the distributions of loss frequency and amount are brought together in a Monte Carlo simulation. This determines potential losses that could arise over a period of 1 year with a confidence level of 99.9 percent. The results from the model, combined with the tools used to identify risk, are used to manage operational risk centrally. Alongside the economic risk capital requirement, the model also calculates specific risk contributions for each management unit.

In addition, **risk concentrations** are identified by using separate model-based analyses, taking into account event categories and areas of business specified by regulatory requirements. These risk concentrations could occur in the different areas of business within the entities in the Bank sector.

In addition, a simplified procedure based on the allocation mechanism in the capital model is used to identify **risk factors**. The subsequent analysis is carried out for all standard scenarios. The list of standard scenarios contains a list of general scenario descriptions that are relevant to operational risk in the Bank sector entities.

14.4.3 Limiting operational risk

The limits for operational risk are used as the basis for central monitoring of the risk capital requirement at the Bank sector level. The risk capital requirement for the Bank sector is broken down into risk contributions for each management unit using a risk-sensitive allocation procedure so that the management units in the Bank sector can be monitored centrally. These risk contributions are then monitored centrally using limits for each management unit.

14.4.4 Mitigating and avoiding operational risk

Continual improvement of business processes and control processes is one of the methods used with the aim of **mitigating** operational risk. The transfer of risk by means of insurance or external procurement as permitted by liability regulations provides further protection.

Operational risk is **avoided**, for example, by rejecting products that can be identified during the new product process as entailing too much risk.

14.5 Operational risk subtypes

14.5.1 Compliance risk including compliance conduct risk

Risk factors

Compliance risk could arise if the compliance and risk management systems implemented in the Bank sector entities prove insufficient to completely prevent or detect breaches of obligations to third parties. Such obligations include legal requirements (laws, regulations) as well as both internal and external agreements. Examples are misuse of confidential information, failure to comply with sanctions or embargoes, data protection infringements, and support – or inadequate preventive measures – for money laundering, terrorist financing, or other criminal offenses. Wrongdoing by employees (conduct risk) also forms part of compliance risk.

Effects if risk materializes

Violations of internal rules or legal provisions could render contracts null and void or have legal implications for the entity concerned, for the members of its decision-making bodies, or for its employees. They may give rise, for example, to fines, penalties, retrospective tax payments, or claims for damages by third parties. The reputation of individual entities in the Bank sector and the DZ BANK Group as a whole could also suffer as a result. These effects could reduce the Bank sector entities' appeal as partners in business transactions or as employers and consequently lead to losses in value.

Risk management

The basic principles for managing compliance risk applicable to the entities in the DZ BANK Group are described in chapter VI.3.8.3. The data protection measures in place and the code of conduct are also explained in the same chapter. Measures such as the strict separation of functions, the requirement for verification by a second person, restrictions on IT and building access authorizations, and a sustainability-oriented remuneration system are designed to contain risk, in particular the risk of internal fraud.

14.5.2 Legal risk

Risk factors

Legal risk can arise from legal violations or incorrect application of legal provisions. Legal risk can also arise from changes to the legal position (laws or judgments by the courts) relating to transactions completed in the past.

Effects if risk materializes

If legal risk were to materialize, this could result in official measures or the need to pay damages. It is also possible that contractual rights could be lost retrospectively or could be unenforceable for legal reasons.

Risk management

The entities in the Bank sector pursue a strategy of avoiding legal risk. Identified risks are limited and mitigated by means of legal or procedural organizational measures. If the legal position is uncertain, the management units generally adopt a defensive approach.

In the entities in the Bank sector, responsibility for managing legal disputes normally lies with their organizational units responsible for dealing with legal issues. These units continuously monitor proposed legislation and regulatory requirements that are legally relevant, as well as developments in decisions by the courts. Their

responsibilities include reviewing and assessing circumstances from a legal perspective and also coordinating any legal proceedings. The latter consists of both defending claims pursued against the entities in the Bank sector and enforcing claims by the management units against third parties. If any legal risk is identified, the management unit concerned assesses the risk parameters in terms of their probability of occurrence and possible impact.

The Legal divisions in the Bank sector entities also submit reports on risk-related issues to the member(s) of the Board of Managing Directors with relevant responsibility, independently of the established regular reports on cases pending before the courts.

Accounting for legal risk

In accordance with the relevant (group) accounting rules, loss allowances or provisions are recognized to account for potential losses from legal risk.

Disclosures covering the provisions recognized for risks arising from ongoing legal disputes and pre-litigation risks – in particular in connection with capital market, home savings, and credit products – and for risks arising from general banking operations are included in note 66 of the notes to the consolidated financial statements under 'Other provisions'.

14.5.3 Information risk including ICT risk

Risk factors

Information risk arises from a failure to maintain the confidentiality, integrity, availability, or authenticity of information assets. If the risk relates to the use of information and communication systems, it is referred to as ICT risk. This also includes cyber risk.

Effects if risk materializes

The processes necessary to conduct operating activities could be disrupted if the confidentiality, integrity, authenticity, and availability of information assets and ICT systems are not maintained. This could, in turn, inflict reputational damage and lead to financial losses from operational risk that has arisen.

Risk management

The basic principles for managing information security applicable to the entities in the DZ BANK Group are described in chapter VI.3.8.5. The nature of these principles is described below.

Practically all business processes are carried out electronically using appropriate IT systems. The supporting IT systems are networked with each other and are operationally interdependent.

Processes in the IT divisions of the entities in the Bank sector are designed with risk issues in mind and are monitored using a variety of control activities in order to ensure that information risk is appropriately managed. The starting point is to determine what threats exist in certain aspects of IT and what risk scenarios they give rise to. Detailed requirements for a level of security can then be specified. These requirements determine the extent to which checks need to be carried out and are intended to ensure that all activities are conducted in compliance with the previously defined security level.

The IT processes are designed, through comprehensive physical and logical precautionary measures, to guarantee the security of information assets and IT systems and to ensure that day-to-day operations are maintained. Measures used by the Bank sector to counter the risk of a partial or complete loss of IT systems include segregated data processing centers in which the data and systems are mirrored, special access security, fire control systems, and an uninterruptible power supply supported by emergency power generators. Regular exercises are carried out to test defined restart procedures to be used in emergency or crisis situations with the aim of checking the efficacy of these procedures. Data is backed up and held within highly secure environments in different buildings.

Further details on information security management can be found in chapter VI.3.8.5.

DZ BANK's risk assessment methodology for information risk is made available centrally by information security management and applied locally by the managers responsible for the various ICT systems using tool-supported control processes. All variances identified in these processes are assessed from the perspective of the associated risks. All information risks classified as material are included in quarterly information security reports to the Board of Managing Directors.

14.5.4 BCM risk

Risk factors

BCM risk can arise from inadequate protection of people, premises, assets, or time-critical processes and time-critical IT assets. Examples are epidemics or pandemics resulting from the spread of pathogens over a huge area, restrictions on access to workplaces caused by natural disasters or demonstrations, and limitations on the use of resources because of a power outage or other interruption to energy supply. Climate change could lead to more frequent and more severe natural disasters.

Effects if risk materializes

The materialization of BCM risk could lead to a range of problems, from staff shortages to restrictions on – or even the loss of – the use of buildings and resources such as IT systems and third-party services. In such eventualities, it is possible that mission-critical processes could not be carried out or could not be carried out on time, which could lead to loss of business and/or compensation claims from customers. Furthermore, such scenarios could also have a negative impact on reputation.

Risk management

The relevant organizational units in the management units prepare requirements for the protection of time-critical business processes, time-critical IT assets, people, premises, and other assets. These requirements are implemented by the departments responsible in each case. In all relevant management units, a comprehensive business continuity management system (with business continuity plans covering time-critical processes) has been established to ensure the continuation of business in the event of process disruption or IT system breakdown. These business continuity plans are regularly reviewed and tested to ensure they are fully functional.

Further details on business continuity management can be found in chapter VI.3.8.5.

14.5.5 External procurement risk

Risk factors

The entities in the Bank sector have outsourced activities and processes to third-party service providers to a considerable extent. External procurement risk can arise if the service provider fails to comply with the strategic principles established by the management units or the related operational requirements when carrying out the outsourced activities.

The reasons may be as follows:

- Failure of the relevant service provider to comply with regulatory requirements
- Lack of transparency regarding the delivery of the services and little opportunity for control over external procurement outside the home market
- Highly complex outsourced processes that are far from a standard service
- Potential loss of expertise because of outsourcing of core competencies or knowledge processes
- Defective performance caused by service provider failures or the loss of service provider
- Inadequate management or monitoring of service providers, in particular as a result of a lack of transparency regarding service delivery

Effects if risk materializes

If these risk factors were to materialize, they could lead to a loss of business and to claims for damages from customers. They could also result in a negative impact on reputation.

Risk management

The basic principles for managing external procurement applicable to the entities in the DZ BANK Group are described in chapter VI.3.8.6.

The process of assessing the risk and determining the degree to which external procurement is material is carried out as part of the analysis of external procurement risk by the division responsible for the outsourcing with the involvement of a number of reviewing and control units, including compliance, information security, and business continuity management, and in consultation with the local coordinators for operational risk. Internal audit is also involved as part of its auditing activities.

At DZ BANK, external service providers are managed by the department responsible for the outsourcing in accordance with the currently applicable policy for external procurement management. Service meetings are regularly held with service providers to facilitate communication and coordinate the IT services and other services to be provided by the third parties concerned. Compliance with contractually specified service level agreements is monitored, for example, by means of status reports and uptime statistics. The external service providers submit regular reports in which they evaluate and confirm the effectiveness of the general controls and procedures.

Business continuity plans, specific contractual liability provisions, and exit strategies are some of the approaches used to reduce external procurement risk.

14.5.6 Project risk

Risk factors

Project risk refers to the risk that project deliverables will not be completed on schedule. Project risk could arise, for example, from the inadequate clarification of project targets or orders, from deficiencies in subsequent implementation, from communication shortcomings both inside and outside the project, or from unexpected changes in the general parameters applicable to a project.

Effects if risk materializes

If project risk were to materialize, this could mean that the implementation of the project could require exceptional additional funds in excess of the budget (primary project risk). It could also give rise to further costs attributable to the failure to complete project deliverables on schedule (secondary project risk). Examples of such costs are additional costs or reduced earnings in the line organization, impairment losses on capital investment related to the project, and penalty payments.

Risk management

In accordance with the statutory requirements that need to be observed, the project organization serves as the framework for implementing projects. The projects as a whole are broken down into portfolios with shared characteristics to enable the projects to be managed in a focused, efficient manner. A committee structure with defined roles and responsibilities is designed to look after the detailed management of the portfolios and the projects assigned to them.

The management of project risk is an ongoing process over the lifecycle of a project and is a component of project management and project portfolio management. Accepting a project risk is a valid option if the project customer believes that the measures to eliminate, reduce, or mitigate the risk are not reasonable in relation to their expected benefit.

14.6 Consideration of sustainability risks

In terms of operational risk, **corporate governance risks** are material sustainability risks for the entities in the Bank sector. Such risks can materialize if inadequate systems for control and risk management create conditions conducive to prohibited or criminal acts that could lead to financial losses.

The instruments used to identify operational risk – such as the loss database, risk self-assessment, and risk indicators – also incorporate sustainability matters through the use of an ESG label in the operational risk database. This ensures that sustainability-driven operational risks are managed and monitored.

14.7 Heightened sanction and embargo requirements resulting from geopolitical tensions

The monitoring of sanctions necessitates transaction checks that entail an increased workload. This may result, for example, in delays to the execution of transactions or, if applicable, penalty interest payments for trading that involves securities subject to sanctions. The resulting operational risks are factored in by means of the hypothetical risk scenarios ‘breaches of sanctions and embargoes’ and ‘incorrect execution of transactions and processes’.

14.8 Losses

Losses from operational risk do not follow a consistent pattern. The overall risk profile can be seen from the total losses incurred over the long term and is shaped by a small number of large losses. Over the course of time, regular fluctuations are evident in the pattern of losses as the frequency of relatively large losses in each individual case is very low. Presenting the change in losses meaningfully therefore requires a sufficiently long and unchanging time horizon for reporting purposes. The data is selected from the loss history for the past four quarters and on the basis of the date on which the expense is recognized in the income statement.

The past four quarters – that is, the period from January 1 to December 31, 2025 – represent the relevant reporting period for an analysis of net losses. Fig. VI.41 shows the internal net losses from loss events reported in this period, classified by operational risk subtype, and a comparison with their long-term mean.

FIG. VI.41 – BANK SECTOR: NET LOSSES¹ BY OPERATIONAL RISK SUBTYPE

€ million	Bank sector		DZ BANK	
	Jan. 1, 2025– Dec. 31, 2025	Long-term mean ²	Jan. 1, 2025– Dec. 31, 2025	Long-term mean ²
Compliance risk	9	21	8	13
Legal risk	2	18	1	9
Information risk including ICT risk	1	3	1	1
BCM risk	2	2	1	1
External procurement risk	–	1	–	–
Project risk	–	1	–	–
Other operational risk	9	9	3	5
Total³	22	53	14	29

¹ Internal losses. Operational losses related to credit risk are not included in this breakdown.

² The long-term mean is derived from loss data recorded since 2006.

³ Losses that are allocable to more than one operational risk subtype are split equally between the relevant subtypes.

In the past four quarters, the highest losses were attributable to other operational risk and compliance risk. Whereas losses from **other operational risk** were due to many loss events with low to medium loss severity, losses from **compliance risk** mainly related to a provision in connection with a ruling by the German Federal Court of Justice on custody fees. Based on the long-term mean, internal losses both in the **Bank sector** and at **DZ BANK** were dominated by **compliance risk** and **legal risk**.

In the Bank sector, the losses in the past four quarters were lower than in the prior period. Losses did not reach a critical level relative to the expected loss from operational risk at any point during 2025, either in the Bank sector or at DZ BANK.

14.9 Risk position

As at December 31, 2025, the capital requirement for operational risk at **Bank sector** level was calculated at €1,003 million (December 31, 2024: €1,041 million) with a **limit** of €1,206 million (December 31, 2024: €1,157 million).

As at December 31, 2025, the corresponding requirement at **DZ BANK** was €559 million (December 31, 2024: €582 million). The **limit** as at December 31, 2025 was €671 million (December 31, 2024: €652 million).

Fig. VI.42 shows the structure of the risk profile for operational risk in the Bank sector and at DZ BANK based on **risk subtypes**.

FIG. VI.42 – BANK SECTOR: DISTRIBUTION OF RISK CAPITAL REQUIREMENT FOR OPERATIONAL RISK, BY RISK SUBTYPE¹

Percent	Bank sector		DZ BANK	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Compliance risk	31.8	30.4	13.8	13.4
Legal risk	19.3	19.1	7.8	8.2
Information risk including ICT risk	16.3	16.8	5.7	6.0
BCM risk	4.6	5.0	1.8	1.9
External procurement risk	7.2	6.0	2.1	2.3
Project risk	5.5	6.3	2.3	2.6
Other operational risk	15.2	16.4	7.5	8.5

¹ Proportion of the Bank sector's total operational risk capital requirement attributable to each operational risk subtype.

The distribution of the risk capital requirement among the operational risk subtypes in the Bank sector and at DZ BANK remained largely unchanged as at December 31, 2025 compared with the end of the previous year.

Compliance risk and **legal risk** accounted for the most significant proportions of the risk capital requirement for operational risk. A large proportion of the risk capital requirement for these two risk subtypes was determined by the identified and recorded losses, and by the hypothetical estimates of the potential risk stemming from changes to case law.

Insurance sector

15 Actuarial risk

15.1 Life actuarial risk

15.1.1 Definition and business background

Life actuarial risk, which arises from the direct life insurance business, refers to the risk arising from the assumption of life insurance obligations, in relation to the risks covered and the processes used in the conduct of this business. The following subtypes of life actuarial risk are material:

- **Mortality risk** describes the risk of loss or an adverse change in the value of insurance liabilities, resulting from changes in the level, trend, or volatility of mortality rates, where an increase in the mortality rate leads to an increase in the value of insurance liabilities.

- **Longevity risk** describes the risk of loss or an adverse change in the value of insurance liabilities, resulting from changes in the level, trend, or volatility of mortality rates, where a decrease in the mortality rate leads to an increase in the value of insurance liabilities. This also includes pension commitments in the Bank sector.
- **Lapse risk** describes the risk of loss or an adverse change in the value of insurance liabilities, resulting from changes in the level or volatility of the rates of contract lapses, cancellations, renewals, and surrenders.
- **Life expense risk** describes the risk of loss or an adverse change in the value of insurance liabilities, resulting from changes in the level, trend, or volatility of the expenses incurred in servicing insurance or reinsurance contracts.

15.1.2 Risk strategy

Life actuarial risk is managed with the objectives of holding a broadly diversified product portfolio and of developing existing products while designing new ones. Pension, endowment and risk insurance, working life and semi-retirement products, index-linked products, and unit-linked products are underwritten in order to diversify the life insurance and pension provision portfolios.

15.1.3 Risk factors

In the case of long-term products, which constitute the bulk of direct life insurance business, there is a **risk of negative variances over the term of the contracts compared with calculation assumptions** because the contract terms are long. The relevant risk factors include changes in life expectancy, disproportionately sharp cost increases, and a rise in contract lapses. If the actual trends in life expectancy, costs, or contract lapses vary from the calculation assumptions, there is a risk over the medium to long term that the gross profit generated from life insurance will decline.

Unexpected movements in the interest-rate market are a further risk factor for life actuarial risk. The causes of potential interest-rate movements are explained in chapter VI.5.2.6. In the event of an unexpected interest-rate rise, there would be a risk that policyholders could increasingly allow existing life insurance contracts to lapse and that new business declines.

Environmental pollution and climate change represent sustainability-related risk factors for mortality risk. A deterioration in these factors could have a negative impact on the health of policyholders and increase the number of claim events.

15.1.4 Risk measurement

The **overall solvency requirement** for actuarial risk is determined in accordance with the standard formula in Solvency II over a period of 1 year with a confidence level of 99.5 percent.

The risk for insurance contracts subject to **mortality risk** is modeled with the assumption of a 15 percent permanent increase in mortality.

The risk for insurance contracts subject to **longevity risk** is modeled with the assumption of a 20 percent permanent increase in longevity.

The risk for insurance contracts subject to **lapse risk** is modeled using the following scenarios: for an increase in lapses, a 50 percent rise in the lapse rate; for a decrease in lapses, a 50 percent reduction in the lapse rate; for a mass lapse event, lapse of 40 percent of the contracts.

The overall solvency requirement for **life expense risk** is based on the following stress scenarios: a permanent 10 percent rise in the costs reflected in the measurement of the insurance liabilities and an increase of 1 percentage point in the cost inflation rate.

15.1.5 Risk management in direct life insurance business

Actuarial risk is taken into account by carrying out a prudent cost calculation while products are still in development. This applies to the development of existing products as well as the design of new types of

insurance. Safety margins are included in the actuarial assumptions to achieve this. The assumptions are structured in such a way that they not only withstand the current risk situation, but should also accommodate potential changes in the risk position. Actuarial control systems are used to decide whether the cost calculation for future new business needs to be changed. The calculation is also adjusted on an ongoing basis in line with the latest actuarial findings. The appointed actuary carries out reviews as part of product development and during the course of the term of contracts to verify that the actuarial assumptions used are appropriate. Risk management in direct life insurance business also encompasses protection in the event of occupational incapacity. The following main measures are taken to prevent a concentration of risks in the portfolio.

Before contracts are signed, extensive risk reviews are carried out to limit **mortality risk**. In general, risk is only assumed in compliance with fixed underwriting guidelines. High levels of individual or cumulative risk are limited by reinsurance.

Generally speaking, the risk is mitigated if the insured risks are diversified. For example, an increase in mortality has an adverse impact on endowment life and risk insurance policies, but at the same time has a positive impact on the **longevity risk** associated with pension insurance.

Life expense risk is managed using cost control tools. The cost control tools provide data and analysis that are intended to enable targeted control measures to be taken.

Lapse risk is mitigated by structuring life insurance contracts to provide a high level of flexibility should policyholders' circumstances change. A range of different options during the term of an insurance contract enables customers to maintain their contract instead of canceling it. Appropriate design of policyholder participation features and, in particular, the final bonus also counteracts lapse risk. In addition, advance notice of **policyholder participation features** in the form of declarations of future bonuses is also a key instrument with which to manage actuarial risk relating to life insurance.

15.2 Health actuarial risk

15.2.1 Definition and business background

Health actuarial risk, which arises from direct health, occupational disability, and casualty insurance business, refers to the risk arising from the assumption of health and casualty insurance obligations, in relation to the risks covered and the processes used in the conduct of this business. Health actuarial risk is broken down into the following subtypes: 'similar to life techniques, health actuarial risk' (risk on health insurance pursued on a similar technical basis to that of life insurance), 'non-similar to life techniques, health actuarial risk' (risk on health insurance pursued on a similar technical basis to that of non-life insurance), and 'health catastrophe risk'.

15.2.2 Risk strategy

The objectives of managing health actuarial risk are a risk-conscious underwriting policy, cost/benefit management, the development of existing products, and the design of new products.

15.2.3 Risk factors

In **health insurance**, which accounts for a substantial proportion of health actuarial risk, there is a risk of **higher claims** caused by the behavior of policyholders and service providers. Subject to certain legal requirements, there is a possibility of adjusting the premiums in the health insurance business, a process in which all actuarial assumptions can be reviewed and modified. Significant premium adjustments could have a negative impact on future new business if rate scales lose their appeal because of high premiums. The number of lapses in the portfolio could also increase as a result.

Environmental pollution and climate change represent sustainability-related risk factors for health actuarial risk. A deterioration in these factors could have a negative impact on the health of policyholders and increase the number of claim events.

15.2.4 Risk measurement

The **overall solvency requirement** for actuarial risk is determined in accordance with the standard formula in Solvency II over a period of 1 year with a confidence level of 99.5 percent. Health actuarial risk is calculated by combining the capital requirements for the subcategories 'similar to life techniques, health actuarial risk' (risk on health insurance pursued on a similar technical basis to that of life insurance), 'non-similar to life techniques, health actuarial risk' (risk on health insurance pursued on a similar technical basis to that of non-life insurance), and 'health catastrophe risk'.

The methods described in the chapters on life actuarial risk (chapter VI.15.1.4) and non-life actuarial risk (chapter VI.15.3.4) are used to measure risk for the subtypes of health actuarial risk.

Health actuarial risk also includes significant parts of the group's casualty insurance business as well as its health and occupational disability insurance business.

15.2.5 Risk management in health and casualty insurance

Risk management in health insurance business

In the health insurance business, the Insurance sector aims to manage actuarial risk by means of an **underwriting policy**, the features of which are underwriting guidelines and selection of risk, and management of benefits and costs. The risk exposure in the case of large individual risks may be limited by taking out appropriate reinsurance. In many of the health insurance rate scales, deductibles are used to control the extent of claims. Provisions are recognized to ensure that all benefit obligations under insurance contracts can be met. The appointed actuary carries out monitoring as part of product development and over the course of time to verify that the actuarial assumptions used are appropriate.

In accordance with VAG provisions, R+V carries out an annual comparison of its calculations with the insurance benefits it is required to pay. If this comparison of claims for an observation unit within a particular scale of insurance rates reveals a variance that is other than temporary, the relevant **premiums** are adjusted. All actuarial assumptions are reviewed and specified in consultation with an independent trustee. A safety margin factored into premiums is also intended to ensure that obligations can be met if claims are higher than the level provided for in cost calculations.

In the health insurance business, the **decrement tables** include assumptions regarding mortality and the probability of other relevant withdrawal factors. Under the requirements set out in the German Health Insurance Supervision Regulation (KfAV), these assumptions must be specified and reviewed from the perspective of prudent risk assessment. It is for this reason that a new mortality table is developed annually by the Verband der privaten Krankenversicherung e.V. (PKV) [Association of German private healthcare insurers] in consultation with BaFin. In accordance with statutory provisions, R+V carries out an annual comparison of its calculations with the most recently published mortality tables.

When determining **lapse probabilities** for the purposes of its calculations, R+V uses both its own observations and the latest figures published by BaFin.

Where premiums were adjusted on January 1, 2025, R+V used the new PKV mortality table valid for 2025 to determine both new business premiums and those **premium adjustments** in existing business.

Risk management in casualty insurance business

The risk situation in the casualty insurance division is characterized by the fact that it is fixed-sum insurance and not indemnity insurance. Consequently, the maximum benefit per insured person is restricted to the sum insured.

A risk review also forms part of the **underwriting policy** in the case of casualty insurance. Premiums are reviewed on an ongoing basis to ensure that they remain appropriate. Claims are assessed on a case-by-case basis.

15.3 Non-life actuarial risk

15.3.1 Definition and business background

Non-life actuarial risk arises in direct non-life insurance business and in inward reinsurance business. It refers to the risk arising from the assumption of non-life insurance obligations, in relation to the risks covered and the processes used in the conduct of this business. The following subtypes of non-life actuarial risk are material:

- **Premium and reserve risk** describes the risk of loss or an adverse change in the value of insurance liabilities, resulting from fluctuations in the timing, frequency, and severity of insured events, and in the timing and amount of claim settlements.
- **Non-life catastrophe risk** describes the risk of loss or an adverse change in the value of insurance liabilities, resulting from the significant uncertainty of pricing and assumptions when recognizing provisions related to extreme or unusual events.

15.3.2 Risk strategy

The management of non-life actuarial risk in **direct business** aims to optimize portfolios in terms of risk and reward. R+V focuses on business in Germany, offering a full range of non-life insurance products.

In **inward non-life reinsurance business**, R+V also aims to achieve a broad balance of risk across all sectors, diversify geographically around the globe, and optimize the portfolio from a risk/reward perspective.

15.3.3 Risk factors

Direct non-life insurance and inward non-life reinsurance business involves the provision of cover for a range of disasters, for example. This includes both natural disasters, such as earthquakes, storms, and floods, and man-made disasters. These events cannot be predicted. Generally speaking, there is both the risk of **particularly significant individual loss events** and also the risk of a large number of loss events that are each not necessarily significant in themselves. In any one year, the actual impact from the size and frequency of losses could therefore exceed the forecast impact.

Inflationary effects represent a cost driver for claims incurred because, for example, higher prices for procuring commodities and other items can result in higher claims settlement expenses. This may lead to adjustments to premiums.

Cyber risk is becoming increasingly significant within the underwriting business as a consequence of ongoing digitalization. There is a risk that cyber risk may not be comprehensively set out, or may not be mentioned at all, in insurance terms and conditions, or that it may not be expressly included or excluded (referred to as **silent cyber risk**).

The increased occurrence of weather-related natural disasters that is anticipated as a result of climate change represents a sustainability-related risk factor for **catastrophe risk**.

15.3.4 Risk measurement

The **overall solvency requirement** for actuarial risk is determined in accordance with the standard formula in Solvency II over a period of 1 year with a confidence level of 99.5 percent. The capital requirements for **premium and reserve risk** are calculated on the basis of risk factors and volume measures for all branches of insurance in which business is conducted. The risk factors (e.g. the standard deviation as a percentage of the volume measure) describe the degree of threat posed by the risk. The volume measure for the **premium risk** is essentially the net premium income earned in the financial year and in the first and second years after that. The net claims provisions in the form of a best-estimate valuation constitute the volume measure for the **reserve risk**.

The capital requirement for **catastrophe risk** is calculated as an aggregation of four risk modules. These are natural catastrophe risk (broken down into the following natural hazards: hail, storm, flood, earthquake, and subsidence), the catastrophe risk of non-proportional reinsurance in non-life insurance, risk of man-made

catastrophe, and other catastrophe risk in non-life insurance. Catastrophe risk is calculated using the volume measures of sums insured and premiums. Risk mitigation through reinsurance is taken into consideration.

To determine the **overall solvency requirement** as part of internal risk assessment, empirical distributions are generated for the relevant parameters for most parts of the portfolio, such as the claim amount and the number of claims per sector and claim type (e.g. basic claims, major claims, catastrophe claims). The value-at-risk can then be determined with the required confidence level directly from the underwriting result modeled in this way, recorded as a loss function. The parameters for the analyzed distributions are set using historical portfolio data and related planning data. They are therefore intended to reflect the actual risk position.

In the case of catastrophe risk in connection with the **direct insurance business**, the risk modeling for calculating basic claims relating to the natural hazard earthquake and basic claims and minor cumulative events relating to the natural hazards hail, storm, and flood is based on mathematical/statistical methods. The minimum and maximum claim amounts for minor cumulative events are derived from the group's own claims history. Modeling is based on the group's own claims data. The risk modeling for major cumulative events relating to the natural hazards hail, storm, flood, and earthquake uses probability-based natural hazard models. This approach uses catastrophe claims that have been modeled by external providers for each natural hazard and take account of the specific risk profile.

For the catastrophe risk in its **inward reinsurance business**, R+V deploys a simulation tool for stochastic risk modeling. To model the natural catastrophe risk on an individual contract basis, event catalogs from external providers containing predefined scenarios based on historical observations are used. The event catalogs cover the main countries and natural hazards related to the underwritten risk in the inward reinsurance concerned. In the case of countries and natural hazards for which there is no event catalog, modeling is based on R+V's own claims history. This involves generating scenarios for the current portfolio on the basis of historical major claims.

For inward reinsurance purposes, modeling based on the group's own claims history is also used to determine the overall solvency requirement for the risk of **man-made catastrophe**. This involves generating scenarios for the current portfolio on the basis of the historical major claims.

15.3.5 Risk management in direct non-life insurance business

Premium and reserve risk is managed through risk selection, risk-oriented premiums and products, and profit-oriented underwriting guidelines. In order to maintain a balanced risk profile, R+V ensures it has reinsurance cover for major individual risks. Managers use planning and control tools to ensure they are in a position at an early stage to identify unexpected or adverse portfolio or claim trends and to initiate appropriate corrective action in response to the changes in the risk situation. To make these risks manageable, pricing is based on a calculation that uses mathematical/statistical modeling.

The measurement of the overall solvency requirement for **natural catastrophe risk** is supplemented by analysis of the insurance contract portfolio. This analysis carried out with the aid of tools such as the ZÜRS Geo information system (zoning system for flooding, backwater flooding, and heavy rainfall) investigates risk concentrations and changes in these concentrations over time. The use of geographical diversification and the deployment of underwriting guidelines form the basis for managing risks arising from natural disasters.

R+V uses a prospective limit system to verify whether prescribed limits for the risk from natural disasters will be adhered to. The risk exposure reached on the basis of projected business growth is compared against a limit determined from the allocated internal risk capital.

To reduce actuarial risk, R+V purchases facultative and obligatory reinsurance cover, formulates risk exclusions, and designs risk-appropriate deductible models. Risk-bearing capacity is reviewed as part of the reinsurance decision-making process. This is used as the basis for reinsurance structures and liability layers.

The effects of inflation are factored into the costing of insurance rate scales for new business and into premium and index adjustments for in-force business. In 2025, an increase in costs for claims and repairs, especially in residential buildings insurance and motor vehicle insurance, led to premiums being adjusted.

15.3.6 Risk management in inward non-life business

R+V counters premium and reserve risk by continuously monitoring the economic and political situation, by managing risk in accordance with its corporate strategy, and by setting insurance rates appropriate to the risk involved. The risk is managed on the basis of an earnings-driven underwriting policy. The assumption of risk is circumscribed by mandatory underwriting guidelines and limits that restrict potential liability arising from both individual and cumulative claims. R+V takes account of economic capital costs when underwriting risk. Compliance with these requirements is monitored.

The material actuarial risks in the inward reinsurance portfolio are natural catastrophe risk and reserve risk, and also far-reaching changes in the trends underlying the main markets.

Limits are set to support the central management and mitigation of cumulative risks. One of the mechanisms for managing risk is a systematic check on the cumulative authorized limits. If limits are overrun, R+V's Limit Committee is responsible for discussing and making decisions on appropriate action. The portfolio is continuously monitored for material concentrations of risk.

Action that can be taken to mitigate the risk includes management of gross risk and retrocession of parts of the portfolio, taking into account risk-bearing capacity and the effective costs of retrocession. Minimum requirements apply in relation to the credit rating of retrocessionaires. To minimize cumulative risk in connection with natural disasters in Europe, the United States, and other regions of the world to which it is exposed, R+V has entered into a number of retrocession agreements as part of its inward reinsurance business.

R+V monitors the claims rate trend promptly and continuously with the aim of allowing it to initiate preventive measures so that it always has a sufficient level of reserves. The reserves position is monitored in a number of ways, including by means of an expert report, which is prepared once a year.

15.3.7 Claims rates and settlements

Under IFRS 17, the **claims rate in direct non-life insurance and inward non-life reinsurance business** is calculated as the ratio of changes in the liabilities for incurred claims (including payments for claims) to insurance revenue.

Under IFRS 17, **settlements** are calculated as the ratio of liabilities for incurred claims for prior years in which claims were incurred to the actual payments for those years – net of changes in claims and benefits and risk adjustments – excluding inward reinsurance.

Changes in claims rates and settlements (net of reinsurance) in direct non-life insurance and inward non-life reinsurance business are shown in Fig. VI.43. The deterioration in settlements was chiefly attributable to adjustments to liabilities recognized for claims from prior years. These related in particular to personal injury claims and claims from banks/credit business.

FIG. VI.43 – INSURANCE SECTOR: CLAIMS RATES¹ AND SETTLEMENTS² IN NON-LIFE INSURANCE

Percent	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Claims rate according to IFRS 17										
Including major/natural disaster claims	81.6	81.8	77.3	73.2						
Excluding major/natural disaster claims	75.5	74.3	68.4	64.3						
Claims rate according to IFRS 4										
Including major/natural disaster claims				73.9	73.8	76.5	76.3	76.2	76.6	76.1
Excluding major/natural disaster claims				66.1	68.0	70.4	72.7	71.1	72.8	72.3
Settlements according to IFRS 17	-6.2	-3.4	1.0	2.4						
Settlements according to IFRS 4				2.9	2.9	1.9	0.6	1.1	3.1	3.6

 Not available

¹ Direct non-life insurance business and inward non-life reinsurance.

² IFRS 4: direct non-life insurance business and inward non-life reinsurance; IFRS 17: direct non-life insurance business.

15.4 Risk position

As at December 31, 2025, the **overall solvency requirement** for **life actuarial risk** amounted to €1,157 million (December 31, 2024: €939 million) with a **limit** of €1,400 million (December 31, 2024: €1,100 million). The rise in the overall solvency requirement was mainly due to an increase in lapse risk as a result of the rise in interest rates and to a change in the method used to better map interest-rate volatility and lapse risk.

The **overall solvency requirement** for **health actuarial risk** was calculated to be €398 million as at the reporting date (December 31, 2024: €324 million). The **limit** was €475 million (December 31, 2024: €400 million). The increase in risk was primarily attributable to methodological changes to standardize how risk is calculated and related to casualty insurance business. The first-time consolidation of an Italian subsidiary of R+V also increased the level of risk.

The **overall solvency requirement** for **non-life actuarial risk** amounted to €2,395 million as at December 31, 2025 (December 31, 2024: €1,572 million) with a **limit** of €2,850 million (December 31, 2024: €2,250 million). The rise in the overall solvency requirement was mainly attributable to the measurement of risk in the direct insurance business and related to methodological changes aimed at standardizing how risk is calculated. The resulting rise was offset to some extent by increasing the level of reinsurance in place.

16 Market risk

16.1 Definition

Market risk describes the risk arising from fluctuation in the level or volatility of market prices of assets, liabilities, and financial instruments that have an impact on the value of the assets and liabilities of the entity. It also reflects the structural mismatch between assets and liabilities, in particular with respect to their maturities. The bulk of credit risk is assigned to spread risk within market risk. The other parts of credit risk are measured within counterparty default risk and other risk types.

Market risk is broken down into the following subcategories:

- **Interest-rate risk** describes the sensitivity of the values of assets, liabilities, and financial instruments to changes in the term structure of interest rates or to the volatility of interest rates.
- **Spread risk** describes the sensitivity of the values of assets, liabilities, and financial instruments to changes in the level or volatility of credit spreads above the risk-free interest-rate term structure. Default risk and migration risk are also included in this subcategory. The credit spread is the difference in interest rates between a high-risk and a risk-free fixed-income investment. Changes in the credit risk premiums lead to changes in the market value of the corresponding securities.

- **Equity risk** describes the sensitivity of the values of assets, liabilities, and financial instruments to changes in the level or volatility of the market prices of equities. Equity investment risk is also a part of equity risk. Equity risk arises from existing equity exposures as a result of market volatility.
- **Currency risk** describes the sensitivity of the values of assets, liabilities, and financial instruments to changes in the level or volatility of exchange rates. Currency risk arises as a result of exchange-rate volatility either from investments held in a foreign currency or the existence of a currency imbalance between insurance liabilities and investments.
- **Real-estate risk** describes the sensitivity of the values of assets, liabilities, and financial instruments to changes in the level or volatility of the market prices of real estate. Real-estate risk can arise as a result of negative changes in the fair value of real estate held directly or indirectly. This may be the result of a deterioration in the specific characteristics of the real estate or a general change in market prices (for example in connection with a real estate crash).

16.2 Business background and risk strategy

Market risk arises in the insurance business as a result of investing activities. It is caused by the timing difference between the payment of premiums by the policyholder and the payments for claims and benefits by the insurance company, and by endowment-type business in personal insurance.

The management of market risk is connected with the following fundamental objectives of risk policy: optimizing the economic risk/return profile, ensuring required returns on investments taking into account individual risk-bearing capacities, the liquidity situation, achieving defined minimum investment returns in stress scenarios, and ensuring consistent earnings. Investment composition is managed in operational terms on the basis of the following criteria: definition of minimum or average credit ratings, durations, transaction volumes, the proportion of assets at risk, the proportion of foreign currency, sustainability criteria, and liquidity requirements.

16.3 Risk factors

Spread risk, interest-rate risk, equity risk, currency risk, and real-estate risk are caused by changes in the yield curve, credit spreads, share prices, exchange rates, and real estate prices.

A **rise in interest rates** and a widening of bond spreads (**credit spreads**) would lead to a reduction in the fair values of investments. Increased credit spreads can result, in particular, from an **escalation of geopolitical tensions** as well as from **economic and strategic fragmentation**, a **global economic downturn**, **ongoing weak growth in Germany**, and **economic divergence in the eurozone**.

Unexpected movements in the interest-rate market could also have an adverse impact on the Insurance sector's investments as follows:

- Falls in fair value caused by a rapid **rise in interest rates** or the widening of credit spreads could have a temporary negative impact on operating profit, or a permanent negative impact if investments have to be sold. A negative change in the fair values of investments associated with a widening of credit spreads in isolation could also impair R+V's solvency situation.
- By contrast, a **fall in interest rates** would have a positive valuation effect on R+V's portfolio of interest-bearing exposures in the near term. However, a period of low interest rates could, in the medium term, pose additional challenges for R+V in its life insurance business in respect of the guaranteed returns that it needs to generate.

A price slump in the equity markets in the wake of **heightened volatility in the global financial markets** and a **correction in the real estate markets** could result in fair value losses on the investments of R+V.

The macroeconomic background to the aforementioned macroeconomic conditions is presented in chapter VI. 5.2.

If the **transition risks** assigned to sustainability risk factors, such as action by policymakers, court cases, or the withdrawal of licenses materialize, this could have an adverse effect on R+V's investing activities. The effects could include, in particular, a drop in the price of corporate bonds, in companies' share prices, or in the fair value of real estate. The value of R+V's portfolio could also be hit by rising inflation as a consequence of higher energy and carbon prices.

16.4 Risk management

16.4.1 Market risk measurement

The **overall solvency requirement** for market risk is determined in accordance with the standard formula in Solvency II over a period of 1 year with a confidence level of 99.5 percent. The measurement of market risk involves analyzing shock scenarios specified in **Solvency II** requirements, in some cases supplemented by the group's own parameterization.

The capital requirements for **interest-rate risk** are determined on the basis of shock scenarios calculated for an increase in interest rates and a decrease in interest rates. R+V uses the shock factors in the standard formula to calculate the overall solvency requirement for interest-rate risk. It also includes a capital buffer that takes into account changes in the direction of interest-rate trends.

The capital requirements for **spread risk** are calculated using a factor approach based on the relevant lending volume. The level of the shock factor is determined by the security's rating and the modified duration of the investment. With loan securitizations, a distinction is made between single, double, and multiple securitization structures. Depending on which is applicable, different rating-dependent shock factors are used. R+V uses its own shock factors, based on a portfolio model, to calculate the overall solvency requirement.

The capital requirements for **equity risk** are determined on the basis of stress scenarios calculated for a decrease in market value. The stress amounts depend on the equity type, e.g. whether it is listed on a regulated market in a member state of the European Economic Area or Organisation for Economic Co-operation and Development (OECD). The capital requirement for equity risk is based on the relevant equity exposure. It is determined using modeling and risk quantification based on observable data. The parameters of the standard formula in Solvency II are increased in order to take account of default risk. Default risk describes the risk of loss resulting from issuer insolvency.

Currency risk is calculated using a scenario approach that reflects the impact of a decrease or increase in the exchange rate for a foreign currency. The shock factor for determining the overall solvency requirement is based on the individual currency portfolio of R+V. Lower factors are applied for currencies that are pegged to the euro than for those that are not pegged to the euro.

The calculation of **real-estate risk** looks at both property held directly (e.g. land and buildings) and real estate funds. The shock factor for determining the overall solvency requirement for real-estate risk is a stress scenario adapted from the standard formula and reflects the fact that direct holdings consist overwhelmingly of investments in German real estate and fund holdings consist primarily of European real estate.

16.4.2 Principles of market risk management

The risk attaching to investments is managed in accordance with the guidelines specified by EIOPA, the stipulations in VAG, the information provided in regulatory circulars, and internal investment guidelines (see also the disclosures on market risk strategy in chapter VI.16.2). R+V aims to ensure compliance with the internal provisions in the risk management guidelines for investment risk and with other regulatory investment principles and rules by means of investment management, internal control procedures, a forward-looking investment policy, and organizational measures. The management of risk encompasses both economic and accounting aspects.

R+V counters investment risk by ensuring a good balance between security and profitability while safeguarding liquidity. By maintaining a mix and diversification of investments, R+V's investment policy aims to take into account the objective of mitigating risk.

In addition to diversification via maturity dates, issuers, countries, counterparties, and asset classes, limits are also applied in order to mitigate risk. Broad diversification is intended to reduce risk from potentially adverse changes in the capital markets.

Asset/liability management investigations are carried out at R+V. The necessary capital requirement to maintain solvency is reviewed on an ongoing basis with the support of stress tests and scenario analyses. Special attention is paid to the effects of interest-rate changes and volatile capital markets. R+V uses derivatives to manage market risk.

16.4.3 Management of individual market risk categories

In the management of **interest-rate risk**, R+V adheres to the principle of a mix and diversification of investments, combined with balanced risk-taking in selected asset classes and duration management that takes account of the structure of obligations.

In the management of **spread risk**, R+V pays particular attention to high credit ratings for investments, with the overwhelming majority of its fixed-income portfolio being held in investment-grade paper (see also Fig. VI.48 in chapter VI.16.5.2). The use of third-party credit risk evaluations and internal expert assessments, which are often more rigorous than the credit ratings available in the market, serves to further minimize risk. Mortgage lending is also subject to internal rules that help to limit default risk.

Equity risk is mitigated by diversifying holdings across different equity asset classes and regions. Asymmetric strategies are also used to reduce or increase equity exposure under a rules-based approach. At R+V, equities are used as part of a long-term investment strategy to guarantee that obligations to policyholders can be satisfied; generating profits by exploiting short-term fluctuations to sell shares is not its objective. The risk of having to sell equities at an inopportune moment is mitigated by the broadly diversified portfolio of investments.

Currency risk is controlled by systematic foreign-exchange management. Virtually all reinsurance assets and liabilities are denominated in the same currency.

Real-estate risk is mitigated by diversifying holdings across different locations and types of use.

16.4.4 Management of risk concentrations

R+V's investment approach focuses on avoiding risk concentrations in the portfolio and optimizing its risk profile by broadly diversifying investments. To achieve this, it applies the principle of an appropriate mix and diversification of investments and complies with the quantitative limits specified through the internal rules in the risk management guidelines for investment risk.

Risk concentrations are analyzed at least annually to assess whether they are material or not. Potential risk concentrations arise from the combination of analyzed risk type and type of concentration (e.g. individual exposure, sector, country, or region). The analysis pays particular attention to the risk-adjusted view, i.e. risk remaining after the risk-mitigating effects of insurance liabilities have been taken into account. Items currently of particular note in this regard are the portfolios of Italian government bonds combined with the shares held in the Italian Assimoco companies for business-policy reasons and the long-term interest-rate risks arising from pension products in force for a long period of time. These risks are consciously assumed.

16.4.5 Managing market risk in personal insurance business

For life insurance contracts and for casualty insurance contracts with premium refund clauses that guarantee minimum returns, there is a risk that the guaranteed minimum return agreed for certain products when contracts are signed cannot be generated in the capital markets over the long term. In the case of products with long-term guarantees, there is a risk of negative variances over the term of the contracts compared with calculation assumptions because of the length of time covered by the contracts. The main reasons for variances are the change in the capital market environment and maturity mismatches between investments and insurance contracts.

Market risk can be countered by writing new business that is suitable for lowering the portfolio's average discount rate and by taking action to boost the portfolio's risk-bearing capacity. It is crucial to ensure that there is enough free capital that can be made available even in adverse capital market scenarios. The necessary capital requirement to maintain solvency is reviewed on an ongoing basis with the aid of stress tests and scenario analyses as integral components of asset/liability management.

Policyholder participation features in the form of future declarations of bonuses are also a key instrument used to manage market risk attaching to life insurance.

The R+V insurance companies' liabilities for remaining coverage as required by German commercial law, broken down by discount rate, is shown in Fig. VI.44 for the main life and casualty insurance portfolios. The method for calculating insurance contract liabilities in life and casualty insurance is explained in note 11 of the notes to the consolidated financial statements.

The company actuarial discount rate calculated in accordance with the procedure developed by the Deutsche Aktuarvereinigung e.V. (DAV) [German Actuarial Association] is used in determining the imputed health insurance discount rate. This procedure is based on a fundamental professional principle issued by the DAV for determining an appropriate discount rate.

FIG. VI.44 – INSURANCE SECTOR: LIABILITIES FOR REMAINING COVERAGE AS REQUIRED BY GERMAN COMMERCIAL LAW, BY DISCOUNT RATE, FOR THE MAIN INSURANCE PORTFOLIOS^{1, 2}

Discount rate	Proportion of liabilities for remaining coverage as required by German commercial law in 2025		Proportion of liabilities for remaining coverage as required by German commercial law in 2024	
	€ million	Percent	€ million	Percent
0.00%	5,321	7.6	6,087	8.7
0.08%	8	–	5	–
0.10%	16	–	16	–
0.15%	416	0.6	272	0.4
0.25%	6,583	9.4	5,148	7.4
0.30%	161	0.2	161	0.2
0.35%	870	1.2	894	1.3
0.40%	43	0.1	63	0.1
0.50%	310	0.4	258	0.4
0.70%	–	–	–	–
0.75%	119	0.2	123	0.2
0.90%	7,679	10.9	7,833	11.2
1.00%	610	0.9	36	0.1
1.10%	455	0.6	472	0.7
1.25%	2,991	4.3	2,917	4.2
1.50%	73	0.1	63	0.1
1.55%	–	–	1	–
1.75%	7,015	10.0	6,933	9.9
1.80%	186	0.3	218	0.3
2.00%	759	1.1	792	1.1
2.25%	11,880	16.9	11,846	17.0
2.50%	68	0.1	86	0.1
2.75%	9,279	13.2	9,248	13.3
3.00%	797	1.1	985	1.4
3.25%	6,836	9.7	6,936	9.9
3.50%	1,803	2.6	2,070	3.0
3.75%	77	0.1	89	0.1
4.00%	5,891	8.4	6,234	8.9

¹ The table covers the following insurance products that include a guaranteed rate of return:

- Casualty insurance policies with premium refund
- Casualty insurance policies with premium refund as pension insurance
- Pension insurance policies
- Endowment insurance policies, including capital accumulation, risk and credit insurance policies, pension plans with guaranteed insurance-based benefits
- Capital deposit products

² The share attributable to supplementary insurance contracts is listed under the relevant actuarial assumptions for the associated main insurance contract.

16.4.6 Managing risk arising from defined benefit pension obligations

The R+V entities have pension obligations (defined benefit obligations) to their current and former employees. By entering into such direct defined benefit obligations, they assume a number of risks, including risks associated with the measurement of the amounts recognized on the balance sheet, in particular risk arising from a change in the discount rate, risk of longevity, inflation risk, and risk in connection with salary and pension increases. A requirement may arise to adjust the existing provisions for pensions and other post-employment benefits as a result of decisions by the courts, legislation, or changes in the (consolidated) financial reporting. The plan assets at R+V are assets in reinsured pension schemes and funds, and are subject to interest-rate risk. The strategy adopted for the pension assets is predominantly driven by the defined benefit obligations.

16.4.7 Managing sustainability risks arising from investment activity

Transition risks can be reflected in the market risk of R+V as a result of negative changes in the fair values of investments.

R+V has a science-based climate target for its investment activity, which involves cutting greenhouse gas emissions from investment activities to make them climate-neutral by 2050.

R+V's investment portfolio is evaluated on the basis of key sustainability figures obtained from third-party data providers. In addition to ESG scores, these figures include assessments of sustainability-related impacts and risks (especially in relation to climate and biodiversity), controversies, and breaches of standards, such as the UN Global Compact. R+V can initiate processes to engage with individual issuers in order to mitigate sustainability risks. These processes serve to clarify sustainability-related matters or controversies.

Sustainability risks in R+V's investment process are monitored and managed by two committees. The ESG task force monitors general sustainability risks at individual issuer level, while the carbon task force manages climate targets at portfolio level. The amount of climate risk from various asset classes is also taken into account in the risk capital calculation.

16.5 Lending volume

16.5.1 Reconciliation of the lending volume

The amount and structure of the lending volume are key factors for the aspects of credit risk reflected in market risk and counterparty default risk. To identify possible risk concentrations, the volume liable to credit risk is broken down by rating class, industry sector, and country group.

Fig. VI.45 shows a reconciliation of the lending volume on which the risk management is based to individual balance sheet items in order to provide a transparent illustration of the link between the consolidated financial statements and risk management. The differences in methods used in the external consolidated financial statements and the internal management accounts are explained in chapter VI.8.7.2.

FIG. VI.45 – INSURANCE SECTOR: RECONCILIATION OF THE LENDING VOLUME

€ billion		Reconciliation						Lending volume for the consolidated financial statements		
Lending volume for internal management accounts		Scope of consolidation		Definition of the lending volume		Carrying amount and measurement				
Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Investments held by insurance companies (note 54 of the notes to the consolidated financial statements)
								12.5	12.7	of which: mortgage loans
								5.5	6.0	of which: promissory notes and loans
								5.6	5.7	of which: registered bonds
								1.1	0.9	of which: other loans
								12.1	12.3	of which: variable-yield securities
								57.6	55.4	of which: fixed-income securities
								0.2	0.1	of which: derivatives (positive fair values)
								–	–	of which: deposits with ceding insurers
93.1	90.8	-1.7	-1.7	-0.7	-0.7	3.8	4.7	94.6	93.0	
Difference								1.5	2.3	
Difference (percent)								1.6	2.5	

Not relevant

16.5.2 Change in lending volume

In accordance with the breakdown specified in Solvency II, the bulk of credit risk within market risk is assigned to spread risk. The other parts of credit risk are measured within counterparty default risk and other risk types.

As at December 31, 2025, the **total lending volume** of R+V had increased by 3 percent to €93.1 billion (December 31, 2024: €90.8 billion).

The financial sector and the public sector, which are the dominant **asset classes**, together accounted for 68 percent of the total lending volume, as they had at the end of 2024.

The explanation of the asset class concept in the Bank sector (see chapter VI.8.7.3) applies analogously to the Insurance sector. Fig. VI.46 shows the breakdown of the lending volume by asset class.

FIG. VI.46 – INSURANCE SECTOR: LENDING VOLUME, BY ASSET CLASS

€ billion	Dec. 31, 2025	Dec. 31, 2024
Financials	42.1	40.7
Corporates	12.0	11.9
Public sector	21.1	20.8
Real estate (commercial and retail customers)	16.9	16.5
Other retail business	0.1	0.1
Asset-backed securities and asset-backed commercial paper	0.9	0.9
Total	93.1	90.8

In the real estate asset class (commercial and retail customers), the volume of lending in the **home finance** business came to €14.6 billion as at December 31, 2025 (December 31, 2024: €14.3 billion). Of this amount, 86 percent was accounted for by loans for less than 60 percent of the value of the property (December 31, 2024: 87 percent).

As at the reporting date, the volume of home finance was broken down by finance type as follows (figures as at December 31, 2024 shown in parentheses):

- Consumer home finance: €13.3 billion (€13.0 billion)
- Commercial home finance: €0.1 billion (€0.1 billion)
- Commercial finance: €1.2 billion (€1.2 billion)

In the case of home finance, the entire volume disbursed is backed by traditional loan collateral.

Fig. VI.47 shows the **geographical distribution** of the credit portfolio by country group. Borrowers based in Germany are not included in this breakdown. The relevant country for the assignment to a country group is the one in which the economic risk arises. As at December 31, 2025, 76 percent of the total lending outside Germany was concentrated in Europe (December 31, 2024: 75 percent).

For **credit ratings**, R+V generally uses ratings from rating agencies approved by the supervisory authorities. It also applies its own expert ratings in accordance with the provisions of Credit Rating Agency Regulation III to validate the external credit ratings. R+V has defined the external credit rating as the maximum, even in cases where its own rating is better. The ratings calculated in this way are matched to the DZ BANK credit rating master scale using the methodology shown in Fig. VI.25 (chapter VI.8.5.1).

FIG. VI.47 – INSURANCE SECTOR: LENDING VOLUME, BY COUNTRY GROUP

€ billion	Dec. 31, 2025	Dec. 31, 2024
Europe	47.8	45.6
of which: eurozone	38.8	36.8
North America	8.3	8.2
Central America	0.5	0.6
South America	0.9	0.9
Asia	3.1	3.4
Africa	0.3	0.3
Other	2.0	1.9
Total	62.7	60.9

The **rating structure** of the lending volume in the Insurance sector is shown in Fig. VI.48. Of the total lending volume as at December 31, 2025, 76 percent was attributable to investment-grade borrowers, which was the same percentage as at December 31, 2024. Defaults, represented by rating classes 5A to 5E, also continued to account for less than 1 percent of the total lending volume. The lending volume that is not rated, which also remained unchanged compared with December 31, 2024 at 23 percent of the total lending volume, essentially comprised consumer home finance for which external ratings were not available. Consumer home finance is deemed to be low-risk because the lending is based on a selective approach and the mortgageable value of the assets is limited.

In the analysis of **individual concentrations**, the 10 counterparties associated with the largest lending volumes accounted for 16 percent of R+V's total lending volume as at December 31, 2025, as had been the case at the end of 2024.

FIG. VI.48 – INSURANCE SECTOR: LENDING VOLUME, BY INTERNAL RATING CLASS

€ billion		Dec. 31, 2025	Dec. 31, 2024
Investment grade	1A	28.5	27.8
	1B	7.8	7.6
	1C	–	–
	1D	12.9	10.5
	1E	–	–
	2A	5.5	6.5
	2B	6.3	4.7
	2C	4.2	5.8
	2D	4.7	3.3
	2E	–	–
	3A	0.8	2.8
Non-investment grade	3B	0.5	0.4
	3C	0.4	0.4
	3D	–	–
	3E	0.1	0.2
	4A	0.1	0.1
	4B	–	0.1
	4C	–	–
	4D	–	–
	4E	–	–
Default		0.1	0.2
Not rated		21.2	20.5
Total		93.1	90.8

16.5.3 Credit portfolios particularly affected by a negative environment

Economic policy divergence in the eurozone

Differences in economic policy in the eurozone are particularly affecting investments of R+V in **Italy**. As at December 31, 2025, the affected exposure amounted to €3,853 million (December 31, 2024: €3,308 million). The increase in the exposure compared with December 31, 2024 was largely due to investments in fixed-income securities.

Geopolitical tensions

The following sections present the lending volume in the credit portfolios in which the effects of geopolitical tensions were more noticeable than in the rest of R+V's credit portfolios. The regional allocation of the exposures, which mainly comprise fixed-income securities, is shown in Fig. VI.49.

FIG. VI.49 – INSURANCE SECTOR: LENDING VOLUME IN COUNTRIES PARTICULARLY AFFECTED BY GEOPOLITICAL TENSIONS¹

€ million	Dec. 31, 2025	Dec. 31, 2024
Lending volume in countries affected by the conflict in the Middle East	559	590
of which: Egypt	1	–
of which: Israel	251	290
of which: Jordan	22	32
of which: Saudi Arabia	248	268
of which: Turkey	37	–
Lending volume in regions affected directly by tensions in the South China Sea	216	161
of which: China	210	161
of which: Taiwan	6	–
Total	775	751

¹ In contrast to the figures as at December 31, 2024, the figures as at December 31, 2025 also comprise trade credit insurance. The lending volumes at the two reporting dates are therefore not fully comparable.

The proportion of R+V's lending volume that was associated with geopolitical tensions stood at less than 1 percent of its total lending volume as at December 31, 2025. This situation was unchanged year on year.

16.6 Risk position

As at December 31, 2025, the **overall solvency requirement** for market risk amounted to €4,123 million (December 31, 2024: €3,862 million) with a **limit** of €4,900 million (December 31, 2024: €4,450 million). The increase in the overall solvency requirement related first and foremost to equity risk and spread risk and was attributable to a rise in the underlying fair values as well as to changes to improve the method of capturing equity risk. This increase was partly offset by a reduction in the capital buffer requirement for interest-rate risk. The decline in currency risk was mainly due to a reduction in the foreign currency exposure.

Fig. VI.50 shows the overall solvency requirement for the various types of market risk.

FIG. VI.50 – INSURANCE SECTOR: OVERALL SOLVENCY REQUIREMENT FOR MARKET RISK, BY RISK SUBTYPE

€ million	Dec. 31, 2025	Dec. 31, 2024 ¹
Interest-rate risk	1,923	2,199
Spread risk	1,115	1,020
Equity risk	2,014	1,609
Currency risk	359	381
Real-estate risk	476	473
Total (after diversification)	4,123	3,862

¹ Values after recalculation of the overall solvency requirement. Different values were stated in the 2024 risk report.

17 Counterparty default risk

17.1 Definition, business background, and risk strategy

Counterparty default risk reflects potential losses that could arise from unexpected default or deterioration in the credit standing of counterparties and debtors of insurance and reinsurance companies over the subsequent 12 months. It covers risk-mitigating contracts, such as reinsurance arrangements, securitizations and derivatives, and receivables from intermediaries, as well as any other credit risk that is not otherwise covered by risk measurement. Counterparty default risk takes account of collateral or other security that is held by or for the insurance or reinsurance company and any associated risks.

In line with the risk strategy for counterparty default risk, R+V aims to maintain a high minimum or average credit rating for its portfolios, avoid concentrations of issuers at portfolio level, and comply with the limits that have been set for counterparties and debtors of insurance and reinsurance companies.

17.2 Risk factors

Counterparty default risk can arise as a result of unexpected default or deterioration in the credit standing of mortgage loan borrowers, counterparties of derivatives, reinsurance counterparties, policyholders, or insurance brokers.

17.3 Risk management

17.3.1 Measurement of counterparty default risk and management of limits

The **overall solvency requirement** for counterparty default risk is determined in accordance with the standard formula in Solvency II over a period of 1 year with a confidence level of 99.5 percent. The capital requirements for counterparty default risk are determined on the basis of the relevant exposure and the expected losses per counterparty. R+V manages counterparty default risk at individual entity level.

Volume and counterparty limits apply to transactions involving derivatives. The various risks are monitored and transparently presented as part of the reporting system. Only economic hedges are used and they are not reported on a net basis in the consolidated financial statements.

R+V uses the views expressed by the international rating agencies in conjunction with its own credit ratings to help it to assess counterparty and issuer risk. Compliance with the limits for major counterparties is reviewed on an ongoing basis, with checks on limit utilization and compliance with investment guidelines.

17.3.2 Mitigating counterparty default risk

Default management mitigates the risks arising from defaults on receivables relating to direct insurance operations with policyholders and insurance brokers. For the purposes of German commercial law, the average ratio of defaults to gross premiums written over the past 3 years continued to stand at 0.1 percent as at December 31, 2025.

The default risk for receivables arising from inward reinsurance business and reinsurance contracts held is limited by continuously monitoring credit ratings and making use of other sources of information in the market.

17.4 Risk position

Receivables arising from reinsurance contracts held amounted to €40 million as at December 31, 2025 (December 31, 2024: €68 million). Of this amount, 96 percent (December 31, 2024: 100 percent) was accounted for by such reinsurance counterparties with an external rating of A or better under the system of rating agency S&P Global Ratings. The receivables with an external rating of BBB or worse as at December 31, 2025 made up 1 percent (December 31, 2024: 0 percent). Meanwhile, receivables from reinsurance counterparties without a rating accounted for 3 percent of total receivables arising from reinsurance contracts held as at the reporting date (December 31, 2024: 0 percent).

The **reinsurers' share of insurance liabilities** is a variable that impacts on the default risk of reinsurance counterparties. Claims against reinsurers for insured events that have not yet occurred and for insured events from direct insurance operations and from inward reinsurance that have occurred, rated according to the system of rating agency S&P Global Ratings, are shown in Fig. VI.51.

FIG. VI.51 – INSURANCE SECTOR: VOLUME OF REINSURANCE CONTRACTS HELD, BY EXTERNAL RATING CLASS

€ million	Dec. 31, 2025	Dec. 31, 2024
AAA	21	1
AA+ to AA-	97	44
A+ to A-	59	119
B	–	3
Not rated	19	13
Total	196	180

Overdue receivables from policyholders and insurance brokers more than 90 days past due as at the reporting date amounted to €34 million as at December 31, 2025 (December 31, 2024: €12 million).

As at December 31, 2025, the **overall solvency requirement** for counterparty default risk amounted to €281 million (December 31, 2024: €252 million) with a **limit** of €350 million (December 31, 2024: €325 million). The rise in the overall solvency requirement was due to higher amounts past due that are owed by policyholders or insurance brokers.

18 Reputational risk

18.1 Definition, business background, and risk strategy

Reputational risk is defined as the risk of losses that could arise from potential damage to the reputation of R+V or of the entire insurance industry as a result of a negative perception among the general public (for example, customers, business partners, shareholders, authorities, the media).

Reputational risk can arise as an independent risk (primary reputational risk) or as an indirect or direct consequence of other types of risk, such as operational risk (secondary reputational risk).

The objective of the reputational risk strategy is to promote the image of the R+V brand with due regard to the need for transparency and credibility.

18.2 Risk factors

If R+V's reputation deteriorates, there is a risk that existing or potential customers will be unsettled with the result that **business relationships** might be terminated or it might not be possible to carry out planned transactions. There is also a risk that it will no longer be possible to guarantee the backing of **stakeholders** – such as partners in the Cooperative Financial Network and employees – necessary to conduct business operations. The possibility cannot be ruled out either that entities in the Bank sector will be affected if R+V has a negative reputation.

18.3 Risk management

R+V's corporate communications are coordinated centrally so that any inaccurate presentation of circumstances can be countered. Media reports about the insurance industry in general and R+V in particular are monitored and continuously analyzed across all R+V departments. This analysis implicitly and explicitly takes account of **sustainability matters**.

R+V's reputational risk is not specifically quantified within the Solvency II framework. However, it is implicitly included in the overall solvency requirement for life actuarial risk (lapse risk).

19 Operational risk

19.1 Definition, business background, and risk strategy

Operational risk is defined as the risk of losses arising from inadequate or failed internal processes, personnel, or systems, or from external events.

Operational risk in the Insurance sector is broken down into the following subtypes:

- Legal and compliance risk
- Information risk including ICT risk
- BCM risk
- External procurement risk
- Project risk

Other subtypes of operational risk that are not material when viewed in isolation are categorized as 'Other operational risk'. This category is used to cover operational risks that cannot be allocated to the aforementioned subtypes of operational risk and – measured on the basis of risk profile – are of lesser importance.

Operational risk could arise in any division of R+V.

The risk strategy for operational risk aims to further raise awareness of operational risk.

19.2 Central risk management

The **overall solvency requirement** for operational risk in the Insurance sector is determined in accordance with the standard formula in Solvency II over a period of 1 year with a confidence level of 99.5 percent. The risk calculation uses a factor approach, taking account of premiums, provisions and, in the case of unit-linked business, costs.

R+V uses scenario-based risk self-assessments and risk indicators to manage and control operational risk. In the **risk self-assessments**, operational risk is assessed in terms of the probability of occurrence and the level of loss. Qualitative assessments can be used in exceptional cases.

Risk indicators are intended to help the Insurance sector to identify risk trends and concentrations at an early stage and to detect weaknesses in business processes. A system of warning lights is used to indicate risk situations based on specified threshold values.

To support the management of operational risk, all of R+V's business processes are structured in accordance with the requirements of the **framework guidelines** for the authorizations and powers of attorney of employees in R+V entities. Divisions not covered by these guidelines are subject to other policy documents, including policies on new business and underwriting.

The **internal control system** is a key instrument used by R+V to **limit operational risk**. Rules and controls in each department and reviews of the use and effectiveness of the internal control system carried out by Group Audit at R+V aim to avert the risk of errors and fraud. Payments are largely automated. Powers of attorney and

authorizations stored in user profiles, as well as automated submissions for approval based on a random generator, are also used. Manual payments must be approved by a second member of staff.

19.3 Operational risk subtypes

19.3.1 Legal and compliance risk

Risk factors

Legal risk may arise from changes in the legal environment, including changes in the way that the authorities or the courts interpret legal provisions. In particular, there is a risk that the implemented compliance and risk management systems could be inadequate for completely preventing or uncovering violations of legal provisions, for identifying and assessing all relevant risks, or for initiating appropriate corrective measures. Examples of relevant situations are notifiable infringements of data protection regulations, breaches of reporting or notification requirements to supervisory or tax authorities, and violations of sanctions or embargoes.

Effects if risk materializes

Violations of legal provisions may have legal implications for R+V, for the members of its decision-making bodies, or for its employees. They may give rise, for example, to fines, penalties, retrospective tax payments, or claims for damages by third parties. These effects could reduce R+V's appeal as a partner in business transactions or as an employer and lead to losses in value.

Risk management

The basic principles for managing compliance risk applicable to the entities in the DZ BANK Group are described in chapter VI.3.8.3. The data protection measures in place and the code of conduct are also explained in the same chapter.

At R+V, legal disputes arising from the processing of insurance claims or benefit payments are covered by insurance liabilities, and therefore do not form part of operational risk. R+V monitors and analyzes relevant decisions by the courts with a view to mitigating legal risk by identifying any need for action in good time and implementing specific corrective measures. The compliance function has also implemented systems, processes, and controls in order to counter compliance risks.

19.3.2 Information risk including ICT risk

Risk factors

Information risk can arise from a loss of confidentiality, integrity, availability, or authenticity of information or data. If the risk is in connection with the use of information or communication technology (data media), it is referred to as ICT risk. This also includes cyber risk.

Effects if risk materializes

Malfunctions or breakdowns in IT systems (comprises software, hardware, and communication technology), including attacks from external sources – such as hackers or malware –, could have an adverse impact on the ability of the Insurance sector to efficiently maintain the processes necessary to carry out operating activities, protect saved data, ensure sufficient control, or continue to develop products and services. Furthermore, such malfunctions or breakdowns could lead to temporary or permanent loss of data. This could restrict operating activities, have a negative impact on reputation, or result in economic losses.

Risk management

The basic principles for managing information security applicable to the entities in the DZ BANK Group are described in chapter VI.3.8.5.

A core focus of R+V's IT strategy is to ensure the stable, secure, and efficient operation of the information and communications infrastructures and application systems. R+V's IT operations are largely centralized and involve a high degree of inhouse development. In its development work, the IT team incorporates standardized IT processes and procedures, applies best practice, and is closely guided by market standards.

A material aspect in the deployment of IT is digital operational resilience aimed at minimizing the impact of IT outages, particularly for critical business processes, and to avoid business interruptions.

Physical and logical precautionary measures have been established for the purpose of data and application security and to ensure that day-to-day operations are maintained. A particular risk would be a partial or total breakdown in data processing systems. R+V counters this risk by using two segregated data processing centers in which the data and systems are mirrored, special access security, fire control systems, and an uninterruptible power supply supported by emergency power generators. Exercises are carried out to test a defined restart procedure to be used in disaster situations with the aim of checking the efficacy of this procedure. Data is backed up and held within highly secure environments in different buildings. Furthermore, data is mirrored to a tape library at a remote, off-site location.

The level of security is enhanced through the systematic identification of protection requirements, security strategies based on defined IT security standards, business continuity planning, and capacity management. Where tasks allow, R+V makes flexible use of outsourcing options and IT providers in a risk-based approach. IT providers are integrated into R+V's processes where necessary and monitored on a risk basis.

R+V uses a dedicated management process – with defined roles, responsibilities, and procedures – to manage and control information risk in a holistic approach. Various information and IT security management tools are used to identify information risk, such as target/actual comparisons and penetration tests.

19.3.3 BCM risk

Risk factors

BCM risk can arise from inadequate protection of people, premises, assets, or time-critical processes and from insufficient availability and continuity of time-critical IT assets. Examples are epidemics or pandemics resulting from the spread of pathogens over a huge area, or limitations on the use of resources because of a power outage, other interruption to energy supply, or natural disaster. Climate change could lead to more frequent and more severe natural disasters.

Effects if risk materializes

Business interruptions could mean that processes and workflows are disrupted over several days. Moreover, sensitive internal and external interfaces could be jeopardized by long-term business interruptions. Furthermore, such scenarios could also have a negative impact on reputation.

Risk management

To ensure that it is operational at all times, R+V has a business continuity management (BCM) system, which is documented in internal corporate guidelines. The R+V security and BCM conference with representatives from all divisions and sites provides strategic and functional support and is intended to ensure that activities within R+V are coordinated. Reports on significant findings relevant to risk and on any exercises and tests that have been carried out are also submitted to the R+V Risk Committee.

The purpose of the BCM system is to ensure that R+V's operating activities can be maintained in the event of an emergency or crisis. To this end, (time-)critical business processes are recorded with the necessary resources. Any necessary documentation (such as business continuity planning) is prepared and reviewed. Special organizational structures, such as the R+V crisis management team and situation room, and the individual business continuity teams in the divisions and sites, have also been set up to deal with emergency and crisis situations.

Further details on business continuity management can be found in chapter VI.3.8.5.

19.3.4 External procurement risk

Risk factors

R+V aims to provide high-quality services at competitive terms and conditions based on efficient internal organization of its business activities. External procurement risk can arise if the service provider fails to comply with the strategic principles established by R+V or the related operational requirements when carrying out the externally procured services.

The outsourcing of activities to external providers or within the group and the use of external IT procurement in line with the DORA Regulation can bring benefits in terms of quality and costs. At R+V, many tasks are performed centrally by certain R+V subsidiaries acting as service providers that render these activities in a joint operation for other R+V subsidiaries.

Outsourcing and external IT procurement entail different, specific risks if the service provider fails to comply with the strategic principles established by R+V or the related operational requirements when carrying out the outsourced activities. If a service provider is not suitable for the task or does not have the requisite financial stability, this could lead to defective performance or even loss of the service. Moreover, inappropriate management of operational risk by the service provider could have an adverse impact on business operations.

Effects if risk materializes

If the risk factors were to materialize, they could lead to a loss of business, business interruptions, claims for damages from customers, or regulatory sanctions. They could also result in a negative impact on reputation.

Risk management

The basic principles for managing external procurement applicable to the entities in the DZ BANK Group are described in chapter VI.3.8.6.

Using these principles as a starting point, R+V has put in place the following measures to protect against potential external procurement risk:

- Structured categorization of outsourcing arrangements and external procurement
- Identification of potential risk factors as part of the risk analysis
- Requirements for the mitigation of risk, including standard provisions that must be contractually agreed and integrated into business continuity management

19.3.5 Project risk

Risk factors

Project risk could arise from the inadequate clarification of project targets or orders, from deficiencies in subsequent implementation, from communication shortcomings both inside and outside the project, or from unexpected changes in the general parameters applicable to a project.

Effects if risk materializes

If project risk were to materialize, this could mean that the implementation of the project could require additional funds in excess of the budget. It could also give rise to further costs attributable to the failure to complete project deliverables on schedule. Examples of such costs are additional costs in the line organization and impairment losses on capital investment related to the project. Earnings could also be reduced if new products or – due to changes to legal requirements – appropriately modified products cannot be offered in good time.

Risk management

To provide a regulating framework for secure, efficient execution of projects, R+V has set up a Capital Investment Committee, which prepares proposals for decision or approval for large-scale projects and provides support for these projects. The projects are subject to independent, close monitoring and control. At quarterly meetings, the Capital Investment Committee is kept informed of project results and any adjustments to project targets. The committee can intervene to provide guidance by becoming involved in discussions on targets.

19.4 Consideration of sustainability risks

In terms of operational risk, **corporate governance risks** were identified as material sustainability risks for R+V.

Potential causes of such risk include governance structures that are inadequate or lack transparency. Another possibility is if an entity has an inadequate code of conduct or does not have one at all. These shortcomings may weaken employees' confidence in the effectiveness of the entity's senior management and lead to ineffective business processes.

The instruments used to identify operational risk – such as the risk self-assessment and risk indicators – also incorporate ESG matters. This ensures that sustainability-driven operational risks are managed and monitored.

19.5 Risk position

As at December 31, 2025, the **overall solvency requirement** determined for operational risk amounted to €668 million (December 31, 2024: €675 million). The **limit** was €800 million as at the reporting date (December 31, 2024: €800 million).

20 Risks from entities in other financial sectors

All entities that form part of R+V for regulatory purposes are generally included in the calculation of group solvency. At R+V, the entities in other financial sectors mainly consist of pension funds and occupational pension schemes. Their **risk factors** generally correspond to the risk factors for risks backed by capital pursuant to Solvency II.

Risk is quantified for the pension funds and occupational pension schemes in accordance with the requirements currently specified by the insurance supervisor. This means applying the capital requirements in Solvency I, which are essentially calculated by applying a factor to the volume measures of liabilities for remaining coverage and capital at risk. Funding requirements are also forecast over a multi-year period when calculating the overall solvency requirement and own funds. This involves assessing whether existing regulatory requirements regarding insurance equity and liabilities, capital adequacy, and risk-bearing capacity can continue to be met in the future, taking risks into account. Projections, as well as existing analyses and reports, are used to make this assessment.

R+V Pensionskasse AG, Wiesbaden, (R+V Pensionskasse) is exposed to risks comparable with those faced by the life insurance entities. The main risk management activities applicable in this case are those relating to life actuarial risk (see chapter VI.15.1.5), market risk (see chapter VI.16.4), counterparty default risk (see chapter VI.17.3), and operational risk (see chapter VI.19.2). R+V Pensionskasse has largely stopped taking on new business. It is continuing to manage existing contracts as before.

The risk situation in a **pension fund** is determined to a significant degree by the nature of the pension plans offered. In pension plans offered by R+V involving defined contributions with a minimum benefit, it must be ensured that at least the sum of the contributions paid into the plan (net of any contributions covering biometric risk assumed by R+V) is available on the agreed pension start date.

R+V also offers pension plans that include guaranteed insurance-based occupational incapacity cover as well as pension benefits and benefits for surviving dependants. Market risk and all the risk types covered by actuarial risk

are relevant as far as occupational pension provision is concerned. Longevity risk is also important in relation to pensions because of the guaranteed benefits involved. The risk management activities relating to life actuarial risk, market risk, counterparty default risk, and operational risk apply in this case. R+V aims to ensure that the ongoing pension plan contributions and the liability for remaining coverage include sufficient amounts to cover the costs of managing pension fund contracts.

In the pension plans involving a benefit commitment without any insurance-based guarantees, R+V does not assume responsibility for any of the pension fund risk or investment risk because the benefits promised by the pension fund are subject to the proviso that the employer will also make up any difference required. This also applies to the period in which pensions are drawn. If the employer fails to make up the difference required, R+V's commitment is reduced to insurance-based guaranteed benefits based on the amount of capital still available.

In purely defined-contribution plans, the amount of the lifelong payments depends on the value of the pension capital upon retirement and, subsequently, on the performance of the collateral assets for covering the current annuities. This means that there is a risk for pension beneficiaries that the payments may fluctuate – and, specifically, may fall – depending on the value of the investment. Appropriate market risk management activities are carried out to counter this risk.

As at December 31, 2025, the **overall solvency requirement** for risks from entities in other financial sectors stood at €167 million (December 31, 2024: €200 million) with a **limit** of €190 million (December 31, 2024: €265 million). The overall solvency requirement decreased because the forecast prepared as at December 31, 2025 no longer gave rise to funding requirements for entities in other financial sectors.

VII Sustainability report

1 General disclosures

1.1 Basis for preparation (BP-1, BP-2)

Brief summary

- This report meets the requirements of the European Sustainability Reporting Standards (ESRS) and the statutory requirements for non-financial reporting defined in the German Commercial Code (HGB).
- This report was produced on a consolidated basis for the DZ BANK Group and includes references to the group management report.

Reporting obligations in accordance with HGB

This sustainability report meets the requirements of ESRS and the statutory requirements for non-financial statements defined in sections 315b to 315c HGB (consolidated non-financial statement) and sections 289b et seq. HGB (non-financial statement of DZ BANK AG Deutsche-Zentralgenossenschaftsbank, Frankfurt am Main (DZ BANK)).

Scope of consolidation for the sustainability report

This report was prepared on a consolidated basis for the DZ BANK Group. The consolidation is carried out in accordance with the principles of the IFRS consolidated financial statements. The entities included in the consolidation are listed in note 03 (scope of consolidation) of the consolidated financial statements of DZ BANK as at December 31, 2025. The following entities that are not consolidated under IFRS have also been included: carexpert Kfz-Sachverständigen GmbH (carexpert, registered office in Mainz), R+V Service Center GmbH (registered office in Wiesbaden), and Sprint Sanierung GmbH (Sprint, registered office in Cologne). The reason for this was the high number of employees in each entity and the resulting relevance from a sustainability perspective.

Unless indicated otherwise, the scope of application of the disclosures is defined as follows:

- ‘DZ BANK Group’ refers to the scope of consolidation for the sustainability report.
- The term ‘management unit’ is used in accordance with the definition in chapter I.2.1.
- ‘Banking group’ refers to the entities included in the DZ BANK Group’s scope of consolidation for regulatory purposes, as listed in chapter VI.2.1.3.
- The center of excellence for the environment (Kompetenzcenter Umwelt, KCU) comprises the following DZ BANK Group entities: DZ BANK, BSH, DZ HYP, DZ PRIVATBANK, Reisebank, R+V, TeamBank, UMH, VR Equitypartner, VR Factoring, VR Payment, and VR Smart Finanz.

Unless indicated otherwise, disclosures on targets, policies, and actions always relate to the specific geographical scope of the listed group entities.

Coverage of the value chain

The DZ BANK Group took potentially material impacts, risks, and opportunities at every stage of the value chain into account during the materiality assessment.

Intellectual property

The DZ BANK Group does not make use of the exemption from disclosing sensitive information relating to intellectual property, know-how, or the results of innovation.

Time horizons

Reflecting its existing risk management processes, the DZ BANK Group uses the following time horizons in this report (in each case as at the reporting date):

- Short-term time horizon: 1 year (in line with the ICAAP economic perspective)
- Medium-term time horizon: more than 1 and up to 4 years (consistent with the DZ BANK Group's planning horizon)
- Long-term time horizon: more than 4 years

Estimating and measuring parameters

Where insufficient data is available, the DZ BANK Group uses estimates to calculate its greenhouse gas emissions. The disclosures for greenhouse gas emissions in own operations are based on actual data captured as at September 30. The figures for the fourth quarter were extrapolated from this data on a linear basis or using defined extrapolation factors. Generally, primary data as at September 30 must be collected for the greenhouse gas emission sources that are to be included. If no primary data is available as at the cut-off date, then estimates are used that, depending on availability, are based on primary data from the previous months of the financial year or on figures from the prior year or the year before that. To some extent, greenhouse gas emissions in Scope 3 categories 1 and 2 are estimated based on costs, while Scope 3 category 5 greenhouse gas emissions from waste are estimated based on volume and weight.

In the model calculation of financed emissions, the way in which greenhouse gas emissions are determined also depends on the availability of data. Financed emissions are mainly determined using primary data in the form of directly collected or externally published greenhouse gas emissions data. If information cannot be obtained directly or is not publicly available, the customer-specific emissions are determined using bottom-up or regression models or using granular sector-specific and country-specific average values from external data providers.

The underlying assumptions and estimation models, and the accuracy of the estimators for determining greenhouse gas emissions, are documented in detail in chapters VII.2.2.1 and VII.2.4.

Changes in methodology and adjustment of prior-year figures

In the reporting year, changes were made to the preparation and presentation of sustainability information compared with the prior year. Regarding environment matters, the recognition of emissions from tenanted investment real estate was changed and some emissions data relating to operations was adjusted. Regarding social matters, the definition of persons in marginal employment and the calculation method for the total remuneration ratio were changed. The total remuneration ratio for the prior year was adjusted to reflect the change of methodology. In addition, certain prior-year figures concerning collective bargaining coverage and employee development were corrected. All adjustments and corrections are explained in the relevant topic-specific chapters of this report.

References to sources outside the sustainability report

The information in this sustainability report that is listed below is incorporated by reference to relevant chapters of the group management report of the DZ BANK Group.

FIG. VII.1: OVERVIEW OF REFERENCES TO OTHER CHAPTERS OF THE GROUP MANAGEMENT REPORT OF THE DZ BANK GROUP

Information incorporated by reference	ESRS data point	Location in the sustainability report	Reference (report)	Reference (chapter)
Disclosures on the DZ BANK Group's business model and value chain	SBM-1 paragraph 40 a) i, ii and 42 b)	Chapter VII.1.4 Strategy and business model	Group management report as at December 31, 2025	Chapter I 'DZ BANK Group fundamentals', 1. Business model and strategic focus Chapter I 'DZ BANK Group fundamentals', 2.1 Management units
Disclosures on the DZ BANK Group's input factors in the value chain	SBM-1 paragraph 42 a)	Chapter VII.1.4 Strategy and business model	Group management report as at December 31, 2025	Chapter VI 'DZ BANK Group and DZ BANK risk report', 3.8.5 Corporate security

Unless indicated otherwise, the references in this sustainability report do not form part of the report itself.

1.2 Disclosures stemming from other legislation or generally accepted pronouncements

Disclosures under HGB

In order to meet the reporting obligations pursuant to the German Commercial Code, the following is stated for the DZ BANK Group:

- ESRS is used in full as the framework in accordance with sections 315c (3) in conjunction with 289d HGB due to the importance of ESRS as the standard for sustainability reporting in the European Union.
- There are no material risks in the DZ BANK Group's own operations or from business relationships, products, and services that are very likely to have severe negative impacts on non-financial aspects as defined in section 289c (3) no. 3 and no. 4 HGB.
- There are no non-financial key performance indicators as defined by section 289c (3) no. 5 HGB for the DZ BANK Group that are important to its business.

Disclosures under the EU Taxonomy Regulation

The disclosures in accordance with article 8 of Regulation 2020/852 (EU Taxonomy Regulation) for the DZ BANK Group can be found in chapter VII.2.4 'Mandatory disclosures for the DZ BANK banking group under the EU taxonomy' of this sustainability report.

Supplementary disclosures to the non-financial statement of DZ BANK in accordance with section 289b HGB

- „No generally accepted framework was used for DZ BANK's non-financial statement, because this group statement prepared under ESRS is the relevant document for stakeholders.“
- Unless presented otherwise, the policies, actions, and targets disclosed at group level also apply at the level of the parent entity.
- There are no material risks in DZ BANK's own operations or from business relationships, products, and services that are very likely to have severe negative impacts on non-financial aspects as defined in section 289c (3) no. 3 and no. 4 HGB.
- There are no non-financial key performance indicators as defined by section 289c (3) no. 5 HGB for DZ BANK that are important to its business.

1.3 Corporate management

Brief summary

- Sustainability topics are integral to the remit of the Board of Managing Directors / senior management and the Supervisory Board.
- The establishment of special committees ensures that sustainability matters are enshrined in strategic planning, risk management, and operational organization.
- Members of the Board of Managing Directors / senior management and of the Supervisory Board regularly attend training sessions aimed at expanding their knowledge of sustainability topics.
- Sustainability targets are integrated into the remuneration systems for the Board of Managing Directors / senior management.
- Effective risk management and an internal control system are designed to ensure the quality and reliability of sustainability reporting.

1.3.1 Involvement of the administrative, management and supervisory bodies in sustainability matters (GOV-1, GOV-2)

Supervisory and management bodies

The management units in the DZ BANK Group operate a dual board structure. The Board of Managing Directors / senior management and the Supervisory Board, and their composition and way of working, are aligned with the requirements of the German Stock Corporation Act (AktG), the German Private Limited Companies Act (GmbHG), and DZ BANK guidelines. In the context of sustainability, the supervisory and management bodies are informed of the findings of the materiality assessment and provided with an overview of material impacts, risks, and opportunities. In addition, the Group Sustainability Committee (GSC) provides information to the Board of Managing Directors / senior management of the group entities represented on the committee. Details on the materiality assessment can be found in chapter VII.1.5.

Supervisory Board

The Supervisory Board appoints, oversees, and advises the Board of Managing Directors / senior management and is directly involved in important decisions. The chairman of the Supervisory Board coordinates the Supervisory Board's work. DZ BANK and its group entities have each adopted rules of procedure for their Supervisory Boards, which define how these boards and their committees work.

The DZ BANK Supervisory Board has 20 members (December 31, 2024: 20 members). It comprises equal numbers of employee representatives and shareholder representatives in accordance with the German Codetermination Act (MitbestG). The board positions occupied by employee representatives are allocated in proportion to the number of non-clerical staff, clerical staff, and senior managers in the overall workforce. This ensures that the interests of employee representatives and labor union representatives are represented on the Supervisory Board. In accordance with the Articles of Association, only members of the managing body of a cooperative enterprise that is a shareholder of DZ BANK may act as a shareholder representative. The Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e. V. (BVR) [National Association of German Cooperative Banks] has the right to delegate one member of its Board of Managing Directors to the Supervisory Board. The Supervisory Board elects one of its own members as the chairperson. The proportion of independent members was 15 percent as at December 31, 2025 (December 31, 2024: 15 percent). Shareholder representatives and employee representatives are not considered independent in this context. Information on the current composition can be found in note 113 of the notes to the consolidated financial statements of the DZ BANK Group. Fig. VII.2 shows the composition, as at the reporting date, of the Supervisory Board by gender and age based on its members' own statements.¹ The proportion of women on the Supervisory Board of DZ BANK was 30 percent (December 31, 2024: 25 percent).

¹ In this report, the term 'reporting date' refers to the final day of the reporting year, which corresponds to the final day of the DZ BANK Group's financial year, i.e. December 31.

FIG. VII.2: COMPOSITION OF THE SUPERVISORY BOARD BY GENDER AND AGE (AS AT THE REPORTING DATE)

	2025	2024
30 to 49	2	2
of which male	1	2
of which female	1	-
50 or older	18	18
of which male	13	13
of which female	5	5
Total	20	20
of which male	14	15
of which female	6	5

As a monitoring body, the Supervisory Board of DZ BANK scrutinizes the business strategies as well as the business performance and the risk management of the DZ BANK Group. To ensure that it can discharge its responsibilities efficiently, the Supervisory Board has formed the following standing committees: the Nominations Committee, the Audit Committee, the Risk Committee, the Remuneration Control Committee, and the Mediation Committee.

In the reporting year, the Supervisory Board discussed and examined the review of the 2024 non-financial statement of the DZ BANK Group and DZ BANK AG.

The report of the Supervisory Board documents how it met its responsibilities set out in law, in the Articles of Association, and in the rules of procedure. It also provides information about material conflicts of interest, about the collaboration with the auditors, and about the nomination and appointment of new members of the Board of Managing Directors / senior management and the Supervisory Board. The report forms part of the Annual Report.

Board of Managing Directors

The DZ BANK Board of Managing Directors is responsible for managing the company. The Chief Executive Officer coordinates the work of the Board of Managing Directors. DZ BANK and the group entities have rules of procedure in place that govern collaboration on their Board of Managing Directors or senior management team. The remits of the individual board members are set out in schedules of responsibilities. Both documents are signed off by the Supervisory Board.

Overall responsibility for sustainability at DZ BANK lies with the Chief Executive Officer and the Employee Relations Director. The member of the Board of Managing Directors responsible for risk control and risk management oversees sustainability risks.

The Board of Managing Directors agrees the strategy with the Supervisory Board, and the two boards discuss its implementation status regularly. The rules of procedure for the Supervisory Board set out the important transactions that require the approval of the Supervisory Board. Working together, the Board of Managing Directors and the Supervisory Board make sure that the Supervisory Board has access to sufficient information.

The members of the Board of Managing Directors of DZ BANK hold seats on the Supervisory Boards of other DZ BANK Group entities. Their aim is to ensure that the interests of the monitored entities are given due regard in accordance with the provisions of AktG and GmbHG. The joint strategy within the Cooperative Financial Network ensures that all companies pursue common targets and interests.

During the last update of its diversity policy on February 23, 2023, DZ BANK set a target of 25 percent for the proportion of the under-represented gender on the Board of Managing Directors of DZ BANK (see also chapter VII.3.2.3). Up to June 30, 2025, the Board of Managing Directors consisted of one Chief Executive Officer and 7 other members. From July 1, 2025, the Board of Managing Directors consisted of one Chief Executive Officer and 6 other members (December 31, 2024: 7 other members throughout 2024). The reason

for this change is the retirement of Thomas Ullrich, whose responsibilities have been assumed by Dr. Christian Brauckmann until June 30, 2026. As at the reporting date, the proportion of women on the Board of Managing Directors was 28.6 percent and thus above the target of 25 percent defined in the diversity policy. See note 111 of the notes to the consolidated financial statements of DZ BANK for a complete overview of the members of the Board of Managing Directors. Almost all group entities publish the composition of their Board of Managing Directors / senior management on their websites.

Fig. VII.3 shows the composition, as at the reporting date, of DZ BANK's Board of Managing Directors by gender and age based on its members' own statements.

FIG. VII.3: COMPOSITION OF THE BOARD OF MANAGING DIRECTORS BY GENDER AND AGE (AS AT THE REPORTING DATE)

	2025	2024
30 to 49	3	3
of which male	2	2
of which female	1	1
50 or older	4	5
of which male	3	4
of which female	1	1
Total	7	8
of which male	5	6
of which female	2	2

Individual and collective suitability of the Supervisory Board and Board of Managing Directors

In accordance with section 25d (11) sentence 2 nos. 3 and 4 of the German Banking Act (KWG), the Supervisory Board has established a process for regularly evaluating its work and the suitability of its members. With the support of the Nominations Committee, the Supervisory Board evaluated itself and the Board of Managing Directors in February 2025. The findings showed that the structure, size, composition, and performance of both bodies fulfilled the requirements laid down by law and in the Articles of Association. The skills and qualifications of the individual members and the collective expertise of the Supervisory Board and the Board of Managing Directors as a whole also met the applicable requirements. Following the evaluation, the Supervisory Board confirmed its individual and collective suitability and that of the Board of Managing Directors, and signed off an updated profile of skills and expertise. The collective suitability of the Board of Managing Directors covers knowledge in the fields of financial and capital markets, solvency and model risks, and environmental, social, and corporate governance risks (ESG risks). This encompasses the ability to adequately identify and assess the impacts, risks, and opportunities connected to sustainability matters and to incorporate them into strategic corporate management.

Members of the Supervisory Board and of the Board of Managing Directors can also attend internal training sessions or participate in external continuing professional development (CPD) activities paid for by DZ BANK, irrespective of how long they have been a member. The CPD options for the Board of Managing Directors include courses, conferences, and interactive formats offered through the Corporate Campus. The Campus is a platform for senior management in the DZ BANK Group and focuses on leadership, networking, and professional development. Its aim is to boost the future competitiveness of the DZ BANK Group and the Volksbanken Raiffeisenbanken Cooperative Financial Network. Over the past 4 years, the Supervisory Board has continuously updated its sustainability-related expertise and skills during annual training sessions. These covered the latest regulatory developments, strategic parameters, and selected sustainability topics relating to the lending process, climate stress testing, and sustainability reporting. The selection of topics covers individual training requirements and the impacts, risks, and opportunities connected to sustainability matters. These include changes in the business portfolio as a result of climate change and the impact of sustainability-related actions on customer and stakeholder relationships. The aim is to ensure that members can fulfill their supervisory function in relation to complex sustainability topics.

ESG governance and ESG organization

Sustainability is enshrined as an interdisciplinary topic in the DZ BANK Group's central management processes, in particular strategic planning, risk management, and lending processes. The Board of Managing Directors / senior management and the Supervisory Board take impacts, risks, and opportunities connected to sustainability matters into account in their resolutions and business decisions. At the level of the Board of Managing Directors / senior management, the impacts, risks, and opportunities are monitored by the GSC, the Group HR Committee (GHRC), and the Group Risk and Finance Committee (GRFC). These committees bring together the sustainability expertise of DZ BANK and the DZ BANK Group and aim to ensure that relevant topics in the group's own operations and in the business portfolio are adequately factored into strategic decisions. DZ BANK's reporting system is designed to ensure that the management and supervisory bodies are kept informed. The aforementioned committees regularly report to the Board of Managing Directors of DZ BANK. They also provide an annual, in-depth account of the material impacts, risks, and opportunities – in line with sustainability-related due diligence – to the Audit Committee, which has been tasked with managing this topic by the Supervisory Board. For further details regarding the materiality assessment and the material impacts, risks, and opportunities, see chapter VII.1.5.1. Once a year, the Board of Managing Directors also informs the Supervisory Board about DZ BANK's strategic planning. This includes a detailed presentation of the ESG targets set by the Board of Managing Directors for DZ BANK and an update on how their implementation is progressing. It also encompasses a presentation of the results and effectiveness of related strategic actions and policies for each target's defined KPIs, plus an update on how any compromises relating to conflicting targets are handled. DZ BANK takes material impacts, risks, and opportunities connected to sustainability into account in the management of, and target setting for, specific areas of action and topics.

The GSC manages and coordinates the DZ BANK Group's sustainability-related activities. The Chief Executive Officer of DZ BANK and the relevant members of the Boards of Managing Directors / senior management of DZ BANK and of the material subsidiaries sit on the GSC. The Heads of Division with relevant responsibility at DZ BANK and in the group entities participate in the GSC as permanent guests in order to represent the members of the Boards of Managing Directors / senior management. The GSC provides the members of the Boards of Managing Directors / senior management with support for strategic, sustainability-related decision-making. It also informs them of the results of the materiality assessment. Its members agree actions relating to the impacts, risks, and opportunities identified as material in the materiality assessment. The GSC reports regularly to the Group Coordination Committee. Its members comprise the Board of Managing Directors of DZ BANK and the chief executive officers of BSH, DZ HYP, DZ PRIVATBANK, R+V, TeamBank, UMH, and VR Smart Finanz. Subordinate to the GSC is the sustainability coordination committee. Led by DZ BANK, this committee provides a forum in which the sustainability officers from the management units discuss current topics, identify key issues relevant to the whole of the group, and prepare decisions to be made by the GSC.

The GHRC comprises the members of the Boards of Managing Directors responsible for HR, or the Employee Relations Directors, of the management units and coordinates groupwide HR matters in accordance with the group governance policy (GGP) (see chapter VII.4.2). This committee helps the Group Coordination Committee to address HR issues of strategic relevance and raises HR-related sustainability topics. It also coordinates the implementation of HR-related regulatory requirements. Sustainability matters with a social focus have been an integral element of the HR strategy since 2022. The GHRC also provides a platform for sharing information related to strategy and HR policy. It meets twice a year.

The GRFC is the central committee in the DZ BANK Group responsible for proper operational organization and risk management in accordance with section 25 of the German Supervision of Financial Conglomerates Act (FKAG) and section 25a KWG. It assists with groupwide financial and liquidity management, risk capital management, and recovery and resolution planning. It also advises the Group Coordination Committee on matters of principle. The members of this committee include the relevant members of the Board of Managing Directors of DZ BANK responsible for finance, risk, and treasury as well as members of the Boards of Managing Directors / senior management from various subsidiaries. The GRFC has set up 8 working groups to address specific risk facets. ESG risks are managed centrally at the level of the DZ BANK Group and on a decentralized basis by the management units. DZ BANK works on implementing regulatory requirements

regarding the management of ESG risks as part of its Advancing Sustainability program. These requirements are defined in, among others, the guide on climate-related and environmental risks of the European Central Bank (ECB), the guidelines on loan origination and monitoring of the European Banking Authority (EBA), the EBA guidelines on the management of ESG risks, the EBA guidelines on ESG scenario analysis, the delegated regulation on the EU taxonomy, and the EBA's ESG disclosure requirements. DZ BANK's Board of Managing Directors lays down the core risk policy guidelines and is responsible for the framework for risk appetite, risk-bearing capacity, and risk management targets. This framework explicitly includes sustainability matters and their impacts, risks, and opportunities. The Board of Managing Directors works with the GSC, GHRC, and GRFC to check the defined targets, monitors their implementation, and communicates the findings to the Supervisory Board through the reporting mechanisms.

Once a year, the Board of Managing Directors of DZ BANK provides a comprehensive report to the Supervisory Board of DZ BANK about the ongoing refinement of the risk strategies and risk management system of DZ BANK and the DZ BANK Group. Additionally, the Board of Managing Directors submits an overall risk report and a credit risk report to the Supervisory Board four times a year. The disclosures in the overall risk report include information about operational risks arising from environmental and climate aspects, market risk stemming from problems relating to energy and pollution, and reputational risk resulting from discrimination or inadequate working conditions. The credit risk report contains information about the credit portfolio and about management information at portfolio and exposure level. This also includes risks linked to climate change, such as rising probabilities of default and falling collateral values. In addition, the Supervisory Board receives regular updates on significant long-term equity investments. The Supervisory Board's Risk Committee is involved in the topics of overall risk appetite and risk strategy. Four times a year, the chairperson provides updates on the committee's work during the Supervisory Board meetings. The Audit Committee regularly monitors the effectiveness of the internal control system, risk management, and the internal audit function. It also provides updates at Supervisory Board meetings and passes on the minutes of its own meetings.

DZ BANK monitors the group entities' compliance with the risk strategies on an ongoing basis. A monthly overall risk report provides the Board of Managing Directors with the latest news on the current overall risk situation based on key economic and regulatory risk indicators in relation to the defined risk appetite. The Board of Managing Directors also receives quarterly reports on the results of adverse stress tests and detailed information on specific risk types, plus an annual update on adverse climate stress test scenarios. The annual review and adjustment of the risk strategies is an integral part of strategic planning. This is carried out in close coordination with the relevant divisions and the affected group entities, and is acknowledged by the Supervisory Board once a year. The risk strategies are also acknowledged and discussed by the Supervisory Board's Risk Committee once a year.

1.3.2 Sustainability-related incentive schemes (GOV-3)

During the annual target agreement process, DZ BANK and its group entities agree strategy-based targets with the members of the Boards of Managing Directors and senior management. The subordinated entities continue this cascading target structure through their hierarchies in order to implement the DZ BANK Group's strategic objectives at the operational level.

The DZ BANK Group's remuneration systems foster a sustainable corporate culture and strategy. They avoid incentives for disproportionately risky behavior and take ESG risks into account. All remuneration systems are adapted to the individual business, risk, and sustainability strategies and are aligned with the DZ BANK Group's ESG targets. DZ BANK's management function includes promoting the integration of ESG risks into the banking group's remuneration systems.

At DZ BANK, the variable remuneration ('bonus') of the members of the Board of Managing Directors accounts for 20 percent of their target remuneration. This percentage represents the maximum remuneration. It is calculated on the basis of multi-year targets, taking into account risk-bearing capacity, capital planning, and financial performance at bank and group level. At DZ BANK, 25 percent of the multi-year entity targets at the level of the Board of Managing Directors relate to the groupwide sustainability strategy. These targets can

be broken down into environmental (10 percent), social (10 percent), and corporate governance (5 percent) components. The environmental component takes account of, for example, the carbon reduction targets in operations and sectoral decarbonization targets in the portfolio, as described in chapter VII.2.2. HR topics, such as employee satisfaction as measured by the Organizational Commitment Index (OCI), are included in the social component, while corporate governance targets are aimed at increasing the proportion of women in managerial positions. The Supervisory Board of DZ BANK assesses the quantitative and qualitative sustainability targets in order to determine the bonus level. If the targets are reached in full, the bonus level is set according to the weighting, i.e. a maximum of 25 percent of variable remuneration.

The institutions in the DZ BANK Group involve various committees and functions in the design and monitoring of their remuneration systems. Each Supervisory Board decides on the structure and implementation of the remuneration of the Board of Managing Directors / senior management and oversees the design of employee remuneration systems to ensure that they are appropriate. The Remuneration Control Committee and other relevant committees assist the Supervisory Board with this task. The focus here is on ensuring that the remuneration systems are compatible with the business, risk, and remuneration strategies and the DZ BANK Group's corporate culture. By holding seats on the Supervisory Boards of subsidiaries, members of the Board of Managing Directors / senior management contribute to compliance with the German Remuneration Regulation for Institutions (InstitutsVergV). In accordance with sections 23–26 InstitutsVergV, major institutions have a remuneration officer who supports the Remuneration Control Committee and the Supervisory Board. The officer regularly assists with the deployment, refinement, and review of the remuneration systems. The HR division develops the remuneration models and prepares and implements the relevant decisions. Managers are responsible for using the remuneration tools as part of their leadership and management role. Control units as defined by section 2 (11) InstitutsVergV are involved in the design and monitoring of the remuneration systems on an ongoing basis.

Each institution in the DZ BANK Group defines its own control units. These must be remunerated independently of the divisions they oversee.

Information on employee remuneration can be found in chapter VII.3.2.4. The members of the Supervisory Board of DZ BANK receive only fixed remuneration without variable elements or sustainability-related incentives.

1.3.3 Statement on due diligence (GOV-4)

The following figure provides an overview of the sections of the sustainability report in which the DZ BANK Group covers the key steps of its due diligence process. This process governs how the DZ BANK Group identifies, assesses, prevents, mitigates, and accounts for actual and potential negative impacts on the environment and on people. It takes into account its own operations and those connected to upstream and downstream processes, products, services, and business partners.

FIG. VII.4: OVERVIEW OF THE CORE ELEMENTS OF DUE DILIGENCE AND THEIR LOCATION IN THE SUSTAINABILITY REPORT

Core elements of due diligence	Location in the sustainability report
Embedding due diligence in governance, strategy, and business model	Chapter VII.1.3 Corporate management Chapter VII.1.4 Strategy and business model
Engaging with affected stakeholders in all key steps of the due diligence	Chapter VII.1.3 Corporate management Chapter VII.1.4 Strategy and business model Chapter VII.1.5 Materiality assessment Chapter VII.2.2.1 Climate change in own operations Chapter VII.3.2.4 Remuneration, social protection, and codetermination Chapter VII.3.2.5 Occupational health and safety Chapter VII.3.2.6 Human rights relating to the DZ BANK Group's own workforce
Identifying and assessing adverse impacts	Chapter VII.1.3 Corporate management Chapter VII.1.4 Strategy and business model Chapter VII.1.5 Materiality assessment
Taking action to address negative impacts on people and the environment	Chapter VII.2.2.1 Climate change in own operations Chapter VII.2.2.2 Climate change in the business portfolio Chapter VII.3.2.2 Employee development Chapter VII.3.2.3 Diversity, equal opportunities, and work-life balance Chapter VII.3.2.5 Occupational health and safety Chapter VII.3.2.6 Human rights relating to the DZ BANK Group's own workforce
Tracking the effectiveness of these efforts and communicating	Chapter VII.2.2.1 Climate change in own operations Chapter VII.2.2.2 Climate change in the business portfolio Chapter VII.2.2.3 The DZ BANK Group's greenhouse gas emissions Chapter VII.3.2.2 Employee development Chapter VII.3.2.3 Diversity, equal opportunities, and work-life balance Chapter VII.3.2.5 Occupational health and safety Chapter VII.3.2.6 Human rights relating to the DZ BANK Group's own workforce

1.3.4 Risk management and the internal control system in the sustainability report (GOV-5)

DZ BANK has implemented internal controls to ensure that the information published in the sustainability report is complete and correct. These controls have been integrated into the existing governance structure of the bank-wide internal control system (b-ICS). The b-ICS is part of the operational and organizational structure. Further information can be found in chapter VI.3. The bank also applies these established processes to risk management in the context of sustainability reporting. The results of the controls are communicated to the Board of Managing Directors / senior management and the Supervisory Board as part of the b-ICS.

Potential risks in sustainability reporting are identified and assessed by relevant experts using qualitative estimates. Risks are assessed for their potential impact and probability of occurrence, and appropriate controls are defined based on the findings. The most relevant risk identified in the main process for producing the sustainability report is incorrect or incomplete disclosure due to technical or human errors in process execution.

Responsibilities for the sub-processes in sustainability reporting were defined to reduce this risk. The people responsible for the sub-processes assess the risks in their sub-processes and define controls to mitigate them. The application of controls is validated and verified by a second person with the aim of ensuring that the disclosures in the report are complete and correct. The documentation of processes, risks, and controls in written procedures was completed at the beginning of 2026. Furthermore, DZ BANK takes action to improve the internal control system (ICS) on an ongoing basis. These improvements are based on an evaluation of the maturity level of each process document and control document, which are adjusted regularly.

DZ BANK sets uniform rules for the group entities' sustainability reporting. Responsibility for preparing and checking the qualitative and quantitative disclosures submitted to DZ BANK for sustainability reporting lies with the group entities themselves. Using a standardized document, each group entity confirms to DZ BANK that the content it has provided is complete and accurate.

Where required by law or regulatory provision, DZ BANK has also established a compliance function. This function is tasked with identifying, managing, and mitigating compliance risks to avoid breaches of legal requirements and thus protect the entity and its employees and customers. Internal Audit acts as an independent, risk-oriented control function. It reviews compliance with statutory and regulatory requirements and the effectiveness and appropriateness of risk management. In doing so, it factors in the control systems for accounting and reporting as well as all activities and processes. The review also takes account of sustainability requirements (see chapter VI.3).

1.4 Strategy and business model

Brief summary

- The DZ BANK Group offers a comprehensive range of financial products and services built on the principles of subsidiarity, decentralization, and regional responsibility. Sustainability is strategically enshrined along the entire value chain.DZ BANK brings together key sustainability topics in its Advancing Sustainability program.
- The interests of key stakeholders are actively incorporated into strategic decision-making processes.

1.4.1 Strategy, business model, and value chain of the DZ BANK Group in a sustainability context (SBM-1)

The DZ BANK Group forms part of the Volksbanken Raiffeisenbanken Cooperative Financial Network, which included 643 cooperative banks as at December 31, 2025 and is one of Germany’s largest private-sector financial services providers measured in terms of total assets. The group’s strategy is firmly focused on the local cooperative banks. Its objective is to strengthen the Cooperative Financial Network’s position as one of the leading financial services providers in Germany on a long-term basis. To this end, the DZ BANK Group offers an extensive range of financial products and services and supports the cooperative banks in the Retail Banking, Corporate Banking, Capital Markets, and Transaction Banking business lines. The portfolio of financial products and services comprises banking business, financial services, building society operations, capital markets business, and insurance business. Collaboration within the network is based on the principles of subsidiarity, decentralization, and regional market responsibility. The German market is the geographical focus. Fig. VII.5 provides a breakdown of the DZ BANK Group’s employees by geographical area.

FIG. VII.5: BREAKDOWN OF THE DZ BANK GROUP’S EMPLOYEES BY GEOGRAPHICAL AREA

	2025	2024
Germany	36,269	35,729
Rest of Europe (eurozone)	2,104	2,082
Rest of world	405	388
Total	38,778	38,199

DZ BANK, headquartered in Frankfurt am Main, functions as the central institution within the Cooperative Financial Network. It supports the business of the cooperative banks in their regions. In addition, it operates as the central institution and corporate bank and is the holding company for the DZ BANK Group. Its range of products and services comprises classic and innovative financial products, structured finance, and capital market issues, and trading and sales in the equity and bond markets. DZ BANK also supports companies and institutions that need a nationwide banking partner.

Value chain of the DZ BANK Group

The DZ BANK Group’s upstream value chain consists of services provided by external business partners that are essential to the group’s own operations. These include suppliers of energy, IT support, and office supplies and service providers in areas such as consultancy, security, marketing, advertising, and catering. Employees, facilities management, and IT infrastructure are key input factors when it comes to value creation in the group. These factors are vital to the DZ BANK Group’s ability to provide its products and services.

See chapter VII.3.2 for detailed information about initiatives to support employees and create an attractive working environment. The actions taken to safeguard other input factors are described in chapter VI.3.10.

The downstream value chain comprises business partners that use the DZ BANK Group's products and services and conduct related activities. Primarily, these are local cooperative banks acting as sales partners and companies that use the DZ BANK Group's finance solutions. The DZ BANK Group's downstream value chain gives customers access to finance solutions, promotes economic development, and contributes to financial security and participation.

Actual value creation takes place in the various areas covered by the DZ BANK Group's portfolio of financial products and services. Chapters I.1 and I.2.1 describe these business lines and the specific products and services, and explain how each management unit is integrated into the groupwide management system.

In R+V's insurance business, the value chain comprises insurance business, investment, and operational activities.

Strategy in connection with sustainability

The DZ BANK Group, which has firmly embedded sustainability in its values and strategy, endeavors to play an active role in the transition to a sustainable economy. To this end, it integrates sustainability matters at all levels, from corporate strategy and business processes to product design. With regard to the environment, the materiality assessment has identified impacts from the lending business in emissions-intensive sectors. The DZ BANK Group has defined specific sector pathways for the decarbonization of these focus sectors. In the social sphere, material impacts affect the group's own workforce in relation to working conditions, equal treatment and non-discrimination for all, and other labor rights. The HR strategy sets out how these impacts are managed. The DZ BANK Group's activities in its operations and in the downstream value chain also have an impact on affected communities. The DZ BANK Group supports these communities strategically through charitable projects. The Equator Principles are applied in project finance transactions. Impacts on consumers and end-users only occur in the downstream value chain. The DZ BANK Group's compliance function protects customers from potential negative impacts. Furthermore, product guidelines are designed to ensure that the financial products developed and sold are of high quality. The group governance policy sets the standards for good and responsible corporate governance. It addresses impacts in relation to corporate culture and the handling of corruption and bribery.

The DZ BANK Group develops strategic initiatives at 3 levels: within the Cooperative Financial Network under the leadership of the BVR, at the level of the DZ BANK Group, and through the individual entities' programs. In the Cooperative Financial Network, the group works with cooperative banks, the BVR, and Atruvia AG on initiatives in the Germany-wide strategic portfolio and on digitalization and sustainability. At group level, the entities in the DZ BANK Group jointly identify areas of potential to enhance their future viability. Furthermore, each group entity pursues its own strategic initiatives.

DZ BANK brings together key sustainability topics in its Advancing Sustainability program. Under this program, various group entities provide input to working groups and projects that develop specific targets, policies, and actions in relation to environmental, social, and governance matters. The outcomes are incorporated into the sustainability report's topic-specific chapters.

Strategic planning process (SPP) and the sustainability area of potential in the DZ BANK Group

As part of the annual SPP, the DZ BANK Group's management units define their individual business strategies, including the strategic direction, targets, and actions, and their strategic financial and capital planning, which are then combined into the DZ BANK Group's consolidated strategic planning. The business strategy and the strategic financial and capital planning are discussed in strategic dialogues at the level of the Board of Managing Directors / senior management and provide the basis for the groupwide business strategy. As part of the SPP, the management units also define in greater detail their key sustainability issues in line with their specific business models. Sustainability is a key interdisciplinary topic in the strategic dialogues. The Board of

Managing Directors / senior management systematically analyzes the topic and takes aspects of opportunity and risk into account, primarily in relation to changing regulatory requirements and market developments.

Furthermore, the DZ BANK Group has defined sustainability as a common area of potential that can boost the group's future competitiveness and financial resilience. This topic is coordinated at group level by the Strategy & Group Development division of DZ BANK. The GSC is responsible for the sustainability area of potential.

DZ BANK plans to continue strengthening its sustainability profile among institutional clients in the capital markets, particularly in primary market business for bonds. It is expanding its ESG offering and its portfolio of sustainable investment products for retail customers. In Corporate Banking, sustainability is considered a crucial factor in the business model. DZ BANK supports companies with their transformation process by financing sustainable investments. The Investment Promotion division strategically focuses on promoting sustainable investment. This is demonstrated through its support for initiatives such as the German federal funding program for energy and resource efficiency in business, as well as various funding programs for green and family-friendly housebuilding. BSH offers a comprehensive range of products and services for homes and home-building that are designed to support actions aimed at making privately owned residential properties more climate-friendly. Certified modernization and development lending advisors provide customers with expert support and tailored financing solutions for upgrades aimed at improving energy efficiency. By issuing further green Pfandbriefe, BSH is also contributing to the transition to greater sustainability in the residential real estate sector. DZ HYP issues green Pfandbriefe in the capital markets and aims to actively support the sustainable transformation of the real estate industry by financing energy-efficient properties. DZ PRIVATBANK offers various solutions for sustainability-minded customers. R+V joined the Net-Zero Asset Owner Alliance in 2023 and signed up to the Principles for Sustainable Insurance in 2021, underlining its target of investing on a fully climate-neutral basis by 2050 and its responsibility for making insurance more sustainable. TeamBank offers products and services for managing liquidity as part of a responsible lending process to support the independence of its retail customers in Germany and Austria. In doing so, it aims to promote equal opportunities. UMH strives for greater sustainability in its institutional asset management business and is developing new sustainable products for its retail customers. Its climate strategy includes the ambition to make its securities and commercial real estate portfolios climate-neutral by 2050. VR Smart Finanz plans to offer more targeted assistance to small and medium-sized enterprises as they transition to more sustainable business models and will continue to expand its activities in this area.

'Verbund First 4.0' and the Advancing Sustainability program at DZ BANK

DZ BANK has brought together its strategic initiatives for the future in the 'Verbund First 4.0' program, which focuses on 4 key areas: refinement of the market offering, optimization of control and production processes, internationalization, and strengthening of the corporate culture. The program is updated continually. Key topics such as sustainability, digitalization, and employer branding are at the heart of the transformation. The aim of the program is to ensure that regulatory requirements are met and to provide clarity for strategic decisions.

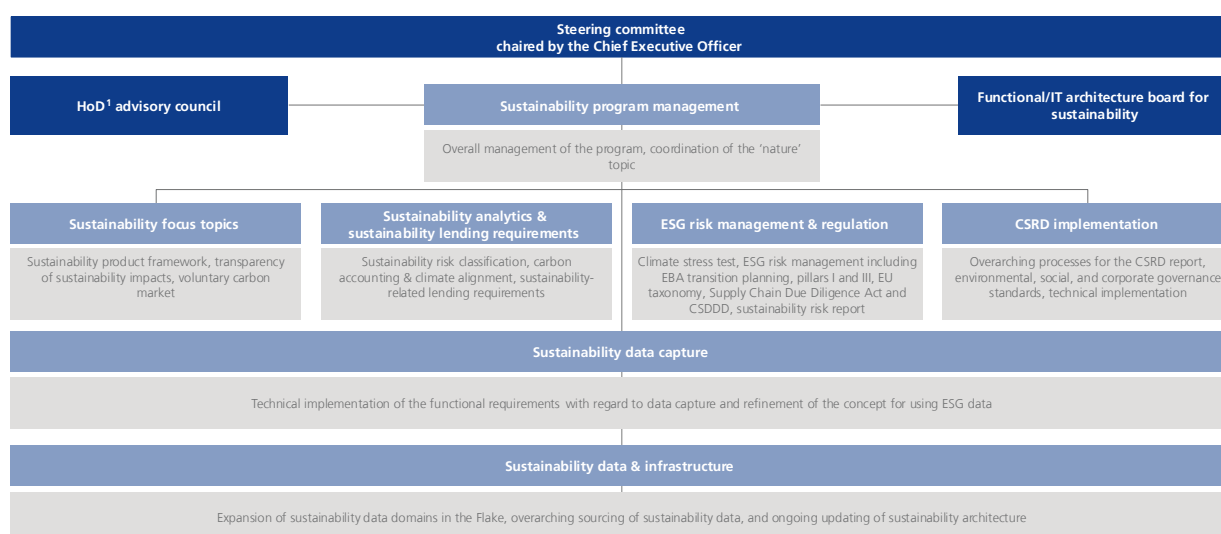
Since 2022, the implementation of sustainability has been managed centrally through the Advancing Sustainability program (see Fig. VII.6). The purpose of this program is to embed sustainability in the organization at a strategic and operational level, position DZ BANK as a partner for businesses on their transformation journey, and ensure regulatory compliance. The program integrates the outside-in and the inside-out perspectives of sustainability. The former covers the management of climate-related and environmental risks in line with the ECB's expectations. To this end, DZ BANK is developing methods and metrics for assessing ESG risks. The inside-out perspective covers the analysis and management of impacts from own operations on society and the environment. In order to deal with these impacts, DZ BANK's program covers matters such as climate alignment and carbon accounting, mapping of the portfolio with the sustainable development goals (SDGs), the development of climate targets, and active supply chain management. Other actions are aimed at integrating ESG assessments into the lending process, conducting climate stress tests, and implementing ESG disclosure requirements. The Strategy & Group Development division manages the program. Also involved are the Group Risk Control & Services, Group Risk Controlling,

Compliance, Group Human Resources, Corporate Banking, Structured Finance, Capital Markets Trading, Bank Finance, Group Finance, Group Financial Services, Services & Organisation, and IT divisions.

The program is the foundation for DZ BANK's sustainability vision. It facilitates further development of the sustainability strategy, anchors sustainability matters within the governance structure, integrates ESG factors into the operating model, and supports the expansion of ESG-specific IT infrastructure. The structure of the program facilitates coordinated collaboration across projects, simplifies the management of interdependencies, and enables consolidated reporting to the Board of Managing Directors.

The following figure shows the structure of sustainability-related management in the DZ BANK Group, plus DZ BANK's ESG organization.

FIG. VII.6: ADVANCING SUSTAINABILITY UMBRELLA PROGRAM OF DZ BANK IN 2025



¹ Head of Division.

Sustainability targets

In 2020, the DZ BANK Group defined the 17 SDGs of the United Nations (UN) as the overarching classification framework for its business activities. In line with the approach of the Cooperative Financial Network, it regards the SDGs as the core component of its sustainability strategy. On this basis, DZ BANK has formulated specific sustainability targets. These include quantitative goals as well as steps to improve the quality of sustainability aspects within the organization. DZ BANK links the assessment of the performance of its Board of Managing Directors to the achievement of these targets. The Board of Managing Directors and the Supervisory Board are updated regularly on progress with the achievement of these goals.

1.4.2 Interests of stakeholder groups (SBM-2)

The entities in the DZ BANK Group engage in dialogue with stakeholders to gain insight into their interests and expectations. This dialogue helps the group entities to understand stakeholders' concerns. In addition to its employees, the DZ BANK Group considers persons and organizations that influence the DZ BANK Group's business at an economic, environmental, or social level, or that are impacted by its activities, to be important stakeholders. Overall, it has identified 10 stakeholder groups (see Fig. VII.8 in chapter VII.1.5) with whom it engages in dialogue through a range of communication channels.

The cooperative banks constitute the most important customer group of the DZ BANK Group, and they are also the owners of DZ BANK. The DZ BANK Group continued the 'Strategie-Hub Regional' event format in 2025. It combined the strategy events held by Atruvia AG, the BVR, DZ BANK, and the Cooperative Financial Network's regional banking associations into 5 regional formats. The purpose was to boost strategic dialogue within the Cooperative Financial Network and make it more efficient. In addition, network committees ensure that the cooperative banks are closely involved in the DZ BANK Group's strategic considerations and initiatives.

The DZ BANK Group's Central Advisory Council has a key role to play in strategic decisions. The council comprises 33 members from the Boards of Managing Directors of cooperative banks plus other important officeholders from within the Cooperative Financial Network. Its meetings are also attended by the Board of Managing Directors and chairman of the Supervisory Board of DZ BANK and by the chief executive officers of the largest group entities. Adhering to the governance requirements in stock corporation law, the Council's purpose is to secure and expand the cooperative banks' early involvement in and influence on the DZ BANK Group's strategic decisions into the future. In this context, the Central Advisory Council can make recommendations to the Boards of Managing Directors of DZ BANK and of the group entities. DZ BANK also maintains a dialogue with the cooperative banks through formats such as a virtual spring conference and in-person autumn conferences. In 2024, DZ BANK transitioned its sustainability conference, previously organized solely by the bank, into a collaborative event. Together with the BVR, Atruvia AG, and DG Nexolution eG, DZ BANK once again hosted the Treffpunkt NH event in 2025. This sustainability forum serves as a platform for dialogue, information sharing, and networking related to sustainability. Furthermore, DZ BANK organized two regional banking dialogue events focused on the topic of sustainability.

The DZ BANK Group uses surveys to systematically take account of its stakeholders' interests. All DZ BANK Group entities conduct regular employee surveys (see chapter VII.3.2.1). BSH, R+V, and TeamBank also regularly measure customer satisfaction on the basis of the Net Promoter Score. The interests of employees are taken into account in the development of the HR strategy, thus enabling them to influence the DZ BANK Group's business model.

In addition, the DZ BANK Group uses a wide variety of discussion formats to engage in dialogue with national and international stakeholders. The Entrepreneur Advisory Board meets twice per year, bringing the Board of Managing Directors of DZ BANK together with corporate customers and representatives from academia and industry associations. It provides an opportunity to openly discuss business developments, industry trends, and experiences on the ground. UMH organizes an annual sustainability conference for institutional clients that includes expert talks from the worlds of business and academia. DZ HYP maintains regular contact with its stakeholders by holding Advisory Board meetings and organizing events for real estate customers and cooperative banks. Institutional investors and issuers in Germany and abroad are also in regular contact with experts from DZ BANK. Conferences, roadshows, and delegation trips with a focus on sustainability, such as the annual Day on Sustainable Transition in Hong Kong and Singapore, are key platforms in this regard.

In 2025, non-governmental organizations (NGOs) and media outlets contacted DZ BANK in regard to a range of inquiries and matters. The inquiries were thoroughly investigated by the appropriate departments and relevant topics were addressed. The matters raised predominantly focused on the transition away from fossil fuels as part of decarbonization and on human rights. DZ BANK believes that these matters are essential to the ongoing development of its sustainability strategy.

Input from stakeholders and their interests are taken into account and translated into actions and strategic decisions by the relevant group entities and organizational units, depending on the affected stakeholder group and the dialogue format. Furthermore, any constructive input and topics that key stakeholders consider particularly important flow into the DZ BANK Group's annual materiality assessment via the affected stakeholder representatives and thus have an influence on reporting and continued strategic development. The Board of Managing Directors / senior management and the Supervisory Board are kept up to date on this by the relevant committees, such as the GSC.

1.5 Materiality assessment

Brief summary

- To determine the content of its reporting, the DZ BANK Group carries out a multi-stage materiality assessment in accordance with the principal of double materiality. In doing so, it differentiates between two dimensions: business portfolio and own operations.
- In addition to the qualitative materiality assessment, a quantitative impact analysis of the credit and investment portfolio was carried out.
- The risk assessment is based on the results of the ESG risk driver materiality analysis, which is part of the annual group risk inventory check.

1.5.1 The materiality assessment process (IRO-1)

Materiality assessment

The DZ BANK Group carried out a double materiality assessment to determine the sustainability topics that must be reported in 2025. The assessment is divided into the following sequential steps:

1. Identifying the DZ BANK Group's potentially material impacts, risks, and opportunities (IROs)
2. Qualitatively assessing the impacts and opportunities identified for the DZ BANK Group while taking relevant stakeholder groups into account
3. Carrying out a quantitative analysis of the DZ BANK Group's credit and investment portfolio to complement the qualitative assessment of impact materiality
4. Evaluating the material risks for the DZ BANK Group by applying the findings of the ESG risk driver materiality analysis

Responsibility for the entire materiality assessment process lies with a representative from DZ BANK's Strategy & Group Development division, who also manages and monitors it. The representative aims to ensure that all process steps and the decision-making process are performed properly. In particular, the representative manages the process in the event of discrepancies in the individual steps of the materiality assessment.

Every year, the background, process, methodology, and results of the materiality assessment, including all material IROs, are discussed at Board of Managing Directors / senior management level in the GSC and at Supervisory Board level in order to monitor and manage all material IROs. It is possible to influence the assessment of material topics and the material IROs as part of this process. Therefore, DZ BANK's supervisory and management bodies and the group entities represented on the GSC all acknowledge the outcome of the materiality assessment and the overview of the material IROs. The group entities represented on the GSC also approve the results of the materiality assessment and the overview of the material IROs.

Identifying the DZ BANK Group's potentially material impacts, risks, and opportunities

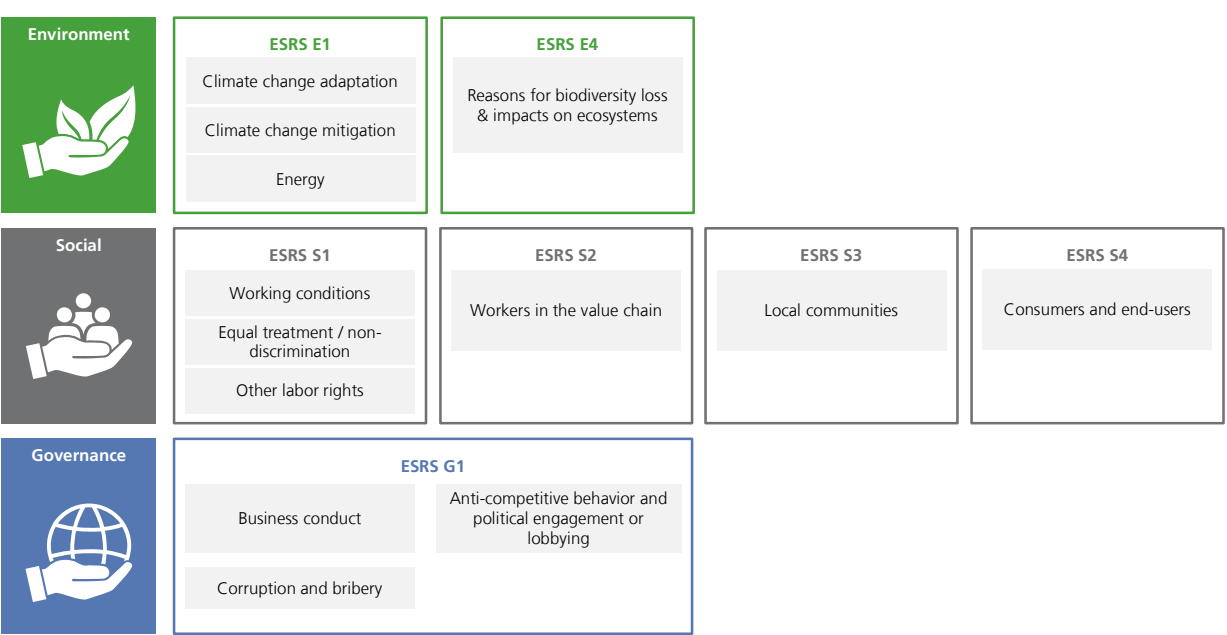
Using the Implementation Guidance EFRAG IG 1 (May 2024) of the European Financial Reporting Advisory Group (EFRAG) as a guide, the DZ BANK Group assessed 19 sustainability topics at the sub-topic level. These sub-topics provide the basis for identifying the IROs. No sustainability topics were identified that are specific to the DZ BANK Group. The assessment differentiated between two dimensions: business portfolio and own operations. Of the 19 sub-topics, 13 were deemed material (see Fig. VII.7). In 2025, the prior year's IROs were revised in their entirety in terms of understandability and appropriateness for the DZ BANK Group. The number of IROs was also reduced to remove any redundancies.

According to ESRS 1, a sustainability topic is deemed material if it has a material impact on the environment or society or if it is linked to material financial risks or opportunities. The identification of a single material IRO means that the associated ESRS sub-topic is rated material in its entirety for the relevant dimension (own operations and/or business portfolio).

Impacts, risks, and opportunities can influence the DZ BANK Group’s business model and strategy, while at the same time being induced by strategic decisions and the focus of the business model. These interrelationships are presented in the topic-related chapters of this sustainability report.

The DZ BANK Group did not identify any significant business activities related to pollution (ESRS E2), water and marine resources (ESRS E3), or resource use and circular economy (ESRS E5). The qualitative assessment is supported by a quantitative analysis of the credit and investment portfolio, which was found to have no material positive or negative impacts in these topic areas. No specific methods, assumptions, or instruments beyond those described in this chapter were used in the materiality assessment of the environmental topics E2, E3, and E5. Since the DZ BANK Group’s sites are mainly located in urban areas, no further site analysis was carried out in respect of potential negative impacts relating to pollution and biodiversity.

FIG. VII.7: MATERIAL SUSTAINABILITY TOPICS OF THE DZ BANK GROUP



With regard to business activities and stakeholders, the DZ BANK Group determined its potential and actual impacts on people and the environment, both positive and negative, and its risks and opportunities for the identified sustainability topics. Working with the departments responsible for each specific topic, the person with overall responsibility collated and validated the list of all potentially material IROs and checked that it was up to date. Where applicable, IROs specific to business lines, such as the insurance business and asset management, were identified for the group entities.

Engaging with the DZ BANK Group’s stakeholders

According to ESRS, the engagement of relevant stakeholders is an integral part of the materiality assessment. The DZ BANK Group took the interests and perspectives of its stakeholders into account when assessing potential IROs by involving internal contacts in the qualitative materiality assessment process. The selection of the stakeholder groups is based on the DZ BANK Group’s previous sustainability reporting and the requirements of ESRS. An internal contact was assigned to each stakeholder group. This representative should have extensive knowledge of the sustainability topics and interests of their assigned stakeholder group in order to carry out an informed materiality assessment (see Fig. VII.8).

For the reasons set out above, no direct consultation of affected communities in relation to pollution, water and marine resources, biodiversity and ecosystems, and resource use and circular economy was required.

FIG. VII.8: REPRESENTING THE INTERESTS OF THE STAKEHOLDER GROUPS

Stakeholder group		Internal representatives ¹	Current stakeholder engagement
Employees and other workers	DZ BANK Group employees, employee representatives / employees' councils, external workers, employees in the supply chain	Group Human Resources division	Regular employee surveys, regular dialogue with the employees' council, employee development initiatives, interaction with employees via internal communication channels Online and offline communications via the careers website and participation in job fairs and other events Job interviews Whistleblowing system, LkSG complaints process
Customers & strategic partners	Corporate, retail, public-sector, institutional customers Banks in the Cooperative Financial Network	Strategy & Group Development division	In-person discussions with customers, regular customer surveys, various dialogue formats with the cooperative banks (Central Advisory Council of the DZ BANK Group, conferences, sustainability dialogue with regional banks, etc.), quality management and complaints management systems Regular dialogue with the cooperative banks, including on the group's Central Advisory Council with regard to strategic decisions, other dialogue formats with the cooperative banks (e.g. conferences, regular customer surveys)
Associations	BVR, Bundesverband Öffentlicher Banken Deutschlands (VÖB) [Association of German Public Banks], etc.	Strategy & Group Development division	Membership of national associations, regular dialogue at association level
NGOs & media	Representatives of NGOs / charitable foundations and the media	Strategy & Group Development division	Review and processing of inquiries and matters raised by NGOs, charitable foundations, and media representatives
Suppliers & service providers	Suppliers / service providers such as paper suppliers, IT vendors, waste disposal companies, agencies	Central Purchasing department	Setting of sustainability requirements for DZ BANK Group suppliers and monitoring of compliance, sustainability questionnaire for classifying suppliers with regard to sustainability risks, annual development talks with sustainability-relevant suppliers and service providers, EcoVadis platform for supplier assessment
Investors & analysts	Investors (lenders) Analysts, rating agency representatives	Group Investor Relations	Processing of inquiries from – and regular discussions with – investors, sustainability dialogue initiatives (conferences, roadshows, Sustainability Day) Processing of inquiries and communication with rating providers
Corporate management	Board of Managing Directors / senior management Supervisory Board	Group Investor Relations	Overarching management and assignment of topics in committee management
Local communities and at-risk groups	Representatives of regional communities, including local residents living near DZ BANK Group sites	Strategy and Network department	Membership of national interest groups Consideration of the needs and concerns of local communities in the context of project financing and funding initiatives
Regulatory and public authorities	Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) [German Federal Financial Supervisory Authority], ECB, auditors	MaRisk & Corporate Compliance department	Regular communication with supervisory authorities
Internal functions: Compliance & Risk	Compliance department	MaRisk & Corporate Compliance department	Corresponds to the company's compliance function

¹ Name of the organizational unit within DZ BANK.

Qualitatively assessing the impacts and opportunities identified for the DZ BANK Group

The identified impacts and opportunities are assessed by experts in the appropriate departments with the involvement of relevant internal stakeholder representatives. The departments provide the reasons for their assessment of the individual impacts and opportunities, which are validated by internal stakeholder representatives. The qualitative assessment of impacts and opportunities is based on internal processes such as the business environment analysis and employee surveys. In addition, the departments and internal stakeholder representatives take current business activities and plans into account in the materiality assessment for each topic.

The qualitative assessment of impacts is based on the severity, the likelihood of occurrence (for potential impacts), and the extent to which they can be remedied (for negative impacts). It should be considered for short-, medium-, and long-term time horizons. Severity is derived from the scale and scope of the impacts. For negative impacts, severity is derived from the scale and scope of the impacts and the extent to which they can be remedied. The material impacts and the relevant time horizons are presented in Fig. VII.12, Fig. VII.35, and Fig. VII.47 at the start of the topic-specific chapters. When determining threshold values for the materiality of an IRO, the DZ BANK Group was guided by the EFRAG recommendations in accordance with 'European Sustainability Reporting Guidelines 1, Double materiality conceptual guidelines for standard-setting' (January 2022). Impacts with a score of 8 or higher on a scale from 1 to 15 are considered material.

As a rule, opportunities are assessed based on the scale of the financial effect and the likelihood of its occurrence, taking into account the dependency on resources and relationships. The threshold value for the financial materiality of opportunities is 3 or higher on a scale of 1 to 5. Opportunities are assessed during the qualitative materiality assessment by experts in the appropriate departments with the involvement of relevant internal stakeholder representatives.

Quantitative portfolio analysis of the DZ BANK Group's impacts

The qualitative assessment of impact materiality is complemented by a quantitative analysis of the credit and investment portfolio. In the event of discrepancies between the results of the qualitative and quantitative assessments, the specific results are examined in greater detail and a final assessment at IRO level is carried out by the relevant departments based on further analyses.

The quantitative portfolio analysis is based on an 'SDG demonstrator' that builds on the average values for the DZ BANK portfolio and highlights the impacts of the individual portfolios on the SDGs. Using the Impact Radar of the United Nations Environment Programme Finance Initiative (UNEP FI), the SDGs were then assigned to specific ESRS topic areas. The assessment is based on data such as EU taxonomy data and portfolio data for assets under management (AuM) at NACE code level (Nomenclature statistique des activités économiques dans la Communauté européenne (statistical classification of economic activities in the European Community)).

Evaluating the material risks for the DZ BANK Group

The DZ BANK Group considers ESG risks to be included in financial and non-financial risks. As part of its annual group risk inventory check, it conducts an ESG risk driver materiality analysis to determine material ESG risk drivers. The analysis draws primarily on external sources, such as the Sustainability Accounting Standards Board's Materiality Finder, the Exploring Natural Capital Opportunities, Risks and Exposure tool, the Sustainable Development Goal Index, and the Environmental Performance Index, in order to assess ESG-specific risks by geographical location and sector. The identification, assessment, and management of ESG risks are integrated into general risk management in the DZ BANK Group. As part of the materiality assessment for this sustainability report, the DZ BANK Group formulated financial and non-financial risks on the basis of its ESG risk driver materiality analysis. The analysis divides nature-related risks into nature-related physical and transition risks, as is also done for climate-related risks. In its assessment of risks that have or may have financial effects, the DZ BANK Group does not – unlike for other types of risk – set priorities for sustainability risks.

In order to assess material risks during the materiality assessment for the DZ BANK Group's sustainability report, the results of the ESG risk driver materiality analysis carried out as part of risk management were transferred into the materiality assessment under ESRS. If the ESG risk driver materiality analysis identifies a risk driver as material over a short-, medium-, and/or long-term time horizon, the related ESRS sub-topic is also deemed material. As the materiality assessment is carried out in the 'business portfolio' and 'own operations' dimensions, the DZ BANK Group assigns risk types as follows:

- Business portfolio dimension
 - Financial risk types
 - Reputational risk (considered on a case-by-case basis)
- Own operations dimension
 - Operational risk
 - Reputational risk (considered on a case-by-case basis)

For each risk type and ESRS sub-topic, the DZ BANK Group formulates material ESG risks that could result in financial effects. The method used to assess which risk types are affected varies by risk type:

- Financial risks
 - Credit risk, equity investment risk, business risk, and market risk in the Bank sector: assessment using exposure/concentration analysis
 - Technical risk of a home savings and loan company in the Bank sector, and market risk and actuarial risk in the Insurance sector: assessment by risk-type experts at BSH and R+V
- Non-financial risks
 - Operational risk: expert assessment based on the DZ BANK Group's existing standard scenarios
 - Reputational risk: expert assessment based on the DZ BANK Group's ESG-related reputational risk scenarios

The DZ BANK Group assesses financial risks as part of its groupwide analysis of exposure/concentration. In the preliminary analysis, the portfolio is segmented using a risk-type-specific exposure value (such as lending volume or carrying amounts of long-term equity investments) for each ESG risk driver along the structuring features 'geography' and 'sector'. The aim is to measure the concentration in geographies and/or sectors that are materially influenced by the individual risk drivers. The preliminary analysis considers a risk driver to be material if at least 10 percent of the portfolio exposure in question shows a higher risk in relation to the country-specific and sector-specific evaluation. In the next step, the appropriate departments for each relevant risk type are asked to provide a final materiality assessment for each risk driver that, in addition to the results of the preliminary analysis, takes the results of the internal ESG scenario analyses and other internal analyses into account.

The DZ BANK Group takes the identified risks and the related current financial effects into account in its risk management and stress testing. Should these risks materialize, they can lead to losses, reduced income, increased costs, and liquidity squeezes and thus adversely affect the financial performance of the DZ BANK Group or of individual group entities. To safeguard the long-term financial stability of the DZ BANK Group, it is crucial to detect such risks at an early stage and take effective mitigating action. There were no material financial effects in 2025.

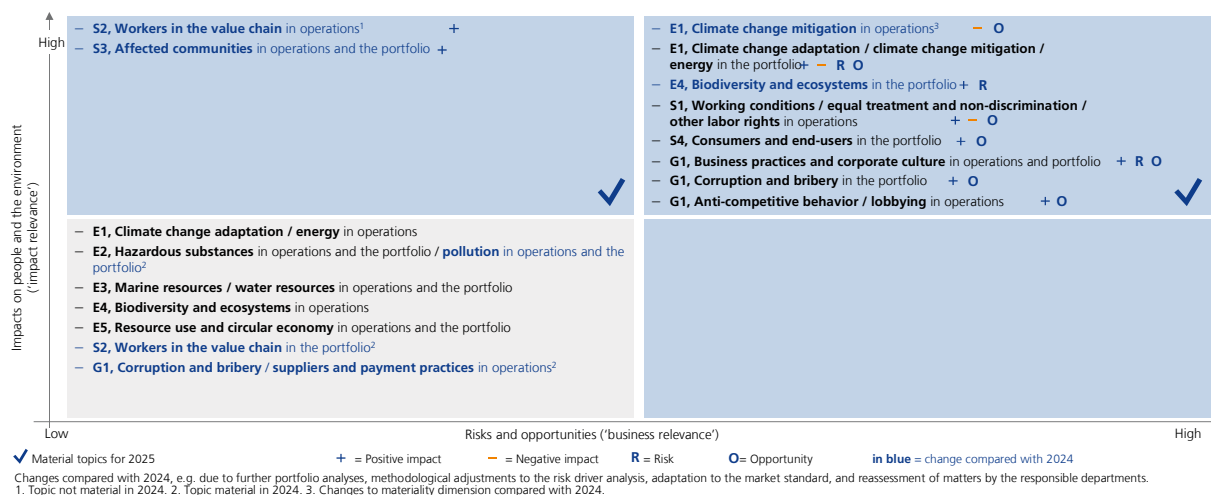
In the context of the environment and climate, the ESG risk driver materiality analysis takes climate-related physical and transition risks as well as other environmental risk drivers, for example in connection with biodiversity, into account. The ESG risk driver materiality analysis identifies and assesses these risks using the aforementioned procedure. The results of the regular stress tests, the climate scenarios used, and the climate-related physical and transition risks identified are presented in chapter VII.2.1.

Further refinements have been made to the ESG risk driver materiality analysis since 2024. In accordance with EBA requirements, time periods longer than 10 years are now included, and the materiality statement now takes account of portfolio analyses and the results of the internal climate stress test and other risk type-specific analyses. Furthermore, a more granular materiality statement is made at the level of the individual risk drivers. These methodological refinements have resulted in changes compared with 2024. The topics deemed material in 2025 are listed in Fig. VII.10.

1.5.2 Result of the materiality assessment (IRO-2)

Fig. VII.9 shows the result of the double materiality assessment of the DZ BANK Group as a materiality matrix along the dimensions 'impact materiality' and 'financial materiality'. Sustainability topics where the DZ BANK Group has a significant impact on people or the environment or that result in significant risks or opportunities are deemed to be material.

FIG. VII.9: RESULTS PRESENTED AS A MATERIALITY MATRIX



Based on the results of the materiality assessment and in line with EFRAG guidance on the value chain, the DZ BANK Group has assigned the relevant reporting requirements under ESRS to each topic identified as material. No quantitative thresholds were used in this context. Fig. VII.10 presents the requirements covered by this sustainability report.

FIG. VII.10: TOPICS OF THE MATERIALITY ASSESSMENT, INCLUDING ASSIGNMENT OF THE DISCLOSURE REQUIREMENTS

Dimension	Standard	Topic	Reporting requirements
Own operations	E1	Climate change (climate change mitigation)	GOV-3, SBM-3, IRO-1, E1-1, E1-2, E1-3, E1-4, E1-6, E1-7, E1-8, E1-9
	S1	Own workforce (working conditions, equal treatment / non-discrimination, other labor rights)	SBM-2, SBM-3, S1-1, S1-2, S1-3, S1-4, S1-5, S1-6, S1-7, S1-8, S1-9, S1-10, S1-11, S1-12, S1-13, S1-14, S1-15, S1-16
	S2	Workers in the value chain	SBM-2, SBM-3, S2-1, S2-2, S2-3, S2-4, S2-5
	S3	Affected communities	SBM-2, SBM-3, S3-1, S3-2, S3-3, S3-4, S3-5
	G1	Business conduct (business practices and corporate culture, anti-competitive behavior, political engagement)	GOV-1, IRO-1, G1-1, G1-5
Business portfolio	E1	Climate change (climate change adaptation, climate change mitigation, energy)	SBM-3, IRO-1, E1-1, E1-2, E1-3, E1-4, E1-6, E1-9
	E4	Biodiversity and ecosystems	IRO-1, SBM-3, E4-1, E4-2, E4-3, E4-4, E4-6
	S3	Affected communities	SBM-2, SBM-3, S3-1, S3-2, S3-3, S3-4, S3-5
	S4	Consumers and end-users	SBM-2, SBM-3, S4-1, S4-2, S4-3, S4-4, S4-5
	G1	Business conduct (business practices and corporate culture, corruption and bribery)	IRO-1, G1-1, G1-3, G1-4

A list of material impacts, risks, and opportunities, including information on time horizons, can be found at the start of the 'Environment', 'Social matters', and 'Governance' chapters. Material impacts, risks, and opportunities can influence the DZ BANK Group's business model and strategy. At the same time, the identified IROs are brought about by features of the DZ BANK Group's business model. The resulting interdependencies are factored into the materiality assessment and are presented in chapters VII.2.1 (Environment), VII.3.1 (Social matters), and VII.4.1 (Governance).

The results of the 2025 materiality assessment and all material impacts, risks, and opportunities were approved by the Boards of Managing Directors / senior management teams of the DZ BANK Group represented in the GSC and acknowledged by the Supervisory Board of DZ BANK.

The following changes in materiality have occurred compared with 2024. A negative impact and opportunity relating to 'climate change mitigation' in own operations and, in its entirety, the sub-topic 'workers in the value chain' in own operations are deemed material for the first time. The following topics are no longer deemed material: 'pollution' in own operations and in the business portfolio, 'workers in the value chain' in the business portfolio, and the sub-topics 'corruption and bribery' in own operations and 'suppliers and payment practices' in own operations. These changes compared with 2024 are primarily based on a reassessment by the competent departments and internal stakeholder representatives.

Overview of EU legislation in the sustainability report

The table below illustrates the data points that derive from other EU legislation and refers to the relevant chapters in this report.

FIG. VII.11: DATA POINTS FROM OTHER EU LEGISLATION LISTED IN ANNEX B OF THE ESR5 2 STANDARD

Disclosure requirement ¹	Data point	Materiality	Location
ESRS 2 GOV-1	Board's gender diversity Paragraph 21 (d)	Mandatory disclosure	Chapter VII.1.3.1 Fig. VII.2 Composition of the Supervisory Board by gender and age
ESRS 2 GOV-1	Percentage of board members who are independent Paragraph 21 (e)	Mandatory disclosure	Chapter VII.1.3.1 subchapter Supervisory Board
ESRS 2 GOV-4	Statement on due diligence Paragraph 30	Mandatory disclosure	Chapter VII.1.3.3
ESRS 2 SBM-1	Involvement in activities related to fossil fuel activities Paragraph 40 (d) i	N.A. ²	
ESRS 2 SBM-1	Involvement in activities related to chemical production Paragraph 40 (d) ii	N.A. ²	
ESRS 2 SBM-1	Involvement in activities related to controversial weapons Paragraph 40 (d) iii	N.A. ²	
ESRS 2 SBM-1	Involvement in activities related to cultivation and production of tobacco Paragraph 40 (d) iv	N.A. ²	
ESRS E1-1	Transition plan to reach climate neutrality by 2050 Paragraph 14	Material	Chapter VII.2.2.2 subchapter Transition to a climate-neutral economy
ESRS E1-1	Undertakings excluded from Paris-aligned benchmarks Paragraph 16 (g)	Material	Chapter VII.2.2.2 subchapter Transition to a climate-neutral economy
ESRS E1-4	GHG emission reduction targets Paragraph 34	Material	Chapter VII.2.2.1 subchapter Climate targets in own operations Chapter VII.2.2.2 subchapter Decarbonization targets in the lending business
ESRS E1-5	Energy consumption from fossil sources, disaggregated by source (only high climate impact sectors) Paragraph 38	Not material	
ESRS E1-5	Energy consumption and mix Paragraph 37	Not material	
ESRS E1-5	Energy intensity associated with activities in high climate impact sectors Paragraphs 40 to 43	Not material	
ESRS E1-6	Gross Scopes 1, 2, 3 and total GHG emissions Paragraph 44	Material	Chapter VII.2.2.3 Fig. VII.32 The DZ BANK Group's greenhouse gas emissions
ESRS E1-6	Gross GHG emissions intensity Paragraphs 53 to 55	Material	Chapter VII.2.2.3 Fig. VII.33 Intensity of greenhouse gas emissions in relation to net revenue
ESRS E1-7	GHG removals and carbon credits Paragraph 56	Material	Chapter VII.2.2.3 Subchapter GHG removals, projects aimed at reducing GHG emissions, and internal carbon pricing systems
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks Paragraph 66	N.A. ³	
ESRS E1-9	Disaggregation of monetary amounts by acute and chronic physical risk Paragraph 66 (a)	N.A. ³	
ESRS E1-9	Location of significant assets at material physical risk Paragraph 66 (c)	N.A. ³	
ESRS E1-9	Breakdown of the carrying value of own real estate assets by energy-efficiency class Paragraph 67 (c)	N.A. ³	
ESRS E1-9	Degree of exposure of the portfolio to climate-related opportunities Paragraph 69	N.A. ³	

Disclosure requirement ¹	Data point	Materiality	Location
ESRS E2-4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water, and soil Paragraph 28	Not material	
ESRS E3-1	Water and marine resources Paragraph 9	Not material	
ESRS E3-1	Dedicated policy Paragraph 13	Not material	
ESRS E3-1	Sustainable oceans and seas Paragraph 14	Not material	
ESRS E3-4	Total water recycled and reused Paragraph 28 (c)	Not material	
ESRS E3-4	Total water consumption in m ³ per net revenue on own operations Paragraph 29	Not material	
ESRS 2 – SBM-3 – E4	Paragraph 16 (a) i	Not material	
ESRS 2 – SBM-3 – E4	Paragraph 16 (b)	Material	Chapter VII.2.1 Material impacts, risks, and opportunities in the environmental sphere
ESRS 2 – SBM-3 – E4	Paragraph 16 (c)	Not material	
ESRS E4-2	Sustainable land / agriculture practices or policies Paragraph 24 (b)	Material	Chapter VII.2.3 subchapter Policies for biodiversity and ecosystems
ESRS E4-2	Sustainable oceans/seas practices or policies Paragraph 24 (c)	Material	Chapter VII.2.3 subchapter Policies for biodiversity and ecosystems
ESRS E4-2	Policies to address deforestation Paragraph 24 (d)	Material	Chapter VII.2.3 subchapter Policies for biodiversity and ecosystems
ESRS E5-5	Non-recycled waste Paragraph 37 (d)	Not material	
ESRS E5-5	Hazardous waste and radioactive waste Paragraph 39	Not material	
ESRS 2 SBM3 – S1	Risk of incidents of forced labor Paragraph 14 (f)	Material	Chapter VII.3.1
ESRS 2 SBM3 – S1	Risk of incidents of child labor Paragraph 14 (g)	Material	Chapter VII.3.1
ESRS S1-1	Human rights policy commitments Paragraph 20	Material	Chapter VII.3.2.6 subchapter Policies relating to the workforce's human rights
ESRS S1-1	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8 Paragraph 21	Material	Chapter VII.3.2.6 subchapter Policies relating to the workforce's human rights
ESRS S1-1	Processes and measures for preventing trafficking in human beings Paragraph 22	Material	Chapter VII.3.2.6 subchapter Processes relating to the workforce's human rights
ESRS S1-1	Workplace accident prevention policy or management system Paragraph 23	Material	Chapter VII.3.2.5 subchapter Policies relating to occupational health and safety
ESRS S1-3	Grievance/complaints handling mechanisms Paragraph 32 (c)	Material	Chapter VII.3.2.6 subchapter Processes relating to the workforce's human rights
ESRS S1-14	Number of fatalities and number and rate of work-related accidents Paragraph 88 (b) and (c)	Material	Chapter VII.3.2.5 subchapter Metrics relating to occupational health and safety
ESRS S1-14	Number of days lost to injuries, accidents, fatalities, or illness Paragraph 88 (e)	Material	Chapter VII.3.2.5 subchapter Metrics relating to occupational health and safety
ESRS S1-16	Unadjusted gender pay gap Paragraph 97 (a)	Material	Chapter VII.3.2.4 subchapter Metrics relating to remuneration
ESRS S1-16	Excessive CEO pay ratio Paragraph 97 (b)	Material	Chapter VII.3.2.4 subchapter Metrics relating to remuneration
ESRS S1-17	Incidents of discrimination Paragraph 103 (a)	Material	Chapter VII.3.2.6 subchapter Metrics relating to the workforce's human rights

Disclosure requirement ¹	Data point	Materiality	Location
ESRS S1-17	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines Paragraph 104 (a)	Material	Chapter VII.3.2.6 subchapter Metrics relating to the workforce's human rights
ESRS 2 SBM3 – S2	Significant risk of child labor or forced labor in the value chain Paragraph 11 (b)	Material	Chapter VII.3.1
ESRS S2-1	Human rights policy commitments Paragraph 17	Material	Chapter VII.3.3 subchapter Policies relating to workers in the value chain
ESRS S2-1	Policies related to value chain workers Paragraph 18	Material	Chapter VII.3.3 subchapter Policies relating to workers in the value chain
ESRS S2-1	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines Paragraph 19	Material	Chapter VII.3.3 subchapter Policies relating to workers in the value chain
ESRS S2-1	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8 Paragraph 19	Material	Chapter VII.3.3 subchapter Policies relating to workers in the value chain
ESRS S2-4	Human rights issues and incidents connected to upstream and downstream value chain Paragraph 36	Material	Chapter VII.3.3
ESRS S3-1	Human rights policy commitments Paragraph 16	Material	Chapter VII.3.4 subchapter Policies relating to affected communities
ESRS S3-1	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines Paragraph 17	Material	Chapter VII.3.4 subchapter Metrics relating to affected communities
ESRS S3-4	Human rights issues and incidents Paragraph 36	Material	Chapter VII.3.4
ESRS S4-1	Policies related to consumers and end-users Paragraph 16	Material	Chapter VII.3.5.1 subchapter Policies relating to investors Chapter VII.3.5.2 subchapter Policies relating to policyholders Chapter VII.3.5.3 subchapter Policies relating to consumer finance borrowers Chapter VII.3.5.4 subchapter Policies relating to home savings customers and real estate finance borrowers
ESRS S4-1	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines Paragraph 17	Material	Chapter VII.3.5.1 subchapter Policies relating to investors Chapter VII.3.5.2 subchapter Policies relating to policyholders Chapter VII.3.5.3 subchapter Policies relating to consumer finance borrowers Chapter VII.3.5.4 subchapter Policies relating to home savings customers and real estate finance borrowers
ESRS S4-4	Human rights issues and incidents Paragraph 35	N.A. ⁴	
ESRS G1-1	United Nations Convention against Corruption Paragraph 10 (b)	N.A. ⁵	
ESRS G1-1	Protection of whistleblowers Paragraph 10 (d)	N.A. ⁵	
ESRS G1-4	Fines for violation of anti-corruption and anti-bribery laws Paragraph 24 (a)	Material	Chapter VII.4.3 subchapter Metrics relating to compliance
ESRS G1-4	Standards of anti-corruption and anti-bribery Paragraph 24 (b)	Material	Chapter VII.4.3 subchapter Metrics relating to compliance

¹ Sequence according to Annex B of ESRS 2.

² Due to the DZ BANK Group's business model, the data point is not relevant to the business portfolio and therefore not applicable.

³ N/A, as the data point is voluntary or is not taken into account due to a transitional period in the reporting year.

⁴ N/A, as the DZ BANK Group does not have any severe problems or incidents relating to human rights and the data point therefore does not apply.

⁵ N/A, as the data point only needs to be reported in the event of a negative statement.

2 Environment

Given the high importance of sustainable growth for society as a whole, particularly from an environmental perspective, the DZ BANK Group takes a future-looking business approach. The group entities are actively supporting the European action plan for financing sustainable growth. As a financial company, the DZ BANK Group plays an important role in supporting its customers' green transformation ('climate change and biodiversity and ecosystems in the business portfolio') and thus in the economy as a whole. Moreover, the group entities take the topic 'climate change and pollution in own operations' into account by using resources efficiently.

2.1 Management of material impacts, risks, and opportunities in the environmental sphere (SBM-3)

Climate change and its impact on the economy and society are among the biggest global challenges of this century. As a financial company, the DZ BANK Group takes responsibility for actively supporting and shaping the transition to a decarbonized economy. The DZ BANK Group incentivizes sustainable practices to increase the flow of capital into sustainable investments, for example by offering targeted products and applying exclusion criteria for specific business practices and areas of business. Growing demand for investment and financing solutions aimed at improving borrowers' resilience to the impacts of climate change present new business opportunities for the DZ BANK Group. However, potential negative environmental impacts may arise as a result of providing finance in GHG-intensive sectors or creating perverse incentives because adaptation measures have not been sufficiently taken into account.

The DZ BANK Group systematically links its business strategy to its risk strategy and integrates ESG risks into them as these risks can increasingly influence the business activities of the group entities. To test the resilience of its strategy in relation to climate-related and environmental risks and to ESG risks overall, the DZ BANK Group uses a variety of analyses whose results build on one another. These analyses comprise an ESG risk driver materiality analysis ('ESG materiality analysis'), climate stress tests, and a business environment analysis. The ESG materiality analysis and the related risk drivers form the basis of the business environment analysis, which is used to identify future ESG risks and opportunities. The DZ BANK Group uses climate stress tests to gauge how resilient its business model is to physical and transition risks. Due to their greater relevance, the DZ BANK Group primarily analyzes portfolio risks. Risks in own operations are categorized as operational risks.

Climate-related and environmental risks in risk management: risk analysis and risk management framework

The DZ BANK Group does not classify climate-related and environmental risks as a separate risk type. Instead, it views them as drivers of the classic financial and non-financial risk types. It is through these risk types that climate-related and environmental risks impact on the group's capital situation, earnings situation, and/or liquidity situation. Climate-related and environmental risks are thus seamlessly integrated into the strategic and operational risk management framework. This helps to identify such risks as early as possible, assess the financial effects, and take action to avoid or mitigate these risks. Climate-related and environmental risks can be divided into 2 categories:

- Transition risks arise in connection with the process of switching to a lower-carbon and more environmentally sustainable economy, for example political initiatives aimed at decarbonization, increases in carbon prices, climate-related and environmental legal risks, or changes in market preferences.
- Physical risks arise from the direct consequences of climate change or from damage to the environment. These include extreme weather events, higher temperatures, rising sea levels, and biodiversity loss.

Any necessary refinement of the DZ BANK Group's methods and processes is mainly dependent on whether the influence that drivers of climate-related and environmental risks have on the risk type is deemed material or not. To this end, the DZ BANK Group has integrated an ESG materiality analysis into the annual group risk inventory check. In 2025, climate-related transition risks were identified as material overarching factors that harbor both medium-term and long-term risks with regard to credit risk and business risk in the Bank sector and with regard to market risk in the Insurance sector. Climate-related physical risks are rated material for actuarial risk in the short term, medium term, and long term. Furthermore, medium- and long-term nature-related transition risks were rated potentially material for market risk in the Insurance sector. Material transition risks include risk drivers such as adaptation processes aimed at climate change mitigation / greenhouse gas reduction and adaptation processes aimed at improving energy consumption, energy efficiency, and the use of renewable energy.

Resilience of the business model and input for the strategy: business environment analyses and climate stress tests

Once a year, the business environment analyses examine how ESG risks impact the business activities of the DZ BANK Group and of the management units. The DZ BANK Group also identifies opportunities arising from material climate-related and environmental topics. It incorporates the findings into its strategic planning and derives specific management plans and action plans from them.

The DZ BANK Group identifies the chains of events of material climate-related and environmental risks for each sector and then determines the impacts on the business model of the relevant management unit. It also takes account of regulatory developments (for example, a ban on internal combustion engines in the automotive sector) and trends. Due to the variation in their business models, the group entities consider physical and transition risks specifically for their relevant transactions and customers. The sector is not considered as a whole. The analyses for DZ BANK are conducted explicitly in climate-related focus sectors (automotive, energy, fossil fuels, aviation, shipping, cement, and steel). All management units carried out their own business environment analyses in 2025. The aim going forward is for the business environment analyses to also show how the individual business models can be adapted to the consequences of climate change in the short, medium, and long term.

The DZ BANK Group has a comprehensive climate stress testing framework that is fully integrated into the ICAAP stress testing program. This framework distinguishes between exploratory climate scenario analyses, in which individual ESG risk drivers such as flooding are examined for a specific risk type, and adverse climate scenarios, which can fully simulate multiple risk types and drivers. Stress effects are calculated from a normative and an economic perspective and presented in the annual climate stress test report. The adverse scenario is also presented in the DZ BANK Group's adverse stress test report.

The ESG materiality analysis has a significant influence on scenario selection. The exploratory climate scenario analyses focus on the material and potentially material climate risk drivers in the ESG materiality analysis for the affected risk types of the ICAAP. The adverse climate scenario builds on the results of the exploratory analyses. Any material risk drivers identified therein are taken into account – as are other effects – to provide an end-to-end scenario that is specific to DZ BANK. The cascading selection process thus ensures that all relevant risk drivers and an appropriate number of climate scenarios are considered.

The DZ BANK Group's exploratory climate scenario analyses generally include the following scenarios:

- Physical risks:
 - Flooding scenario: The DZ BANK Group analyzes flood risk based on extreme flooding scenarios. The analysis focuses on direct damage to real estate and downtime in businesses. The scenario analyses are based on Network for Greening the Financial System (NGFS) scenarios for climate pathways that are at least equivalent to the 'current policies' scenario.
 - Forest fire and drought scenario: The forest fire scenario uses location-specific probabilities of fire to calculate damage to real estate and downtime in businesses. The drought scenario simulates the loss of income during an acute dry period. The scenario analyses are based on Network for Greening the Financial System (NGFS) scenarios for climate pathways that are at least equivalent to the 'current policies' scenario.
- Transition risks: The DZ BANK Group examines these using the 'delayed transition' scenario from NGFS, with a focus on the intensive transition period.

For the adverse climate scenario, the 'delayed transition' scenario is considered with the transition period brought forward and with further bank-specific transition risks added, along with physical risks. In this scenario, a sudden transition phase is introduced in order to limit global warming to less than 2°C. The maximum global warming expected in this scenario is 1.7°C, or 1.8°C as the model average.

Climatic variables from various data sources are combined for these scenarios, with NGFS scenarios and data providing the foundation. For example, location-specific information is added to the physical scenarios, including from the Joint Research Centre. NGFS regularly publishes new versions of its scenarios, which are incorporated into climate stress testing as soon as possible.

The results of the stress tests show that the DZ BANK Group's profitability and capitalization are resilient in the face of climate risks and that its exposure to such risks is low. Nevertheless, the results of the climate stress tests are still subject to uncertainty. This is due to the currently limited availability of data and scenarios, as well as the low level of methodological maturity across the industry. The climate stress test report provides in-depth information on the scenarios, assumptions, and simplifications used. The DZ BANK Group is continuously working to further develop its climate stress tests. In the future, the plan is to incorporate the resilience analysis in accordance with the EBA guidelines on environmental scenario analysis, which will apply from 2027, into the climate stress tests. The resilience analysis thus takes a long-term view when assessing the business model's resilience to climate-related and environmental risks, while climate stress tests in the narrower sense focus on assessing the institution's short- to medium-term resilience to acute climate and environmental risks.

Material impacts, risks, and opportunities in the environmental sphere

In its materiality assessment (see chapter VII.1.5), the DZ BANK Group identified material impacts, risks, and opportunities in the environmental area. These are listed in the figure below, divided into the dimensions 'own operations' and 'business portfolio'. The impacts, risks, and opportunities described are expanded on in the following subchapters, which also explore the DZ BANK Group's related targets, policies, and actions (see assignment in the figure below). The entities in the DZ BANK Group have dedicated budgets to provide financial resources for the implementation of the individual environmental actions. The environmental metrics are not validated by an external body.

FIG. VII.12: OVERVIEW OF THE MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES IN THE ENVIRONMENTAL SPHERE

ESRS	Topic in the materiality assessment	IRO type	Dimension	Time horizon	Description	Chapter in the report
E1	Climate change adaptation ¹	+	P	st	Financing, insurance, and investing activities to strengthen companies' and business partners' resilience to climate-related loss events	Chapter VII.2.2.2 Climate change in the business portfolio
E1	Climate change adaptation ²	—	P	mt	Creating perverse incentives by not giving sufficient consideration to climate aspects in financing, insurance, and investing activities	Chapter VII.2.2.2 Climate change in the business portfolio
E1	Climate change adaptation	R	P	n/a	Actuarial risk: products become less profitable as claim payments increase due to the physical consequences of climate change and related cumulative claims, for example rising sea levels (chronic), (acute) storm events (including winter storms, hurricanes, typhoons, cyclones, tornadoes), fluvial flooding (acute), coastal flooding (acute), heavy rain and urban flooding (acute), and wildfires (acute)	Chapter VII.2.1 Management of material impacts, risks, and opportunities in the environmental sphere, subchapter Climate-related and environmental risks in risk management: risk analysis and risk management framework
E1	Climate change adaptation	O	P	n/a	Increase in the volume of financing, insurance, and investing activities due to growing customer demand for adaptation measures	Chapter VII.2.2.2 Climate change in the business portfolio
E1	Climate change mitigation (emissions) ¹	+	P	st	Directing capital toward sustainable investments through exclusion criteria or sector criteria	Chapter VII.2.2.2 Climate change in the business portfolio
E1	Climate change mitigation (emissions) ¹	+	P	st	Supporting customers' transition to climate neutrality and reduction of GHG emissions through financing, insurance, and investing activities	Chapter VII.2.2.2 Climate change in the business portfolio
E1	Climate change mitigation (emissions) ¹	—	P	st	Supporting GHG-intensive sectors and projects through financing, insurance, and investing activities	Chapter VII.2.2.2 Climate change in the business portfolio
E1	Climate change mitigation (emissions)	R	P	n/a	Credit risk: higher probability of default and/or lower collateral values as a result of adaptation costs, and lower borrower profitability due to transition risks arising from political/regulatory initiatives (and any resulting legal disputes), technological progress, or changes in market sentiment/preferences/situation with regard to reducing GHG/carbon emissions (for example, as a result of carbon pricing or other political initiatives)	Chapter VII.2.1 Management of material impacts, risks, and opportunities in the environmental sphere
E1	Climate change mitigation (emissions)	R	P	n/a	Market risk (Insurance sector): changes to credit ratings / asset valuations in investment activities in the Insurance sector due to political/regulatory initiatives (and any resulting legal disputes), technological progress, or changes in market sentiment/preferences/situation with regard to reducing GHG/carbon emissions (for example, carbon pricing)	Chapter VII.2.1 Management of material impacts, risks, and opportunities in the environmental sphere
E1	Climate change mitigation (emissions)	O	P	n/a	More market opportunities and improved perception as a source of support for the transformation thanks to growing customer demand for investing, financing, and insurance solutions in the context of climate change	Chapter VII.2.2.2 Climate change in the business portfolio
E1	Climate change mitigation (emissions) ¹	—	OO	st	GHG emissions caused by own operations	Chapter VII.2.2.1 Climate change in own operations
E1	Climate change mitigation (emissions)	O	OO	n/a	Reducing emissions in own operations boosts reputation as a credible partner in the transformation	Chapter VII.2.2.1 Climate change in own operations
E1	Energy ¹	+	P	st	Supporting the energy transition and action to reduce energy consumption through financing, insurance, and investing activities in the areas of renewable energy and energy efficiency	Chapter VII.2.2.2 Climate change in the business portfolio
E1	Energy ¹	—	P	st	Hindering the progress of the energy transition by supporting the fossil fuel sector through financing, insurance, and investing activities	Chapter VII.2.2.2 Climate change in the business portfolio
E1	Energy	R	P	n/a	Credit risk: higher probability of default and/or lower collateral values as a result of adaptation costs, and lower borrower profitability due to the economy's shift to more energy-efficient technologies as a result of political/regulatory	Chapter VII.2.1 Management of material impacts, risks, and opportunities in the environmental sphere

ESRS	Topic in the materiality assessment	IRO type	Dimension	Time horizon	Description	Chapter in the report
					initiatives (and any resulting legal disputes), technological progress (such as energy-efficient technologies, green energy sources and enablers), or changes in market sentiment/preferences/situation with regard to energy consumption/efficiency and the use of renewable energy in the context of the energy transition. This includes the effects arising from the type of energy used, the scale of consumption by companies/assets (real estate and their real estate category), and the energy management strategies. Impacts related to the proportion of renewable energy in the overall energy mix of a country / national economy are also included.	
E1	Energy	R	P	n/a	Market risk (Insurance sector) and business risk: changes to credit ratings / asset valuations in investment activities in the Insurance sector and external or internal factors that could impact on operational performance, profitability, or strategy due to political/regulatory initiatives (and any resulting legal disputes), technological progress (such as energy-efficient technologies, green energy sources and enablers), or changes in market sentiment/preferences/situation with regard to energy consumption/efficiency and the use of renewable energy in the context of the energy transition. This includes the effects arising from the type of energy used, the scale of consumption by companies/assets (real estate and their real estate category), and the energy management strategies. Impacts related to the proportion of renewable energy in the overall energy mix of a country / national economy are also included.	Chapter VII.2.1 Management of material impacts, risks, and opportunities in the environmental sphere
E1	Energy	O	P	n/a	Rising demand for financing of / insurance of / investment in the shift to green energy, including renewable energy projects and innovative technologies	Chapter VII.2.2.2 Climate change in the business portfolio
E4	Biodiversity and ecosystems ¹	+	P	st	Protecting ecosystems and biodiversity by excluding projects with an adverse impact on biodiversity from finance/investment and by supporting the transformation to mitigate these impacts	Chapter VII.2.3 Biodiversity and ecosystems
E4	Biodiversity and ecosystems	R	P	n/a	Market risk (Insurance sector): changes to credit ratings / asset valuations in investment activities in the Insurance sector due to political/regulatory initiatives (and any resulting legal disputes), technological progress, or changes in market sentiment/preferences/situation with regard to biodiversity and ecosystems. This includes, for example, more sustainable use of land, the emission of pollutants such as nitrates and phosphates from fertilizers and sewage, and the control and containment of invasive species.	Chapter VII.2.1 Management of material impacts, risks, and opportunities in the environmental sphere

+ = positive impact, — = negative impact, R = risk, O = opportunity, P = business portfolio, OO = own operations, st = short term, mt = medium term, lt = long term, n/a = not applicable,
1 = actual impact, 2 = potential impact

2.2 Climate change

2.2.1 Climate change in own operations (E1-1, E1-2, E1-3, E1-4)

Transition to a climate-neutral economy (from the perspective of own operations)

Climate change mitigation in own operations contributes to the careful and efficient use of resources. For the entities in the DZ BANK Group, it is also a matter of setting a positive example for employees and customers. The DZ BANK Group has been working in the center of excellence for the environment (Kompetenzzentrum Umwelt, KCU²) to minimize its environmental footprint since 2014. The KCU coordinates the implementation of the **climate strategy for own operations** through the yearly process for collecting and interpreting data and initiating appropriate action. It comprises the employees who are responsible for environmental matters in the participating DZ BANK Group entities and reports to the GSC.

Since it started its activities, the KCU has implemented a number of decentralized actions to reduce emissions in the DZ BANK Group entities, such as switching to green electricity and/or district heating. It has also launched initiatives to improve energy efficiency in office buildings and developed sustainable transportation schemes.

Within the KCU, the DZ BANK Group developed a **climate strategy for own operations** in 2025 as an updated framework with binding interim targets and actions for the group entities and set an overarching goal of climate neutrality by 2045 for controllable emissions, using offsetting for any remaining emissions in the target year. The framework defines the decarbonization of business operations and provides external stakeholders and the organization with a clear overview of the strategic focus and the agreed actions for achieving the climate targets.

The DZ BANK Group's holistic approach to climate transformation follows the established hierarchy of action:

1. Avoid: Emissions should be prevented through the implementation of sustainable business practices.
2. Reduce: Remaining emissions should be continuously reduced through active emission reduction measures.
3. Engage: Targeted support for climate change mitigation projects through the purchase and retirement of emission allowances beyond the group's value chain ('contribution claim').

There are two decarbonization levers at work in the reduction of emissions from own operations: an active lever, which is the implementation of an action plan to reduce emissions, and a passive lever, which is the general improvement of emissions efficiency at the DZ BANK Group's sites. Both decarbonization levers are described in greater detail in the 'Climate targets in own operations' section.

Aspects that have already been implemented or planned accordingly to integrate environmental and climate aspects into the group's own operations include increasing energy efficiency, raising employees' awareness, reducing resource use, and minimizing potentially adverse environmental impacts. The emission reduction measures are described in greater detail in the 'Climate-related actions in own operations' section.

Climate targets in own operations

Within the KCU, the DZ BANK Group has set itself a combined (Scopes 1 to 3) climate target³ – based on the German Federal Climate Action Act (KSG) – for its own operations that envisages climate neutrality in relation to controllable emission sources by no later than 2045, including the use of offsetting measures.

² Members of the KCU: DZ BANK, BSH, DZ HYP, DZ PRIVATBANK, R+V, Reisebank, TeamBank, UMH, VR Payment, VR Smart Finanz, VR Equitypartner, and VR Factoring.

³ Greenhouse gas emissions under Scope 1 (direct burning of fuels, including fuel consumption of fleet vehicles and loss of coolant), Scope 2 (use of electricity and district heating) and Scope 3 (upstream and downstream activities in the value chain).

Starting from the base year 2024, the following interim targets were set (see also Fig. VII.13):

- 2030: reduction of 9 percent
- 2035: reduction of 24 percent
- 2040: reduction of 47 percent

The target pathway for own operations was approved by the Board of Managing Directors / senior management level represented in the GSC. The GSC's members include Chief Executive Officer of DZ BANK and the relevant members of the Boards of Managing Directors / senior management of the material subsidiaries.

The climate target pathway was set using a bottom-up approach in collaboration with the group entities in the KCU, taking into account the opinions of experts in environmental matters relating to own operations. The primary focus was on business-specific circumstances, so there is no link to any scientific basis and thus no conformity with the 1.5°C target. While the interim targets for 2030, 2035, and 2040 show lower reduction rates than the cross-sector SBTi emission pathway⁴, the DZ BANK Group's climate target pathway converges with the science-based reference path by 2045 through the use of offset measures.

In addition to active emission reduction measures (active lever), the climate target pathway also takes passive decarbonization levers into account. These include political and market-specific developments that could influence the climate target pathway going forward. The passive decarbonization levers for electricity, district heating, e-mobility in commuter emissions, and waste are based on the technical notes to the German Environment Agency's 'Greenhouse gas projections 2024 for Germany'. This publication predicts emissions at national level based on models and assumptions. It differentiates between a with-existing-measures scenario, which includes climate action that has already been agreed, and a with-additional-measures scenario, which incorporates additional planned action. Emission factors can be derived from these scenarios. The climate target pathway for the DZ BANK Group was based solely on the with-existing-measures scenario, as it provides conservative and more realistic values for 2045. The planning of the vehicle fleet also took account of the political scenario, under which all new passenger cars sold from 2035 onward must be electric vehicles.. Moreover, an assumed growth rate for the period up to 2030 was applied that takes the planned changes in the size of the workforce into account.

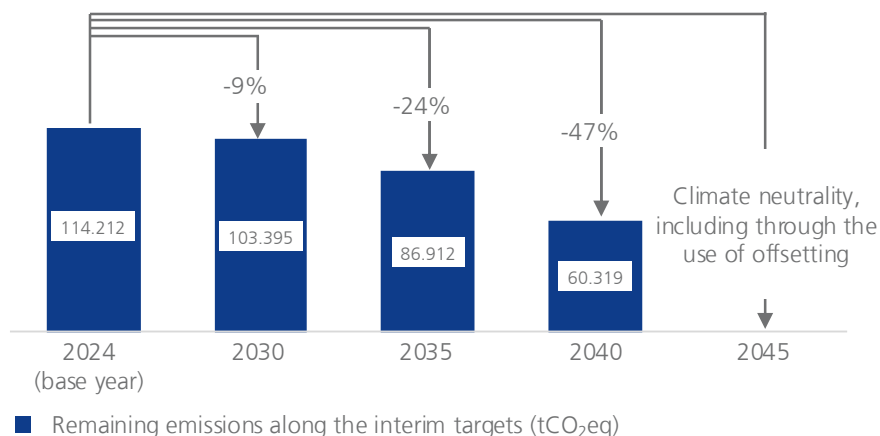
As part of the development of the climate target pathway, 3 scenarios were evaluated:

- Scenario 1 (conservative): This scenario only takes active emission reduction actions into account.
- Scenario 2 (neutral-conservative): Passive decarbonization levers, as described above, are integrated alongside the active actions. This scenario is defined as the baseline scenario for the DZ BANK Group and is being pursued strategically.
- Scenario 3 (optimistic): This scenario is based on very positive assumptions with regard to emission levels, resulting from an optimistic approach for the passive decarbonization levers. It was calculated for comparison purposes.

The interim targets for 2030, 2035, and 2040 were based on scenario 2.

4 'Pathways to Net-zero –SBTi Technical Summary' (version 1.0, October 2021) as stated in ESR5 E1 AR 28.

FIG. VII.13: CLIMATE TARGET PATHWAY FOR DECARBONIZING THE DZ BANK GROUP'S OPERATIONS



When defining the climate target pathway, the decision was made to only include emission sources whose emissions can be addressed and that are closely linked to the DZ BANK Group's business activities. Accordingly, the DZ BANK Group's target of climate neutrality by 2045 applies only to controllable emissions. The following emission sources are included in the climate target pathway:

- Scope 1 and Scope 2 emissions (Scope 2 market-based method)
- Controllable Scope 3 emissions, i.e. category 1 (greenhouse gas emissions from paper consumption, water, and corporate and customer events), category 3 (greenhouse gas emissions from fuel and energy-related activities), category 5 (greenhouse gas emissions from waste, excluding Sprint's customer waste), category 6 (business travel), and category 7 (commuting and remote working)

The following emission sources are excluded from the climate target pathway:

- Emissions from tenanted real estate in Scope 1, Scope 2, and Scope 3 (category 13)
- Elements of Scope 3 emissions in category 1 (greenhouse gas emissions from building renovations, office supplies, office equipment, office furniture, IT maintenance, IT services, cloud computing, and data centers)
- Scope 3 emissions in category 2 (greenhouse gas emissions from capital goods)
- Scope 3 emissions in category 5 (Sprint's customer waste – R+V exceptional case)

The greenhouse gas inventory reported in chapter VII.2.2.3 has thus not been fully taken into account in the climate target pathway for operations. Of the total emissions from own operations of 167,048 tCO₂eq reported for the base year 2024, 68 percent are covered by the targets based on the descoping described above. The reference figure for the updated climate target pathway for the base year 2024 is thus 114,211 tCO₂eq.

The DZ BANK Group has identified 2 key decarbonization levers for reducing greenhouse gas emissions in its own operations (see Fig. VII.14).

FIG. VII.14: THE DZ BANK GROUP'S DECARBONIZATION LEVERS



Active decarbonization levers

Decentralized actions taken by the group entities to actively reduce and avoid emissions in the areas of energy and heating use, facility technology, waste, water, paper, business travel, vehicle fleet, commuting, and space management



Passive decarbonization levers

Expected emission reductions from general advances in decarbonization and improvements in emission efficiency across the German economy and society by 2045

Active actions for achieving targets were identified and assessed by each subsidiary involved in the KCU. The actions to reduce the greenhouse gas inventory in the short, medium, and long term (see the 'Climate-related actions in own operations' section) provide the basis for authoritative reduction targets for 2030, 2035, and 2040.

Fig. VII.15 shows the expected emission reductions per Scope category and the proportion of the overall reduction accounted for by active levers in the interim years. It should be noted that electrification increases Scope 2 emissions because an electricity emission factor still applies in scenario 2. Due to the bottom-up approach used to draw up the updated climate target pathway, the expected emission reductions broadly correspond to the interim target values.

FIG. VII.15: DETAILED INFORMATION ON PLANNED EMISSION REDUCTIONS

Interim targets	Absolute emission reductions (tCO ₂ eq)			of which: percentage reduction through active decarbonization levers
	Scope 1	Scope 2	Scope 3	
2030	-6,524	2,122	-6,777	85%
2035	-14,472	1,706	-14,903	47%
2040	-29,275	3,065	-28,157	24%

The DZ BANK Group aims to meet its emission reduction targets mainly through the short- and medium-term reduction actions outlined in this report, with a particular focus on emission-intensive areas. The decentralized and staggered implementation of active reduction actions at group entity level is expected to result in a total reduction of approximately 11 percent in emissions by 2045 relative to the base year (2024). In addition to the aforementioned actions, further initiatives aimed at achieving the defined emission reduction targets in the long term are in the pipeline. The passive decarbonization lever is expected to reduce emissions by around 45 percent in total by 2045 relative to the base year (2024). No clearly definable financial resources were used to implement the decarbonization actions in own operations. As the actions are long-term in nature, it is not possible to allocate specific funding at this time.

The KCU is responsible for implementing the climate target pathway and the related actions and for gathering greenhouse gas emissions data and other data relating to own operations in a standardized manner. All group entities in the KCU measure their greenhouse gas emissions in Scopes 1 to 3 in accordance with the disclosures required under ESRS and in accordance with the GHG Protocol.

Progress is monitored through an annual process of data collection, analysis, and reporting. The KCU regularly reviews actual environmental performance to check that actions and priorities are still appropriate for achieving the defined targets. Should there be a deviation from the interim targets, the remaining greenhouse gas emissions will be offset through a financial contribution to climate change mitigation from the first interim year of 2030 onward.

Embodied emissions can hinder the achievement of the operational emission reduction target. This primarily includes existing business infrastructure and long-term usage decisions, such as emissions from energy

supplied to the company's office buildings, from existing heating and cooling equipment, and from transportation-related structures in commuter travel. The DZ BANK Group's climate target pathway envisages that any unavoidable remaining emissions in 2045 should be offset through the purchase of emission allowances. The principle of avoid and reduce always takes precedence over offsetting.

Climate policies in own operations

The following policies are directly linked to the material topic of climate change mitigation, plus the related impacts, risks, and opportunities.

With the **climate strategy for own operations** framework and the groupwide **data collection in own operations** policy, the DZ BANK Group has defined binding principles and actions across the group to ensure that data collection is consistent and that the process for calculating greenhouse gas emissions is standardized. This enables the DZ BANK Group to keep a close eye on its environmental impact and take targeted actions to reduce emissions. Responsibility for implementing the policies lies with the group entities in the KCU. The annual review is carried out by DZ BANK's Services & Organisation division.

Through its decentralized **business travel policies**, the DZ BANK Group aims to reduce greenhouse gas emissions from business travel by implementing guidelines to minimize business travel and prioritize environmentally friendly modes of transportation. Business trips, especially domestic flights, are only permitted if they can be shown to be necessary. The individual group entities are responsible for implementing the policies. At DZ BANK, the business travel policy is documented in the written set of procedural rules. Governance of the policy is the responsibility of the member of the Board of Managing Directors in charge of DZ BANK's Group Human Resources division. This division carries out the annual operational review.

The devolved **company car policies** in the DZ BANK Group support the target of reducing greenhouse gas emissions by using low-emission vehicles. In most cases, preference is given to electric vehicles and the choice of cars and engine specifications is restricted by a CO₂ emissions cap. This cap is regularly adjusted in accordance with the environmental rules and regulations applicable to the group. The individual group entities are responsible for implementing the policies. The process governing company car use at DZ BANK is documented in the written set of procedural rules, with a reference to the company car regulation. Governance thereof is the responsibility of the member of the Board of Managing Directors in charge of DZ BANK's Services & Organisation division. This division carries out the annual review.

Climate-related actions in own operations

The KCU is responsible for **monitoring** and planning the actions aimed at **achieving the climate targets**. The KCU coordinates the implementation of the climate strategy through an existing process that covers the collection of data and the initiation of appropriate action. The DZ BANK Group pursues a decentralized strategy for reducing emissions, whereby each group entity adopts its own action plan for reducing greenhouse gas emissions. The results are reported to the GSC. Where the DZ BANK Group cannot avoid or reduce its greenhouse gas emissions, the GSC decides on an ad hoc basis about taking further action.

The projected emission reduction by 2045 – relative to the base year – through appropriate actions implemented at group level is disclosed in the 'Climate targets in own operations' chapter. While it is not possible to quantify the reductions in greenhouse gas emissions achieved by each individual action, the aggregated effects are evident in the change in the disclosed emissions (see Fig. VII.32).

Environmentally friendly travel – avoidance/optimization of business trips

Where possible, business trips in the DZ BANK Group are to be avoided in favor of virtual communication formats, in line with the **business travel policy** applicable in each group entity. For unavoidable business trips, employees should give preference to the Deutsche Bahn railway network for long-distance travel and local public transportation for shorter distances. When it comes to accommodation, preference should be given to hotels that are certified as sustainable (such as VDR certified business hotels). Restrictions on short-

haul flights are designed as a medium-term reduction action. The principles defined in the business travel policy are not time-limited and are regularly reviewed and updated.

Environmentally friendly travel – electrification of the vehicle fleet

The **electrification of the vehicle fleets** is a key element of the KCU's active reduction actions. Within the group companies, the electrification of the vehicle fleet is primarily being implemented over the medium to long term. This action is expected to deliver a lasting reduction in the DZ BANK Group's greenhouse gas emissions and significantly support the achievement of its climate targets.

With the help of its **company car policy**, DZ BANK is gradually switching its vehicle fleet to electric vehicles. It also covers the cost of the electricity used by employees to charge company cars at home. A CO₂ emissions cap has been set for vehicles with internal combustion engines. At the end of 2025, 139 of 425 vehicles were all-electric or hybrid models, which equates to 32.7 percent (December 31, 2024: 125 of 423, which equates to 29.6 percent). The permanent switch to an all-electric fleet is to be completed by no later than 2035. Factors such as the cost-effectiveness and range of the fleet and a sufficiently extensive public charging infrastructure are key to a successful switch.

Environmentally friendly travel – support for alternative transportation

Support for sustainable transportation is firmly established across most of the DZ BANK Group. The main initiatives in this respects are the subsidy for travel on local public transportation and the option to lease a bicycle through salary sacrifice.

At the end of 2025, the proportion of DZ BANK employees who were regularly making use of this offer and taking public transportation was 68.1 percent (December 31, 2024: 64.9 percent). The option to lease a bicycle has been available since September 2020. To date, more than 1,400 bicycle leasing contracts have been agreed (December 31, 2024: more than 1,200 contracts), thus actively supporting sustainable transportation.

Environmentally friendly facilities management – optimization of energy and heat consumption

As part of its efforts to optimize the use of energy and heating, the DZ BANK Group is taking a range of short- and medium-term actions to reduce emissions. This includes reducing the amount of office space by renting out buildings, managing buildings more efficiently, modernizing facility technology, and switching to **green electricity** and **district heating**. The majority of the DZ BANK Group already uses electricity from renewable sources. In addition to DZ BANK, district heating is primarily used by BSH, DZ PRIVATBANK, TeamBank, and VR Payment for their heating needs. The energy efficiency of office buildings has been continuously improving since 2020. This is partly attributable to the introduction of teleworking, to efficiency gains in building operations, and to optimized system configurations in data centers.

Environmentally friendly facilities management – optimization of paper and water consumption and of waste volumes

The DZ BANK Group endeavors to optimize **paper and water consumption** and reduce **the volume of waste**. DZ BANK aims to reduce emissions in the medium to long term by switching to recycled printing paper and recycled paper hygiene products and by accelerating the digital transformation to cut the amount of paper used for printing. The latest facility technologies and flow limiters have been installed to further reduce water consumption. Waste disposal is also being optimized on an ongoing basis by expanding recycling options.

Better space management with the 'New Work' workspace concept

DZ BANK's ongoing **New Work** workspace concept provides flexible working models based on desk sharing with a ratio of 7 workplaces per 10 employees. The concept improves the use of floor space and reduces emissions thanks to lower energy consumption and less commuting, for example. By 2024, the new model had already been rolled out across 37 out of 50 floors in the building at Westend 1 in Frankfurt am Main. In 2025, it was rolled out across a further 8 floors. It has also been introduced at BSH, DZ HYP, and VR Payment and at other DZ BANK locations, including Stuttgart, Munich, Nuremberg, Münster, and Oldenburg.

Implementation in Düsseldorf, Karlsruhe, Hamburg, and Berlin began in 2024. The action is scheduled to be completed in 2027.

Environmental and energy management systems

In 2025, DZ BANK and R+V introduced an **ISO 50001-certified energy management system** in accordance with the German Energy Efficiency Act (EnEfG). Systematic energy management primarily provides for the continual planning, management, monitoring, and improvement of all actions and processes aimed at optimizing resource consumption. BSH, TeamBank, and UMH have an environmental management system based on the **Eco-Management and Audit Scheme (EMAS)**. UMH has also introduced an externally certified environmental management system in accordance with DIN ISO 14001.

Environmental checks in supplier management

To reduce the adverse environmental impacts of the goods and services it purchases, the DZ BANK Group pays careful attention not only to quality and price but also to sustainability matters. The sustainability in procurement guideline, which is applied on a group entity-specific basis, provides guidance when it comes to integrating sustainability matters. It is based, among other things, on the principles of the UN Global Compact and defines standards for taking ESG criteria into account in procurement. These include reducing the impact on the environment, and the improvement of suppliers' environmental protection measures. In 2021, **EcoVadis** was selected as the platform for assessing suppliers. It is currently used by DZ BANK, BSH, DZ HYP, DZ PRIVATBANK, R+V, TeamBank, UMH, and VR Payment.

The **working group for sustainability in procurement**, which comprises the sustainability coordinators from the procurement departments of most of the group entities, develops targets and processes for sustainable procurement on an ongoing basis. The working group meets every month and currently focuses on upcoming regulatory changes and their impact on the DZ BANK Group, in particular the EU's Regulation on deforestation-free products (EUDR) and Directive on corporate sustainability due diligence (CSDDD). Sustainable supplier management is described in detail in chapter VII.3.3.

Financial contribution to climate change mitigation and participation of the DZ BANK Group in the voluntary carbon market

The group entities in the DZ BANK Group purchased emission allowances for the first time in 2025 with the aim of making a voluntary financial contribution to climate change mitigation ('contribution claim') to complement the emission reduction actions in their own operations.

Unlike with traditional offsetting, the group's own carbon footprint is not directly offset in this case. As a result, the removal and reduction of greenhouse gas emissions achieved does not count toward the emission reduction target for the DZ BANK Group's own operations. This also avoids the risk of double counting, for example. Instead, this offsetting finances actions to mitigate climate changes, also known as 'beyond value chain mitigation' (BVCM).

When selecting projects, DZ BANK pursues a dual strategy that combines the international climate impact with regional accountability. International projects offer high scalability and considerable climate benefits in regions with significant potential for action. At the same time, projects with a strong regional connection boost transparency, credibility, and DZ BANK's proximity to the real economy. Nature-based approaches, in particular, can help to stabilize regional ecosystems, improve water supply and soil health, and increase resilience to climate- and nature-related risks. Consequently, DZ BANK's choice of projects is not based solely on their impact on carbon emissions but also takes account of the aforementioned impact chains for the long-term stability of value creation and financing.

DZ BANK has broadly diversified its BVCM projects with the support of an external service provider in order to implement this strategy in the most optimal way. A proprietary assessment mechanism is used that is based on strict quality criteria of recognized standards, including the Core Carbon Principles (CCPs) of the Integrity Council for the Voluntary Carbon Market (ICVCM). It also factors in existing infrastructures, such as VCM

ratings⁵. This approach makes it possible to take desired impact channels into account without compromising essential quality standards. While the composition of the projects may vary within the DZ BANK Group according to the specific institution's targets, it generally follows scientifically based guidelines such as the Oxford Principles.

On a trial basis, emission allowances amounting to 1,870 tCO₂eq were retired for the first time in 2025. This retirement reflects voluntary financial contributions to climate change mitigation and is broken down as follows:

FIG. VII.16: DETAILED INFORMATION ON FINANCIAL CONTRIBUTIONS TO CLIMATE CHANGE MITIGATION

Criterion	Percentage	Amount (tCO ₂ eq)
Project type: GHG removal	73%	1,370
Project type: GHG avoidance	27%	500
Location: projects within the EU	29%	550
Location: projects outside the EU	71%	1,320

DZ BANK supports projects that focus on carbon removal (73 percent) and emissions avoidance (27 percent). One example of DZ BANK's global commitment to removal is its support of a project in Panama. Here, degraded grazing land is reforested with biodiverse, permanently stable mixed forests, thereby creating invaluable new habitats and biodiversity. In Colombia, a REDD+⁶ project is helping to protect (emissions avoidance) coastal forests and mangroves and is supporting local Afro-Colombian communities through targeted income generation.

In addition, DZ BANK places a particular focus on removal projects with a regional focus in Germany, in which 69 percent of its budget for financial contributions to climate change mitigation was invested in 2025. By supporting humus formation in agriculture and the conversion to climate-resilient forests, the carbon storage capacity of indigenous soils and forests can be increased and made less susceptible to the consequences of climate change. In addition, DZ BANK is investing in innovative technological solutions such as biochar production. Biochar can bind carbon for extended periods and improve soil fertility.

In February 2026, R+V will retrospectively purchase emission allowances to cover its Scope 1 and Scope 2 emissions in 2025 (6,987 tCO₂eq) and then retire them. It will thus be making a financial contribution to climate action beyond its own value chain. These 'contribution claims' are also not factored into the GHG emissions calculation as carbon credits. The financial contribution to climate action has been defined as a climate target for R+V and will be made every year from 2025 onward.

2.2.2 Climate change in the business portfolio (E1-1, E1-2, E1-3, E1-4)

Transition to a climate-neutral economy

For the DZ BANK Group, sustainability is an integral part of the values that it embodies and the activities that it carries out. It therefore updates the groupwide sustainability strategy on an ongoing basis. The DZ BANK Group's position paper on climate change and the environment establishes a framework that addresses the integration of climate-related and environmental aspects into each group entity's operational and portfolio-specific activities. The vision is to align economic and social targets with environmental targets – with a particular emphasis on the business portfolio – and thereby support the transformation of the real economy. To achieve this, the DZ BANK banking group has defined sector targets for decarbonizing very carbon-intensive sectors in its portfolio, which, together with the actions described in this chapter, constitute a transition plan for climate-relevant focus sectors (fossil fuels, energy, automotive, steel, cement, aviation, shipping, real estate, and chemicals) in the DZ BANK banking group's portfolio. The DZ BANK banking group

⁵ VCM stands for: voluntary carbon market.

⁶ REDD+ stands for: Reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries.

thus endeavors to support its customers' transformation processes. To this end, it specifically supports customers with transition plans and sustainable intended uses in lending and asset management. The target is to reduce greenhouse gas emissions in the portfolios (reduction) while developing climate-friendly new business (avoidance). The DZ BANK Group is not excluded from the Paris-aligned EU benchmarks.

Climate neutrality is a cornerstone of the DZ BANK banking group's ESG targets. The DZ BANK banking group has adopted a wide range of sector-specific decarbonization targets in order to make its business portfolio climate-neutral. These targets apply to the DZ BANK banking group's corporates, project finance, ships, and real estate asset classes, including own-account investing⁷. Real estate finance at DZ PRIVATBANK and special funds managed by the DZ BANK Group are excluded. The sector targets were derived in a structured and systematic way, but were not externally reviewed. Their purpose is to mitigate climate-related and environmental risks. The DZ BANK banking group also plans to leverage business opportunities that help to decarbonize the portfolio. This is designed to ensure the reduction of potentially locked-in greenhouse gas emissions and also promote climate-friendly new business. The sector targets are guided by the EU reference values for portfolios that are compatible with the Paris climate agreement. This is to ensure that the decarbonization of the business portfolio is conducted in line with the requirements of the 1.5°C target. The sector targets were agreed by the GSC. The Supervisory Board is updated annually on progress with their achievement. No clearly definable financial resources were used to implement the decarbonization actions in the business portfolio.

The sector targets were developed during **sector sprints**, in which central divisions such as Strategy & Group Development, the Corporate Banking and Structured Finance front-office divisions, and the sectoral centers of excellence in the lending business work closely together. A cross-sectoral assessment of the expected speed of the transformation provided the basis for setting realistic target achievement pathways. This assumes that customers will independently implement new technologies for decarbonization. The DZ BANK banking group itself does not plan to use new technologies to achieve the decarbonization targets in the business portfolio.

In its sector sprints, the DZ BANK banking group identified 2 types of **decarbonization lever** for each sector portfolio and considered them when setting targets:

- The passive decarbonization levers focus on the customers' transformation.
- The active decarbonization levers aim to strategically adapt the business portfolio, for example through the expansion of new business with low-emission customers.

The passive decarbonization levers were analyzed, quantified, and incorporated into the target setting for each sector. The targets focus on the sections of the value chain where the sectors' most significant decarbonization levers are located. Technological possibilities in the sectors were also taken into account. For example, there are only limited short-term technological options for reducing carbon emissions in the cement sector, whereas options to expand the use of renewables already exist in the energy sector. Customer transformation, i.e. the passive decarbonization lever, was rated as material for all sectors. The active restructuring of the portfolio is an optional additional action, especially in the event of deviations from the target values. In the fossil fuel sector, the DZ BANK banking group has set a cap for the total lending volume in order to control and limit the greenhouse gas emissions linked to the portfolio. The greenhouse gas inventory on which the decarbonization targets and climate alignment are based and the categorization of the emissions scopes are shown in the greenhouse gas emissions of the entities in the DZ BANK banking group in chapter VII.2.2.3.

⁷ Own-account investing in funds is excluded from the analysis.

When implementing its climate strategy in the business portfolio, DZ BANK focuses on the following areas:

1. **Expanding the low-emission business portfolio:** DZ BANK offers specific products to support its customers with their funding projects for a low-carbon economy.
2. **Supporting the transformation of carbon-intensive industries and activities:** DZ BANK has formulated internal sustainability standards in lending, such as exclusion criteria and sector criteria, and actively supports its customers' transformation processes.
3. **Commitment to promoting sustainability:** DZ BANK participates in public discourse on sustainability, is active in relevant networks, raises awareness among its employees, and creates transparency through regular reporting.

The decarbonization actions presented in the following sections are assigned to the passive and active decarbonization levers. The DZ BANK Group also describes its decarbonization levers for the transition to a climate-neutral economy in great detail in the **position paper on climate change and the environment**.

Progress made with the DZ BANK banking group's sector-specific climate targets is monitored on a half-yearly basis. Monitoring is carried out using climate alignment, which compares the carbon intensity of the business portfolio with reference pathways that are compatible with the 1.5°C target. If a portfolio's current emissions value (actual value) is above the 1.5°C reference pathway at the time of assessment, the portfolio must transform faster than the global average in order to be in line with the 1.5°C target by 2050. The comparison of actual value and reference pathway shows how carbon-intensive customers' operations are and how great the need for transformation is. A significant deviation from the reference pathway could thus indicate transition risks. Red warning thresholds were defined for each target pathway. If an actual value exceeds this threshold, a separate assessment is carried out and remedial action is initiated, where applicable. Publication as part of the regulatory risk reporting (Pillar III) is, like the monitoring, on a half-yearly basis. Its primary purpose is to facilitate the identification and management of transition risks at the earliest opportunity.

The carbon footprint, which underpins the decarbonization targets and the climate alignment, is based on data from the entities in the DZ BANK banking group and can be found in chapter VII.2.2.3. The progress of target achievement for each sector is shown in the 'Decarbonization targets in the lending business' section.

Outside the banking group, R+V assumes responsibility for climate action in the insurance business and as an institutional investor. R+V's fundamental position with regard to the transition to a climate-neutral economy and to its material climate change-related sustainability matters is set out in its sustainability strategy. It was adopted by the Board of Managing Directors of R+V Versicherung AG in 2022 and applies to all R+V insurance companies in Germany. The Sustainability department in Corporate Development coordinates the implementation of the strategy. The actions and activities required to implement the strategic areas of action in the sustainability strategy are documented in the sustainability program. R+V's targets and actions for investing activities developed in connection with its sustainability strategy are explained in detail in the 'Decarbonization targets in the insurance business (investments)' and 'Climate-related actions in the insurance business (investments)' sections.

R+V intends to achieve climate neutrality in the insurance business (underwriting) by 2050. As the method for determining emissions in the insurance business is yet to be finalized, no measurable, outcome-oriented targets or interim targets were set in 2025. Furthermore, it is not currently possible to reliably assess the potential effects of the actions implemented so far. It is not possible to ensure that the actions in their current form will be sufficient to achieve climate neutrality by 2050. The plan is to review the sustainability targets and related policies and actions from 2026 onward as part of the sustainability initiative launched in 2025. The targets will be defined as soon as the calculation methodology is ready. The aim is to systematically implement sustainability matters in the insurance business. Future underwriting policy and improvements in measurement technology are factored into the target definition. The Board of Managing Directors of R+V Versicherung AG was involved in the decision.

With regard to the special funds managed by the DZ BANK Group, DZ PRIVATBANK and UMH also have ambitions to decarbonize and shape the transition to a climate-neutral economy. While DZ PRIVATBANK endeavors to mitigate financially material climate-related risks in its asset management customers' portfolios, UMH aims to achieve net zero emissions in the portfolio of securities under management by 2050. These ambitions are described in detail in the 'Decarbonization ambitions in asset management' section.

Decarbonization targets in the lending business

Since 2022, the DZ BANK banking group⁸ has increasingly aligned its credit portfolio, particularly in carbon-intensive sectors, with the requirements of the Paris climate agreement. The aim is to manage greenhouse gas emissions in the assessed portfolios in such a way that they align with the 1.5°C reference pathway by 2050. The entities in the DZ BANK banking group formally enshrined this goal as part of voluntary undertakings (see the summary in Fig. VII.30).

Over the last few years, the DZ BANK Group has defined a range of climate targets in this context. These include cross-sectoral and sector-specific decarbonization targets as well as an increase in the proportion of the business portfolio volume accounted for by renewable energies. These targets are linked to the material topics of climate change adaptation, climate change mitigation, and energy, plus the related impacts, risks, and opportunities. As the targets apply to the business portfolio, they are assigned to the targets for Scope 3 greenhouse gas emissions (category 15). The DZ BANK Group uses bottom-up models to manage these targets and measure progress. The models link internal portfolio data at business partner level with externally sourced, sector-specific production data and emission factor data. Based on this data, the DZ BANK Group calculates sector-specific emission metrics, primarily emission intensities (such as kilograms of CO₂ per unit of production) and comparable indicators. The calculation method is standardized for each sector. In contrast, the financed Scope 3 emissions in category 15 in the greenhouse gas inventory are mainly determined on the basis of the sustainability reports of the companies that receive finance or on estimates derived from the reports. These various calculation methods can only be reconciled approximately. This approximate approach takes account of the financed emissions of business partners that are part of climate target management.⁹ Accordingly, an estimated 14.55 percent of total greenhouse gas emissions (excluding AuM and R+V) in Scope 3 category 15 are covered.

Targets and decarbonization pathways were defined for the following, particularly relevant sectors ('focus sectors'):

- Fossil fuel
- Energy
- Automotive
- Steel
- Cement
- Aviation
- Shipping
- Real estate (private and commercial)
- Chemicals

Scenarios were developed for each focus sector to provide a model of the future development of the business portfolio and its decarbonization. The scenarios are based on the updated net zero roadmap for climate neutrality by 2050 in the 2023 World Energy Outlook published by the International Energy Agency (IEA). The roadmap takes regulatory frameworks, technological possibilities, and potential innovations into account.

The PACTA methodology (Paris Agreement Capital Transition Assessment) was used to calculate the benchmark values and actual values in the focus portfolios. Physical emission intensities were determined for

⁸ The GHG emissions reduction targets listed in the following chapters ('Fossil fuels' to 'Chemicals') are decarbonization targets for focus sectors in the lending business. They apply exclusively to the business portfolios in the DZ BANK banking group. Outside the DZ BANK banking group, R+V has set its own targets for its investment activities. These are set out in the chapter 'Decarbonization targets in the insurance business'.

⁹ The detailed consideration of each Scope and the elements of the value chain in the various focus sectors can be found in the following sections on the focus sectors.

each focus sector and compared with the IEA's Net Zero 2050 scenarios or with the Carbon Risk Real Estate Monitor (CRREM) for the real estate sector. The calculation was performed at asset level and customer level using internal data from the DZ BANK Group's credit risk data inventory and using sector-specific production data and emission factors from external sources.

The sector-specific decarbonization pathways were then identified based on the scenarios. Most of the decarbonization targets are presented as intensity targets, as is common in the market. This makes it easier to capture the specifics of individual sectors and assess customers' transformation pathways in detail. An absolute reduction target was only formulated for the fossil fuel sector. Transformation processes in this sector cannot be meaningfully represented by an intensity target as companies that have completed their transformation would be assigned to other sectors, such as the energy sector, and would be subject to those sectors' specific targets.¹⁰

DZ BANK regularly reports on its target achievement on the basis of the available data and the applied methodology. As methodological standards and data quality continuously evolve, results and target values may be adjusted over time.

The individual sector targets and decarbonization levers are described in greater detail below.

Fossil fuel

The burning of fossil fuels such as coal, oil, and gas generates a material proportion of global greenhouse gas emissions. A major reduction in greenhouse gas emissions from fossil fuels is essential to achieving the global 1.5°C target. The transition to less carbon-intensive fuels and the introduction of technologies that reduce emissions are important steps in this context.

The target is based on an absolute metric (financed emissions in megatonnes of CO₂eq). The target applies to upstream activities in the oil and gas sector¹¹ (extraction and production; Scope 3 greenhouse gas emissions from the customers' perspective) and is not limited to geographical boundaries.

FIG. VII.17: FOSSIL FUEL SECTOR TARGET

	Benchmark as at Jun. 30, 2024	Actual value as at Dec. 31, 2024	Actual value as at Dec. 31, 2025	2027 target	2030 target	2040 target	2050 target
Fossil fuel							
Absolute financed emissions (mtCO ₂ eq)	1.70	1.31	1.01	1.59	1.45	0.56	0.12
Reduction target (mtCO ₂ eq)				0.11	0.25	1.14	1.58
Passive lever:							
Transformation of the sector				0.11	0.18	0.59	0.79
Active lever:							
Tapering of the portfolio and financing of less emissions-intensive customers				-	0.06	0.55	0.79
NZE 2050 reference path in accordance with the World Energy Outlook 2025 Dataset			1.63	1.50	1.30	0.57	0.14

Energy

The main lever for decarbonizing the energy sector is the switch from generating electricity from fossil energy sources (coal, oil, gas) to generating it from renewable sources, although gas still has a role to play as a bridging technology. The transformation of the energy sector also supports the decarbonization of other sectors, including the automotive and steel industries. At the same time, power companies are facing the challenge of ensuring a reliable supply.

¹⁰ Location-based data is used when considering Scope 2 emissions, but market-based data may be used in exceptional cases.

¹¹ Further information can be found under the exclusion criterion 'thermal coal', for example, which is explained later in this chapter.

The targets are based on a relative metric (physical emissions intensity, measured in kilograms of CO₂eq / megawatt hour) and relate to power generation (Scope 1 greenhouse gas emissions from the power companies' perspective).

FIG. VII.18: ENERGY SECTOR TARGET

	Benchmark as at Dec. 31, 2022	Actual value as at Dec. 31, 2024	Actual value as at Dec. 31, 2025	2025 target	2030 target	2040 target	2050 target
Energy							
Physical emissions intensity (kgCO ₂ eq / MWh)	125.46	95.98	86.20	107.12	78.38	-	-
Reduction target (kgCO ₂ eq / MWh)				18.34	47.08	125.46	125.46
Passive lever:							
Transformation of the sector				18.34	47.08	125.46	125.46
Active lever:							
Tapering of the portfolio and financing of less emissions-intensive customers				-	-	-	-
NZE 2050 reference path in accordance with the World Energy Outlook 2025 Dataset			415.48	415.48	246.77	6.06	-3.13

Automotive

To accelerate the decarbonization of the automotive sector, finance is provided, for example, for the introduction of new drive technologies – primarily all-electric and hybrid vehicles – and, in the medium to long term, potentially other alternative drive technologies too.

The target is based on a relative metric (physical emissions intensity, measured in kilograms of CO₂eq / kilometer). It covers vehicle manufacturers (Scope 3 greenhouse emissions from the vehicle manufacturers' perspective) and is not limited to geographical boundaries.

FIG. VII.19: AUTOMOTIVE SECTOR TARGET

	Benchmark as at Dec. 31, 2022	Actual value as at Dec. 31, 2024	Actual value as at Dec. 31, 2025	2025 target	2030 target	2040 target	2050 target
Automotive							
Physical emissions intensity (kgCO ₂ eq / km)	0.15	0.13	0.13	0.14	0.11	0.02	-
Reduction target (kgCO ₂ eq / km)				0.01	0.04	0.13	0.15
Passive lever:							
Transformation of the sector				0.01	0.04	0.13	0.15
Active lever:							
Tapering of the portfolio and financing of less emissions-intensive customers				-	-	-	-
NZE 2050 reference path in accordance with the World Energy Outlook 2025 Dataset			0.21	0.21	0.15	0.04	0.00

Steel

Significant reductions in carbon emissions can only be achieved through long-term, cost-intensive structural changes; short-term optimization of processes is unlikely to succeed. The biggest decarbonization lever is the switch from conventional blast furnaces to electric arc furnaces.

The target is based on a relative metric (physical emissions intensity, measured in kilograms of CO₂eq / kilogram of steel). It covers steel producers (Scope 1 and Scope 2 greenhouse gas emissions from the customers' perspective).

FIG. VII.20: STEEL SECTOR TARGET

	Benchmark as at Dec. 31, 2022	Actual value as at Dec. 31, 2024	Actual value as at Dec. 31, 2025	2025 target	2030 target	2040 target	2050 target
Steel							
Physical emissions intensity (kgCO ₂ eq / kg)	1.11	1.26	1.41	1.05	0.92	0.34	0.08
Reduction target (kgCO ₂ eq / kg)				0.06	0.19	0.77	1.03
Passive lever:							
Transformation of the sector				0.06	0.19	0.77	1.03
Active lever:							
Tapering of the portfolio and financing of less emissions-intensive customers				-	-	-	-
NZE 2050 reference path in accordance with the World Energy Outlook 2025 Dataset			1.71	1.71	1.38	0.64	0.11

Cement

The bulk of emissions in the cement sector are generated in the energy-intensive production process, specifically calcination, during which limestone is turned into clinker. A range of approaches are being researched to decarbonize cement production, such as reducing the amount of clinker in cement, increasing efficiency in heat generation, and using carbon capture, utilization, and storage (CCUS) solutions in the future.

The targets are based on a relative metric relating to cement production (physical emissions intensity, measured in kilograms of CO₂eq / kilogram of cement). The target is limited to cement manufacturers (Scope 1 and Scope 2 greenhouse gas emissions of the manufacturers).

FIG. VII.21: CEMENT SECTOR TARGET

	Benchmark as at Dec. 31, 2022	Actual value as at Dec. 31, 2024	Actual value as at Dec. 31, 2025	2025 target	2030 target	2040 target	2050 target
Cement							
Physical emissions intensity (kgCO ₂ eq / kg)	0.63	0.66	0.64	0.60	0.53	0.27	0.02
Reduction target (kgCO ₂ eq / kg)				0.03	0.10	0.36	0.61
Passive lever:							
Transformation of the sector				0.03	0.10	0.36	0.61
Active lever:							
Tapering of the portfolio and financing of less emissions-intensive customers				-	-	-	-
NZE 2050 reference path in accordance with the World Energy Outlook 2025 Dataset			0.61	0.61	0.51	0.23	0.01

Aviation

The bulk of emissions from aviation are produced through the combustion of kerosene jet fuel. Short-term decarbonization levers include technical and operational efficiency improvements, more modern airplane fleets, better operations scheduling, and optimized air traffic management. In the medium term, sustainable aviation fuels, which are produced without the use of fossil fuels, promise further reductions.

The targets are based on a relative metric (physical emissions intensity, measured in kilograms of CO₂eq / passenger kilometer) and focus on passenger airplanes (Scope 1 greenhouse gas emissions from the customers' perspective).

FIG. VII.22: AVIATION SECTOR TARGET

	Benchmark as at Dec. 31, 2022	Actual value as at Dec. 31, 2024	Actual value as at Dec. 31, 2025	2025 target	2030 target	2040 target	2050 target
Aviation							
Physical emissions intensity (kgCO ₂ eq / pkm)	0.10	0.10	0.10	0.10	0.08	0.04	0.01
Reduction target (kgCO ₂ eq / pkm)				0.01	0.03	0.07	0.09
Passive lever:							
Transformation of the sector				0.01	0.03	0.07	0.09
Active lever:							
Tapering of the portfolio and financing of less emissions-intensive customers				-	-	-	-
NZE 2050 reference path in accordance with the World Energy Outlook 2025 Dataset			0.10	0.10	0.08	0.06	0.02

Shipping

Key decarbonization levers in the shipping sector include improving operational efficiency, upgrading vessels, for example by reducing their resistance in the water and improving propulsion systems, encouraging technological innovation, and switching to alternative fuels.

In the shipping sector, the DZ BANK banking group has a diversified business portfolio featuring different types of vessel. The Poseidon Principles of the International Maritime Organisation (IMO) are used to determine the target pathway. The principles define specific reference pathways depending on the type and size of vessel. This results in an aggregated overall target pathway comprising the individual pathways.

The reference pathway is based on a relative metric (physical emissions intensity, measured in grams of CO₂eq / dwt nm or gt nm [deadweight tonnage nautical miles or gross tonnage nautical miles]). The pathway relates to the operation of the ships (Scope 1 greenhouse gas emissions from the shipping companies' perspective).

The vessels' physical emissions intensities and reference pathways are aggregated to provide a better overview at business portfolio level. As the portfolio in this sector is small, individual transactions can have a significant impact on greenhouse gas emissions and the achievement of the target pathway. For this reason, the reference pathway is recalculated and aggregated for each reporting date on the basis of the actual value.

FIG. VII.23: SHIPPING SECTOR TARGET¹

	Benchmark as at Dec. 31, 2023	Actual value as at Dec. 31, 2024	Actual value as at Dec. 31, 2025	2025 target	2030 target	2040 target	2050 target
Shipping							
Physical emissions intensity (gCO ₂ eq / dwt nm or gt nm)	9.09	8.51	8.76	8.86	8.44	5.58	2.56
Reduction target (gCO ₂ eq / dwt nm or gt nm)				0.23	0.65	3.51	6.54
Passive lever: Transformation of the sector				0.23	0.65	3.51	6.54
Active lever: Tapering of the portfolio and financing of less emissions-intensive customers				-	-	-	-
Portfolio-weighted reference pathway in accordance with the Poseidon Principles 4.1, August 2022			8.02	8.02	6.95	4.81	2.66

¹ 2 different metrics are used in the shipping sector depending on the type of vessel. These have been combined into one metric for greater transparency and ease of management. This is appropriate as both metrics quantify the amount of CO₂ emitted per tonne and nautical mile.

Real estate

Buildings are one of the largest energy consumers in the EU, with residential buildings accounting for the bulk of energy consumption. Increasing energy efficiency therefore has huge potential for decarbonization, while presenting major challenges for market players in both private and commercial real estate.

Legislation such as the EU Energy Performance of Buildings Directive (EPBD), the German Buildings Energy Act (GEG), and the EU Taxonomy Regulation has been designed to drive decarbonization, but the targets may need to be adjusted over time in response to regulatory changes.

In the medium term, decarbonization is expected to primarily be achieved by switching to renewable energy sources and implementing energy-saving measures. The focus is on switching from fossil fuels such as oil and gas to renewable energy sources and on adapting buildings and improving their energy efficiency. The technologies required already exist and are largely ready to be used.

The DZ BANK banking group's decarbonization target pathway was derived from the CRREM reference pathway, which is recognized internationally and is scientifically based. The target is based on a relative metric (physical emissions intensity, measured in kilograms of CO₂eq / square meter per annum). The reference pathway includes transformation-related assumptions for previous years, although these assumptions are yet to be fully realized. The target covers material private and commercial real estate (Scope 1 and Scope 2 greenhouse gas emissions from the customers' perspective).

FIG. VII.24: COMMERCIAL REAL ESTATE SECTOR TARGET

	Benchmark as at Dec. 31, 2023	Actual value as at Dec. 31, 2024	Actual value as at Dec. 31, 2025	2026 target	2030 target	2040 target	2050 target
Commercial real estate							
Physical emissions intensity (kgCO ₂ eq / m ² a)	40.89	39.23	37.25	38.15	26.01	9.03	0.60
Reduction target (kgCO ₂ eq / m ² a)				2.74	14.88	31.86	40.29
Passive lever:							
Transformation of the sector				2.74	14.88	31.86	40.29
Active lever:							
Tapering of the portfolio and financing of less emissions-intensive customers				-	-	-	-
Portfolio-weighted reference path in accordance with the CRREM Global Decarbonisation Pathways			29.20	26.43	16.89	2.71	0.61

FIG. VII.25: PRIVATE REAL ESTATE SECTOR TARGET

	Benchmark as at Dec. 31, 2023	Actual value as at Dec. 31, 2024	Actual value as at Dec. 31, 2025	2026 target	2030 target	2040 target	2050 target
Private real estate							
Physical emissions intensity (kgCO ₂ eq / m ² a)	44.17	40.63	38.72	38.98	27.63	10.93	0.06
Reduction target (kgCO ₂ eq / m ² a)				5.19	16.54	33.24	44.11
Passive lever:							
Transformation of the sector				5.19	16.54	33.24	44.11
Active lever:							
Tapering of the portfolio and financing of less emissions-intensive customers				-	-	-	-
Portfolio-weighted reference path in accordance with the CRREM Global Decarbonisation Pathways			26.02	23.38	14.57	2.13	0.37

Chemicals

The chemicals sector is an integral part of numerous industries. It faces considerable challenges with decarbonization due to the high complexity of its processes. Key decarbonization levers include optimizing the efficiency of production processes and chemical processes, using renewable energy sources, and replacing fossil fuels with, for example, biomass in heat and steam generation. Other actions to make the chemical sector more sustainable include improving circularity, for example by increasing the rate of recycling, and using power-to-X technologies to convert excess energy into chemical products.

The target is based on a relative revenue metric (kilograms of CO₂ per euro of revenue), which measures carbon emissions against the companies' revenue. In line with the IEA reference pathway, the target is limited to the entire midstream segment and to pharmaceutical companies (Scope 1 greenhouse gas emissions from the companies' perspective).

FIG. VII.26: CHEMICALS SECTOR TARGET

	Benchmark as at Jun. 30, 2024	Actual value as at Dec. 31, 2024	Actual value as at Dec. 31, 2025	2027 target	2030 target	2040 target	2050 target
Chemicals							
Physical emissions intensity (kgCO ₂ / €)	0.21	0.20	0.21	0.20	0.19		
Reduction target (kgCO ₂ / €)				0.01	0.02		
Passive lever:							
Transformation of the sector				0.01	0.02		
Active lever:							
Tapering of the portfolio and financing of less emissions-intensive customers				-	-		
NZE 2050 reference path in accordance with the World Energy Outlook 2025 Dataset			0.21	0.19	0.17	0.08	0.01

Decarbonization ambitions in asset management

DZ PRIVATBANK¹² specifically integrates sustainability risks into the investment process for each product. In view of its fiduciary duties to protect and increase investors' wealth, DZ PRIVATBANK intends to systematically mitigate particularly the financially material climate-related risks in its asset management customers' portfolios. Through its sustainable products, DZ PRIVATBANK also aims to make an effective contribution to the fight against climate change and help to finance the sustainable transformation of the economy.

As part of its climate strategy, UMH aims to cut financed greenhouse gas emissions in the portfolio of **securities** under management to **net zero** before 2050. The plan is to achieve this long-term ambition in stages, with the finance intensity of the Scope 1 and Scope 2 emissions of equities and corporate bonds to be reduced by half between the end of 2019 and 2030.¹³

UMH also aims to make its **global real estate portfolio climate neutral by 2050** (Manage to Green strategy).¹⁴ The planned actions in this context are described in UMH's climate strategy. The senior management teams of Union Investment Real Estate and Union Investment Institutional Property adopted a binding interim target to reduce annual greenhouse gas emissions per square meter by 40 percent by 2030 relative to the base year of 2022. This equates to a reduction of 15.9 kgCO₂ per square meter per year based on the consumption data from 2022. This target covers the like-for-like portfolio, i.e. it excludes purchases and sales and thus only relates to properties as at the target date that were already in the portfolio at the end of 2022. The necessary actions must follow the principle of cost-efficiency and can only be implemented in line with investors' interests. The portfolio's baseline was 39.8 kgCO₂ per square meter per year. As at December 31, 2025, the figure was 39.6 kgCO₂ per square meter per year based on extrapolated consumption data from 2023.

Key elements of UMH's climate strategy include gradual divestment from fossil fuels, systematic incorporation of climate-related risks and opportunities into the investment process, and active support for portfolio companies with the transformation of their business models.

Decarbonization targets in the insurance business (investments)

R+V aims to reach **climate neutrality in its investments** by **2050** in line with the 1.5°C target of the Paris climate agreement. The target was formulated in 2021 and signed off by the Board of Managing Directors of R+V Versicherung AG. It applies across the group to the R+V insurance companies in Germany and separately to the individual companies R+V Lebensversicherung AG and Condor Lebensversicherungs-AG. It does not apply to the subsidiaries carexpert, Sprint, GWG Gesellschaft für Wohnungs- und Gewerbebau, or Assimoco S.p.A.

¹² In the paragraphs below, 'DZ PRIVATBANK' is used to refer to both DZ PRIVATBANK S.A. and DZ PRIVATBANK Schweiz AG.

¹³ In relation to securities issued by UMH.

¹⁴ This does not apply to UMH's mandates for real estate service investment management companies or to the Zentral Boden Immobilien Group (ZBI).

In 2023, R+V joined the Net-Zero Asset Owner Alliance (NZAOA) in order to embed its climate targets.¹⁵ Members of this United Nations initiative undertake to set science-based interim targets en route to climate neutrality and to report regularly on progress.

R+V has set interim targets of reducing greenhouse gas emissions in investment by 20 percent by 2025 and by 40 percent by 2030 relative to the 2019 base year. The base year of 2019 was chosen in line with NZAOA recommendations in order to rule out short-term effects of the coronavirus pandemic on the targets. The targets apply to the asset classes 'listed equities of large European companies' and 'listed bonds of large international companies' (excluding finance companies), referred to as equities and bonds in this context below. The equities and bonds asset classes were chosen as they account for a material proportion of the known carbon emissions (Scope 1 and 2) linked to investments, and because there is enough data available and the measurement methods are uniform. R+V aims to integrate further relevant asset classes into its climate targets over the next few years. There are currently no plans to use new technologies to achieve these targets.

In the 2019 base year, the emissions intensity in investments was 161 tCO₂eq / fair value of equities and bonds in millions of euros. The greenhouse gas emissions were calculated based on the standard of the Partnership for Carbon Accounting Financials (PCAF) and include the Scope 1 and Scope 2 emissions of investee companies. Scope 2 emissions are calculated using the location-based method. Emissions intensity is determined based on the PCAF standard, with minor deviations. For example, in departure from PCAF, the company intensities in respect of bonds are weighted using the fair value rather than the par value.

With regard to the interim target up to the start of 2025 that had been set for equities and bonds, a reduction of 42.3 percent had been achieved by December 31, 2024 relative to the base year (December 31, 2023: 26.0 percent). The achievement of the interim target for 2025 was thus determined during the financial year. This is because target achievement is not determined at the beginning of the year, but in the middle of the year once more recent emissions data from the companies becomes available. Progress is monitored by an internal committee made up of employees from the financial controlling and securities portfolio management teams.

As part of NZAOA membership, an interim target was set to reduce the carbon footprint of directly held real estate in R+V's investments by 25.0 percent by 2030. It is measured in kgCO₂ per square meter per year. In the base year of 2023, emissions amounted to 58.2 kgCO₂ per square meter per year. This covered all properties that must have an energy performance certificate, affecting 88.0 percent of R+V's real estate portfolio.

The energy efficiency of the buildings is to be gradually increased through upgrades and energy efficiency measures. Emissions are calculated using a tool, and the department reviews the achievement of targets on an annual basis. By December 31, 2024, the carbon footprint of the real estate portfolio had been reduced by 6.1 percent relative to the base year.

The target for the equities and bonds asset classes and for directly held real estate applies to 3.4 percent (December 31, 2024 excluding real estate: 2.9 percent) of R+V's Scope 3 greenhouse gas emissions. In terms of financed emissions, the target covers 21 percent of Scope 1 and Scope 2 greenhouse gas emissions, excluding the identified Scope 3 emissions. These disclosures are approximate due to variations in methodology and different measurement dates.¹⁶

¹⁵ It does not apply to the subsidiaries carexpert, Sprint, GWG, or Assimoco S.p.A.

¹⁶ These disclosures should be regarded as approximate as there are methodological differences in the calculation for the target definition and the greenhouse gas inventory, and because of different underlying measurement dates.

Climate policies in the lending business: Exclusion criteria and sector criteria of DZ BANK

General **exclusion criteria** apply to lending, own-account investments, debt capital market business¹⁷, and special funds in the DZ BANK Group. Together, they represent a key policy for ensuring that minimum ESG requirements are met and that the DZ BANK Group is protected from potential reputational risk. This policy is closely linked to the material topics of climate change adaptation, climate change mitigation, energy, and biodiversity and ecosystems, plus the related impacts, risks, and opportunities.

Every exposure – including corporate, project, export, foreign trade, acquisition, real estate, leasing, and object finance – must be examined in terms of sustainability matters. The general exclusion criteria are enshrined in the group credit standard of the DZ BANK Group and are thus an integral part of the internal risk processes and decision-making processes. Exclusion criteria relating to climate change also contribute to the achievement of sector-specific decarbonization targets.

The exclusion criteria apply across the group. Depending on their business model, subsidiaries can add their own criteria or define justified exceptions (for example exceptions for cooperative banks, for DZ BANK group companies, where there is credible evidence of the borrower's willingness to transform, or for higher-level decisions in exceptional cases). The exclusion criteria are reviewed and refined annually in order to take the latest insights from society, science, and the political arena into account.

Exclusions are defined for direct and indirect funding. Direct funding is direct, targeted financing of a specific activity or project. Indirect funding is general corporate financing that is not explicitly targeted, for example working capital facilities or the purchase of bonds. Where an exclusion applies to indirect funding, the customer can only be supported if the following requirements are met:

- The borrower can provide credible evidence of a reduction in, or the withdrawal from, excluded activities in order to demonstrate their willingness to transform.
- The possibility of the funding being used in connection with these activities can be ruled out, even for indirect funding products.
- The proportion of revenue accounted for by the excluded activity does not exceed the defined threshold.

The individual exclusion criteria are presented below. Environmental criteria are indicated by 'E' and social criteria by 'S' (see also chapter VII.3.4).

¹⁷ DCM = debt capital market: support for customers in structuring and placing bonds on the capital markets.

FIG. VII.27: EXCLUSION CRITERIA FOR THE DZ BANK GROUP'S LENDING AND OWN-ACCOUNT INVESTING ACTIVITIES

Exclusion criteria

Thermal coal 'E'	No direct funding for activities connected to thermal coal, such as new or existing coal-fired power plants or activities in the upstream value chain, and no indirect funding for companies involved in activities that are linked to thermal coal (revenue threshold: 5 percent)
Oil/gas extraction 'E'	No direct funding for oil extraction activities (upstream), oil and gas extraction involving fracking or oil sands / oil shale, or Arctic drilling and deep sea mining, and no new business (direct or indirect, except refinancing) that increases the lending volume with companies involved in oil and gas extraction (upstream) (revenue threshold: 0 percent)
Nuclear energy 'E'	No direct funding for the construction of new nuclear power stations or direct funding for activities connected with the operation or maintenance of nuclear power stations, unless the activity increases security or makes a relevant positive ESG contribution
Trading of animals and plants 'E'	No direct funding for the trading of endangered animal or plant species in accordance with the CITES (Convention on International Trade in Endangered Species) list
Significant threats to the environment 'E'	No direct or indirect funding for companies or projects that pose significant threats to the environment, particularly uranium/asbestos extraction (revenue threshold: 1 percent), mining activities involving the mountain-top removal method, projects/assets or activities that pose a high risk of nuclear, biological, or chemical contamination (excluding biogas facilities), and hazardous goods with insufficient measures to minimize risk
Conventional weapons 'S'	DZ BANK takes great care when funding companies in the conventional weapons segment and reserves the right to exclude specific types of weapons. No direct or indirect funding for companies that are linked to the development, production, maintenance, or operation of conventional weapons or their material parts, pursuant to the definition in the German Weapons Act (WaffG), and whose registered office and majority of business activities are outside NATO or EEA/EFTA countries, unless there is proof that the weapons will be used exclusively by NATO, EEA, or EFTA countries No funding for transactions involving the supply of weapons in/to countries outside NATO, the EEA, or EFTA or areas of conflict, unless a government export authorization has been issued by the Bundesamt für Wirtschaft und Ausfuhrkontrolle (BAFA) [German Federal Office for Economic Affairs and Export Control] or an equivalent body in an EU, EEA, or EFTA country
Controversial weapons 'S'	No direct or indirect funding for companies that are involved in the production or trading of controversial weapons or their core components. Controversial weapons are those that have indiscriminate effects, are excessively injurious, have a devastating impact on the civilian population, or have been internationally outlawed. These currently include anti-personnel mines (under the Ottawa Convention, 1997), cluster bombs (under the Oslo Convention, 2008), biological weapons (under the Biological Weapons Convention [BWC], 1972), chemical weapons (under the Chemical Weapons Convention [CWC], 1993), nuclear weapons for non-nuclear weapon states (under the Treaty on the Non-Proliferation of Nuclear Weapons [NPT], 1968) that are not NATO members, blinding laser weapons (under Protocol IV of the UN Convention on Certain Conventional Weapons [CCW], 1995), and ammunitions containing uranium. No direct or indirect funding for companies involved in the development, production, maintenance, operation, or trade of controversial weapons or their core components if it cannot be ruled out that the funding may be used for these activities
Human rights and labor rights 'S'	No direct or indirect funding for companies that demonstrably contravene internationally recognized standards of human rights and labor rights. Internationally recognized standards are the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the fundamental conventions of the International Labour Organization (ILO) (revenue threshold: 0 percent).
Pornography 'S'	No direct funding for activities or companies in the pornography industry or similar sectors (revenue threshold: 1 percent)
Controversial gambling 'S'	No direct funding for controversial forms of gambling or indirect funding for companies involved in controversial forms of gambling. These are companies whose original business purpose is gambling, except where operated or supervised by public-sector entities (revenue threshold: 1 percent).
Trade involving conflict materials 'S'	No direct funding for trade activities involving materials extracted in conflict regions by a conflict party in a way that breaches human rights, and which may be used to finance the conflict
Deforestation 'E'	No direct funding of activities with a direct link to illegal deforestation, slash-and-burn, and/or the conversion of tropical forests, primary forests, and protected areas

In addition to the groupwide **exclusion criteria**, DZ BANK has also defined **sector criteria** with the same scope in order to establish general principles for lending in selected sectors. They apply to projects, transactions, and companies that directly and indirectly generate more than 50 percent of the total revenue in an affected sector. The criteria help to meet minimum ESG standards, integrate sustainability matters into the lending process, and achieve climate targets. A deviation from this requirement is possible in exceptional cases for higher-level decisions.

This policy is directly linked to the material topics of climate change adaptation, climate change mitigation, energy, pollution, and biodiversity and ecosystems, plus the related impacts, risks, and opportunities.

FIG. VII.28: SECTOR CRITERIA FOR THE LENDING ACTIVITIES OF DZ BANK

Sector criteria	
Dams and water infrastructure	DZ BANK acknowledges the recommendations of the World Commission on Dams (WCD) and therefore does not provide funding to any dam projects that do not apply the WCD's recommendations as fully as possible. The customer is required to provide evidence, including that it – has secured public acceptance; – has undertaken a comprehensive and unbiased review of options; – has appropriate measures in place during dam operation; – is preserving river ecosystems, biodiversity, and the livelihoods associated with these; – recognizes the rights of people affected by the dam and equitable sharing of the benefits; – adheres to obligations and agreements; – facilitates the cross-border use of rivers for the benefit of peace, development, security, and safety.
Commodities industry	DZ BANK recognizes that special care and precautions need to be taken in the commodities industry because of political, environmental, and social sensibilities. Particularly in the oil and gas and the metals and mining sectors, it is guided by international conventions and makes reference to best practice. The World Bank and industry associations provide examples of best practice at regional level. Financing decisions specifically take account of the following aspects: – Compliance with human rights – Particular consideration of the interests of indigenous people and local communities – Compliance with the minimum standards for occupational health and safety set out by the International Labour Organization (ILO); no child labor – Pollution of the environment in the process of extracting commodities (contamination of groundwater, lakes, and rivers; soil and air pollution) and consideration of the preservation of biodiversity – Protection of designated UNESCO World Heritage sites or other protected spaces – Use of toxic substances in the production process – Compliance with laws – Transparency of income streams between companies and government institutions in the affected country as a means of precluding corruption – Consideration of customary/traditional ownership rights and the principles of 'free, prior, and informed consent: indigenous rights, participation, and the mining industry' DZ BANK only finances such customers if they already demonstrably fulfill the criteria or are making sustained efforts to fulfill them in the near future.
Forestry	DZ BANK recognizes that forestry and the handling of forestry resources play a key role in fighting climate change and protecting biodiversity and ecosystems. DZ BANK therefore aims only to finance transactions in this sector with customers that have been certified by the Forest Stewardship Council (FSC), to the relevant national standards under the Programme for the Endorsement of Forest Certification (PEFC), or to recognized equivalent standards. DZ BANK's funding decisions are also guided by the revised version of the World Bank standards (WN OP 4.36, 2013) and by the sustainable forestry criteria specified at the Ministerial Conference on the Protection of Forests in Europe, held in Helsinki in 1993 (MCPFE, Forest Europe since 2009).
Fishing	With regard to fishing, DZ BANK recognizes that particular care needs to be taken to preserve biodiversity (such as avoidance of overfishing) and therefore to protect people's livelihoods and aquatic ecosystems. As a result, in this sector it only provides funding where certification has been obtained from the Marine Stewardship Council (MSC) or standards with an equivalent level of recognition have been applied.
Maritime industry	DZ BANK recognizes that great care must also be taken in the construction and operation of ships. Consequently, it aims not to provide any funding for ships or their operators that fail to meet the following minimum requirements: – The rules and regulations of the International Maritime Organization (IMO) are applied. – For inland navigation: The appropriate training has been completed and is evidenced by valid licenses. – The shipyard can provide evidence of a suitably positive track record (for example, not a greenfield shipyard); for funding of existing/second-hand projects, proof of appropriate build/maintenance quality is available. – Ship classification by a classification society accepted by DZ BANK that has at least IACS (International Association of Classification Societies) standard.
Palm oil	When dealing with customers or conducting business where there is a connection to palm oil, DZ BANK recognizes that special care and precautions are required to avoid negative impacts on the environment, climate, and human rights. It therefore links its funding for companies in the palm oil value chain to the following minimum requirements: – Membership of the Roundtable on Sustainable Palm Oil (RSPO) or another recognized organization whose standards are at least equivalent to those of the RSPO – NDPE policy (no deforestation, no peat, no exploitation) whose scope encompasses not only proprietary palm oil plantations but also suppliers, purchased palm oil, palm fruit, and intermediate products – By 2030 and for the entire volume of palm oil that is traded, processed, or sold: – Full traceability to the plantations from which the palm fruit was sourced – Full RSPO certification or other generally accepted certification that uses standards that are at least equivalent to those of the RSPO
Agriculture	DZ BANK recognizes that farmers find themselves in a difficult position, having to balance the need for food security with social expectations regarding the way in which food is produced. DZ BANK therefore supports all

Sector criteria

farmers who adhere to the following sector criteria for agriculture, irrespective of whether they farm conventionally or organically:

- No conversion of peat bogs into agricultural land
- Purchase of land in regions with an indigenous population only in accordance with the principles of free, prior, and informed consent (FPIC)
- Compliance with the requirements of German fertilizer legislation (Fertilizer Regulation)
- Compliance with the German Plant Protection Act (PflSchG) and the German Plant Protection Implementing Regulations (PflSchAnwV)
- Reduction of water consumption as far as possible
- Compliance with the German Animal Welfare Livestock Husbandry Regulation (TierSchNutztV), for example not keeping laying hens in cages and only using antibiotics where necessary
- Support concentrated on those farms that operate in accordance with the conditionality requirements of the EU's common agricultural policy and are eligible for support

In this context, DZ BANK is committed to the preservation of biodiversity and the reduction of greenhouse gases, and it supports companies that pursue the principle of a circular economy, for example by recycling agricultural waste into bioenergy.

Monitoring compliance with the **exclusion criteria** and **sector criteria** forms part of the management of ESG risks in the loan origination and monitoring process. DZ BANK systematically assesses loan applications against relevant sustainability criteria as part of the credit check process. This assessment is documented in the ESG checklist. It also checks whether the standards or initiatives referenced in the sector criteria are affected. DZ BANK monitors new developments in science, politics, and society in order to quickly identify any need to adapt the exclusion criteria and sector criteria. To this end, it set up the exclusion criteria working group, which regularly addresses strategic issues while also incorporating input from external stakeholders. Changes to exclusion criteria and sector criteria are agreed by the Credit Committee and communicated externally as part of the sustainability reporting. Established in 2021, the ad hoc exclusion criteria committee interprets exclusion criteria and sector criteria in lending decisions. It usually meets every week and comprises members of the Credit, Corporate Banking, Structured Finance, and Strategy & Group Development divisions.

The DZ BANK Group also takes ESG aspects into account in the **management of special funds**. In order to comply with environmental, social, and ethical standards, the group has defined specific exclusion criteria for all funds in which it is responsible for the entire value chain in the investment process.

The **investment of policyholders' money** is subject to separate exclusion criteria, which support R+V's decarbonization targets in investments. R+V has established binding policies for its investment activities. These are applied upstream of the investment review process and updated regularly. For example, R+V does not invest in companies that generate 20 percent or more of their revenue from the mining, treatment, or use of coal. The exclusion criteria apply to all asset classes – particularly equities, interest-bearing securities, loans, and real estate – where the portfolio managers have a direct influence on the investments. Since 2022, these criteria have also applied to selected parts of the portfolio that are managed by external portfolio managers.

Climate policies in the real estate lending business

BSH derives its understanding of sustainability from the UN's sustainable development goals (SDGs), the Paris climate agreement, and the UN Global Compact. It participates in the Stiftung KlimaWirtschaft [German CEO Alliance for Climate and Economy] and is a signatory to the UN's Principles for Responsible Banking (PRB). Sustainability is one of 5 key areas of action in the BSH business strategy and is put into concrete terms in the integrated sustainability and risk strategy.

The 'Ensuring sustainable homes' sustainability strategy brings together all of BSH's sustainability-related activities, gives them a clear direction, creates transparency, and ensures they are binding. In order to implement the strategy, 7 areas of action were defined with specific targets: strategy, regulation, market, business operations, communication, CSR & public affairs, and ESG data.

BSH thus emphasizes its overall corporate responsibility, viewing sustainability not as an individual action but as a holistic process, from responsible financial and business decisions and resource-efficient practices to the funding of sustainable housing for customers. The content of the strategy is in line with the BVR's

sustainability guidelines. The strategy can be found on the intranet and in the organization manual. BSH's sustainability strategy is reviewed annually as part of an established strategic process and updated on an ongoing basis. The coordination of strategic sustainability topics is managed by a sustainability committee comprising members of the Group Development, Marketing, Risk Controlling, IT, and Communications departments. Overall responsibility lies with the Board of Managing Directors.

DZ HYP has established a **Green Bond Framework** to facilitate the issue of green Pfandbriefe. This framework is based on the Green Bond Principles of the International Capital Market Association (ICMA) and on the minimum standards for green mortgage Pfandbriefe of the Verband deutscher Pfandbriefbanken (vdp) [Association of German Pfandbrief Banks]. DZ HYP now offers customers who are interested in Pfandbriefe the option to invest in the green transformation of the real estate sector and thus contribute to a lower-carbon economy. DZ HYP's Green Bond Framework is regularly reviewed with the aim of supporting continued compliance with regulatory requirements and adapting to changing market requirements. Responsibility for implementing the Green Bond Framework lies with the Treasury division.

These policies are directly linked to the material topics of climate change adaptation and climate change mitigation, plus the related impacts, risks, and opportunities.

Climate policies in asset management

DZ PRIVATBANK has systematically updated its sustainability-related policies, structures, and processes in recent years. The focus is on integrating ESG factors into the investment process, continuously updating the range of products and services, and reporting on sustainability quality. Overall responsibility lies with the Board of Managing Directors.

DZ PRIVATBANK¹⁸ signed up to the **Principles for Responsible Investment** in 2021. Building on this, it adopted a **responsible investment policy** designed to increase transparency and accountability in respect of stakeholders. It sets out how ESG strategies and criteria in the investment process are implemented. The internal policy forms the basis of this guidance and applies to all financial products managed by DZ PRIVATBANK and all asset management strategies, some with specific configurations. The policy is based on the principles of the UN Global Compact, among others. For example, investments in companies that manufacture controversial weapons or commit serious breaches of human rights or of environmental or anti-corruption rules are excluded.

DZ PRIVATBANK uses an integrated monitoring system to assess compliance with regulatory requirements and minimize ESG risks. The system primarily examines compliance with ESG ratios, such as minimum shares of taxonomy-aligned investments, the restriction on adverse sustainability impacts, and the application of blacklists derived from the inhouse policy.

In 2021, UMH adopted its own **climate strategy** for asset management to support the sustainable transformation of the economy. It is based on the principle of climate neutrality by no later than 2050 and is aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Key elements of the climate strategy include support for portfolio companies of UMH in the transformation and the divestment from fossil fuels. Particular emphasis is given to the integration of climate-related risks and opportunities in investment decisions. Overall responsibility for implementing UMH's climate strategy lies with the segment management team in charge of portfolio management.

¹⁸ Relates to DZ PRIVATBANK S.A. and DZ PRIVATBANK (Schweiz) AG.

The ambition of achieving climate neutrality in UMH's global real estate business by 2050 is embodied in the comprehensive **Manage to Green** decarbonization strategy. It covers all actively managed funds and is based on 3 pillars: 'Energy and carbon emissions', 'ESG criteria', and 'Communication and awareness-raising'. The strategy is implemented and managed using digital tools, an internal sustainability scoring system, and accepted scientific benchmarks such as CRREM. UMH works closely with affected stakeholder groups such as tenants, service providers, investors, and public institutions. Responsibility for implementing and updating the strategy rests with the second management level, the real estate segment management team, who regularly review progress and make strategic adjustments.

The policies described are directly linked to the material topics of climate change adaptation and climate change mitigation, plus the related impacts, risks, and opportunities.

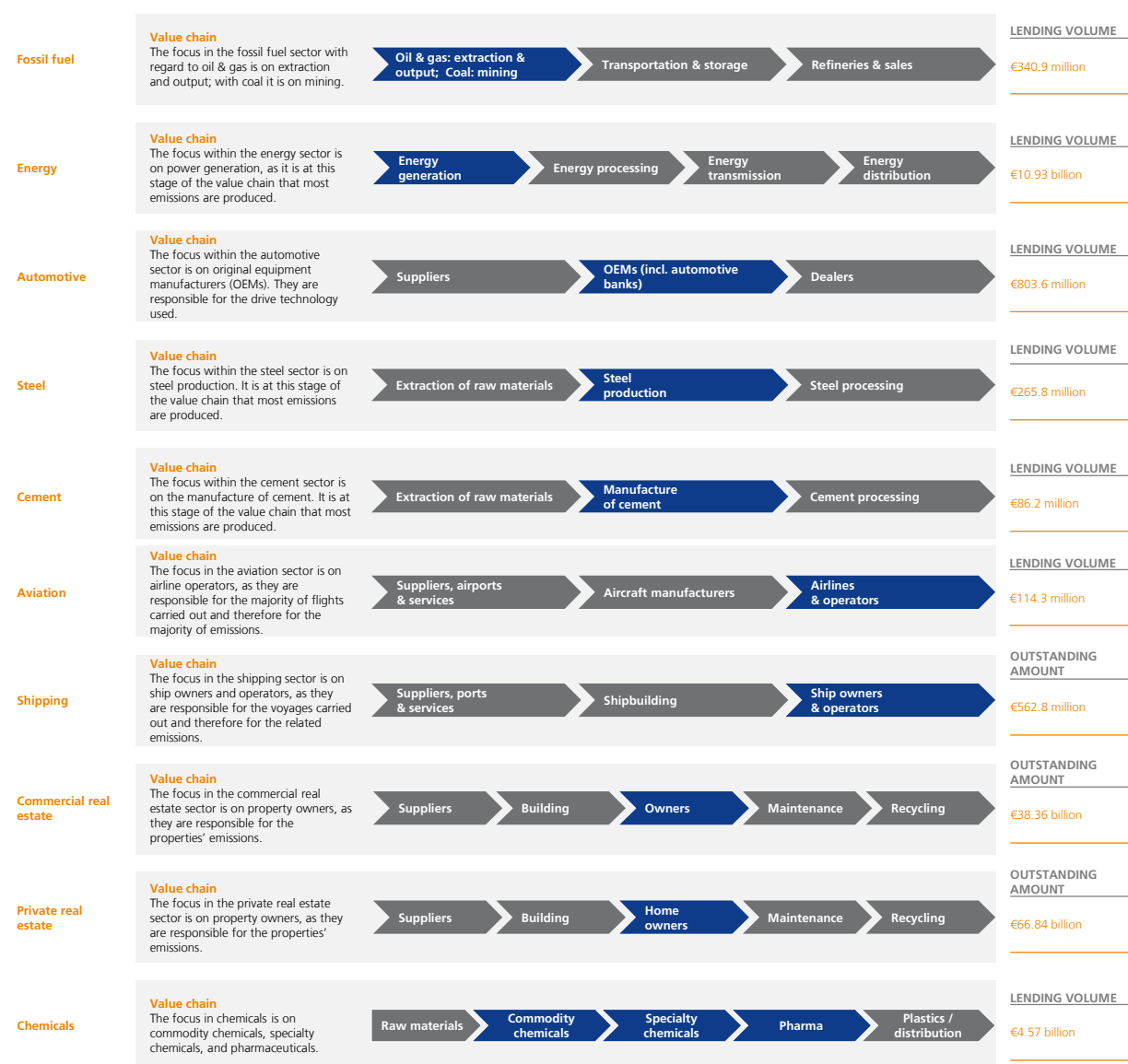
Climate action in the lending business: Monitoring in connection with climate target management

DZ BANK monitors the achievement of all sector-specific decarbonization targets (fossil fuels, energy, automotive, steel, cement, aviation, shipping, real estate, and chemicals) by means of **regular management** and reports on progress in a half-yearly internal ESG management report.

This management is aligned with the updating of the greenhouse gas emission figures and the regulatory reporting requirements in accordance with Pillar III as at the reporting dates June 30 and December 31. The approach covers all relevant financing in each sector (see Fig. VII.29) and is not limited to geographical boundaries. In contrast to the calculation of financed emissions (see chapter VII.2.2.3), climate target management is predominantly based on the lending volume.

If the actual value deviates from the target pathway by more than 5 percent, or 10 percent in the real estate sector, context-specific ad hoc actions are taken. These actions are devised by sector-specific teams of experts.

FIG. VII.29: ACTIVITIES RELEVANT TO CLIMATE ALIGNMENT, BY SECTOR – SECTOR VALUE CHAINS



Climate actions in the lending business: Advancing Sustainability program

Since 2022, DZ BANK has amalgamated its cross-divisional sustainability activities in the integrated **Advancing Sustainability**¹⁹ umbrella program. The aim of the program is to develop sustainability at a strategic and operational level, permanently embed it in the organization, and meet regulatory requirements. The program is a key tool in achieving DZ BANK's sustainability vision and contributes to the 'Verbund First 4.0' strategy. The sustainability vision includes, in particular, the ongoing development of the sustainability strategy, the anchoring of sustainability within the governance structure, and the integration of ESG factors into the business model (including adjustments to the IT system landscape).

¹⁹ The systematic integration of sustainability matters into DZ BANK's standard processes was initiated on the basis of a resolution of the Board of Managing Directors dated January 7, 2020.

7 task areas in the sustainability program were worked on in 2025:

- Sustainability program management: management of the umbrella program (including nature)
- Sustainability focus topics: strategic and overarching topics (including sustainability impact transparency and sustainability product framework)
- Sustainability analytics and loan guidelines: development of methods relating to greenhouse gas accounting and ESG risks
- Sustainability regulation: implementation of regulatory and legal requirements such as the EU taxonomy and the German Supply Chain Due Diligence Act (LkSG)
- Capture of sustainability data: technical implementation of the functional sustainability requirements with regard to data capture and refinement of user-friendly user interfaces
- Sustainability data and infrastructure: expansion of the sustainability data domain and of data sourcing, and updating of the data architecture
- CSRD reporting: implementation of ESRS reporting

The program's progress is monitored by a steering committee that includes members of the Board of Managing Directors. The program is scheduled to end on June 30, 2026; individual task areas, such as sustainability regulation, will continue as projects once the program has ended. Internal and external resources will be allocated to ongoing projects during the annual planning process.

Climate actions in the lending business: Expansion of renewable energy

Alongside the real estate sector, the energy sector is a key lever for decarbonizing the DZ BANK banking group's credit portfolio. In order to meet its climate targets, DZ BANK supports its customers' switch to low-carbon power generation. A main focus here is on increasing funding for renewable energies. This applies across the group and is not limited to geographical boundaries. In 2021, DZ BANK set an absolute target for the lending volume in this sector and has been continually updating it ever since. The updated target for 2026 is set at €8.5 billion (previously €7.1 billion for 2026). The financing is provided within existing structures and without separately disclosed financial resources. By December 31, 2025, emissions intensity is expected to have improved by 33 kgCO₂eq / MWh relative to the base year.²⁰

Climate and environmental actions in the lending business: Integration of ESG aspects into risk management

To avoid the material risks described in chapter VII.2.1, the DZ BANK Group systematically incorporates ESG factors into its risk management and the lending process. ESG aspects are factored into strategic risk management and are enshrined in the DZ BANK Group's **risk appetite statement** (risk appetite framework). The governance of this framework follows the established 'three lines of defense' model (3LoD model):

- The first line of defense is responsible for managing the ESG risks assumed by the bank.
- The risk management function (in particular Group Risk Controlling and Group Risk Control & Services) is the second line of defense. It is tasked with identifying, evaluating, measuring, monitoring, and reporting material ESG risks. It does so in the context of the existing risk types and in groupwide ESG risk management. The DZ BANK Group has initiated various actions to collect sustainability-related data in the lending process and systematically integrate ESG risks into decision-making processes.
- Internal Audit, which is the third line of defense, examines the appropriateness and implementation of the arrangements for managing ESG risks.

The Board of Managing Directors of DZ BANK is notified of the total exposure on an ongoing basis and defines the groupwide framework for risk appetite, risk-bearing capacity, management targets, and related actions. Compliance with the risk strategy is monitored continually and coordinated with the relevant divisions and group entities every year. The responsibilities and tasks relating to ESG risks are based on the allocation of

20 A simplifying estimate is required to quantify this action due to the wide range of financial instruments used and activities financed. The following are some of the assumptions made using estimates: that each euro of increase in the lending volume in renewable energy is entered into the portfolio with a physical emissions intensity (PEI) = 0; that every increase in the lending volume in renewable energy is new business; and that adjustments to activity splits, estimates, reported data, and portfolio movements have not been factored in.

roles as used in the 3LoD model. Where these are required by law or regulation, compliance functions in the entities support adherence to legal provisions.

ESG risks are also systematically factored into the credit check process. An **ESG checklist** is used to determine the reputational impact that customers or their projects have on DZ BANK. In the event of an elevated or high ESG-related negative reputational impact, approval from a higher authorization level is required. In addition to the conventional credit rating, DZ BANK uses an **ESG credit risk score** to assess the potential impact of ESG aspects on the credit risk of its corporate customers. This score provides a statement on probability and on the potential future change in creditworthiness due to ESG aspects for a medium-term period of 5 to 10 years. It encompasses 4 subscores: physical environmental risks, transition risks, social risks, and corporate governance risks. The rating uses a scale with five possible risk levels, ranging from A (very low risk) to E (very high risk). ESG risks are also taken into account in the lending process and in regular and ad hoc credit control.

DZ BANK also addresses ESG risks in its regular reporting and integrates them into the monthly and quarterly overall risk report. In addition, DZ BANK produces a half-yearly **sustainability risk report** that summarizes ESG-related analyses for senior management and is approved by the risk committee. It focuses on business portfolios in sectors that are particularly relevant from a sustainability perspective. The assessments are sector-specific and include ESG-related metrics such as greenhouse gas emissions, ESG credit risk scores, climate alignment, and credit ratings. Transition risks are at the forefront and are primarily reflected in the ESG credit risk score. Physical risks are a particular focus in the real estate finance business of BSH and DZ HYP and in business with corporate customers.

Climate actions in the real estate lending business

As part of its sustainability strategy, BSH wants to provide its customers and partners with expert support and guidance on projects, whether involving new builds or existing properties. A key aspect in this context is continuing professional development for the field sales team on the modernization of residential properties and introduction of energy efficiency improvements. This CPD enables the team to give customers more targeted advice on energy efficiency measures.

In addition, the field sales advisors use a **digital tool called SanierungsGuide (renovation guide)**. The tool contains all relevant property data, which it uses to produce a rough calculation of the property's current efficiency class and identify short-term and long-term renovations that would have a positive impact on energy performance. This can potentially help to achieve the climate target of continuously reducing the carbon footprint in BSH's credit portfolio.

Another action resulting from BSH's business and sustainability strategy is the continual inclusion via click options of climate and environmental risks in pricing, based on the energy efficiency class of the funded real estate. Accordingly, financing is offered at a preferential interest rate for real estate in the highest energy efficiency classes, A and A+, and for energy efficient improvements resulting in a 30 percent or more reduction in primary energy consumption. **Integration into pricing** incentivizes the granting of modernization loans and loans for properties with high energy efficiency ratings, which potentially contributes to achievement of the climate target of continuously reducing the carbon footprint in the BSH credit portfolio.

DZ HYP also systematically factors sustainability matters into its real estate finance. It focuses on the classification of the lending business, paying particular attention to the energy efficiency of the financed properties. Energy performance certificates are always required for new business, and the relevant data from these certificates is systematically captured.

In corporate customer business, the lending decision generally considers the extent to which the customer/property or financing project is sustainable from an environmental, climate, or social perspective. At the start of a business relationship, it must be determined whether there are any potential ESG-related reputational risks with regard to the borrower, the property, or the project and whether any exclusion criteria argue against the extension of a loan. Furthermore, binding ESG criteria for lending were introduced in early 2025 in the shape of requirements for energy efficiency classes G and H.

In new business with retail customers, a low-interest eco-loan was launched at the start of May 2024 for properties in a very good energy efficiency class and/or with low final energy consumption. **Development lending programs from Germany's KfW development bank** – 'Climate-friendly new construction – residential buildings', 'Efficiency House modernization', and 'Home ownership for families' – have been integrated into the retail sales channels.

DZ HYP introduced an extended ESG analysis at business partner level in 2023 in order to place a greater emphasis on sustainability matters in its Public Sector business line. The new DZ HYP **sustainability ranking for local authorities** is now an integral element of the lending and decision process for local authority loans.

In its funding activities, DZ HYP uses green mortgage Pfandbriefe with a focus on energy efficiency. These are structured in line with the suitability criteria defined in the **Green Bond Framework**. Funding based on green Pfandbriefe has been firmly established in the business model since 2022.

Climate actions in asset management

DZ PRIVATBANK redesigned its sustainable investment process in 2022 in order to implement regulatory requirements and develop further ESG-related investment solutions. It encompasses all phases of the investment process, from transparency regarding environmental and social characteristics in pre-contractual disclosures, and uniform rules and in-depth sustainability analyses through to documentary evidence in ESG reporting. The final step is the assessment of the potential returns from potential ESG investments. This assessment is conducted by the portfolio managers as the basis for the final allocation decision.

UMH also carried out a range of actions in 2025 aimed at implementing its climate strategy in the securities business and the real estate business. It maintained an ongoing **dialogue with carbon-intensive companies** in the UMH portfolio and gradually scaled back the funding of fossil fuels. It also introduced a **transformation rating** to assess the credibility of transformation activities in particularly high-emission industries. On this basis, UMH regularly monitors the 50 most carbon-intensive companies in the portfolio in terms of their emission reduction targets and related implementation and investment plans in the short, medium, and long term. The requirements on these companies are tightened every five years:

- From 2025: No further investment in significant emitters of greenhouse gases that have no complete long-term climate targets (Scope 1 and 2, plus Scope 3 where standardized calculation methods exist)
- From 2030: No further investment in significant emitters of greenhouse gases that have no complete short-term and medium-term climate targets
- From 2035: No further investment in significant emitters of greenhouse gases that have no credible plan to reach the emission reduction targets
- From 2040: No further investment in significant emitters of greenhouse gases if the intensity of their greenhouse gas emissions is not consistent with the defined pathway toward climate neutrality or if investment planning conflicts with the climate change mitigation targets

Companies that do not meet these requirements by the specified deadlines are gradually excluded from the securities portfolios. UMH is progressively excluding business models that are deemed non-transformable.

The aim is to completely exclude the financing of fossil fuels from all funds. Since 2025, sustainable products from UMH have no longer included any direct investment in securities of companies that extract crude oil and natural gas. With regard to conventional products, a gradual approach is taken to reduce investment in the

extraction of crude oil and natural gas. The actions apply to all securities-based asset classes, with sectoral and regional differences taken into account. For asset classes such as government bonds, currencies, derivatives, and commodities, management on the basis of financed emissions is not possible or useful at present.

Under its **Manage to Green** strategy, UMH uses a range of decarbonization instruments for real estate assets. The internal **sustainable investment check** is designed to facilitate the systematic review of ESG criteria for properties or development projects being considered for purchase and the annual review of buildings held in the portfolio. The evaluation system comprises 7 categories, including building structure, operational measures, and user comfort. Further actions are the introduction of **energy monitoring systems** and the development of timetables for **energy efficiency improvements**. The results and progress of all actions can be tracked in the Immosustain sustainability management software. It captures information such as consumption data, carbon emissions, and progress along the CRREM climate pathways, which provide science-based decarbonization pathways for real estate.²¹

Climate actions in the insurance business (investments)

In R+V's insurance business, portfolio management is an important lever for decarbonizing investments. It encompasses all activities relating to the management of an investment portfolio, particularly targeted reallocation. R+V therefore actively incorporates the decarbonization of the real economy into its management processes. All of the aforementioned actions support the decarbonization targets in R+V's investments and, like these targets, apply to the asset classes 'listed equities of large European companies' and 'listed bonds of large international companies' (excluding finance companies in both cases), referred to as targeted equities and bonds or as targeted asset classes in this context.

As part of its membership of **NZAOA**, R+V continuously pursues a structured **engagement process** with the most emission-intensive companies in its investment portfolio. The NZAOA-related engagement targets inform investors' dialogue with the companies in which they invest, with the aim of helping the real economy to pursue climate targets in order to decarbonize. The engagement activities are aimed at reducing the R+V portfolio's carbon footprint so that the goal of climate neutrality can be reached in 2050.

Dashboards provide portfolio managers with sustainability-related information on the portfolio for the targeted asset classes. A key component of the dashboard is the **carbon analyzer**, which presents climate-related data on an ongoing basis. This not only heightens awareness of the effects of investment decisions on the achievement of greenhouse gas emissions reduction targets, but also enables the investment portfolio to be managed in a way that is compatible with the company's sustainability targets. The impacts of the action can only be quantified in relation to specific investment decisions made on the basis of results from the carbon analyzer.

Target-oriented portfolio management is considered a suitable action for effectively addressing the achievement of greenhouse gas reduction targets. The carbon footprint reduction already achieved in the targeted asset classes is generally attributable to strategic portfolio management. This is another step toward reducing the R+V portfolio's carbon footprint so that goal of climate neutrality can be reached in 2050.

In 2025, R+V lowered the revenue threshold from more than 30 percent to 20 percent for companies that generate revenue from the mining or burning of thermal coal for power generation. This exclusion does not apply to companies that have an externally validated, science-based climate target and/or transition plan. This action is directed at investments over which R+V can exert a direct influence, primarily listed securities in direct holdings and funds that provide a look-through to the underlying listed securities.

²¹ This does not apply to UMH's mandates for real estate service investment management companies or to the Zentral Boden Immobilien Group (ZBI).

Voluntary undertakings and training for employees²²

Sustainability is a key pillar of the DZ BANK Group's corporate culture and a factor in many of the group's voluntary undertakings (see Fig. VII.30):

FIG. VII.30: VOLUNTARY UNDERTAKINGS

Global	
UN sustainable development goals	DZ BANK Group
UN Global Compact	DZ BANK Group
Principles for Responsible Banking	BSH, DZ BANK
Principles for Responsible Investment	DZ PRIVATBANK, R+V, UMH
Principles for Sustainable Insurance	R+V
Net Zero Asset Managers Initiative	UMH
Net-Zero Asset Owner Alliance	R+V
Green Bond Principles ICMA	DZ BANK, DZ HYP
Equator Principles	DZ BANK
National	
Collective commitment to climate action of the German financial sector	DZ BANK
German CEO Alliance for Climate and Economy	BSH, UMH

The DZ BANK Group entities pursue a wide range of engagement activities and are represented in many associations and advocacy organizations. The aim is to address the expectations of stakeholders in a dialogue with representatives from business, society, and politics and to promote the entities' own interests (see chapter VII.1.4.2). These initiatives entail voluntary undertakings, most of which concern climate neutrality in accordance with the Paris climate agreement. Examples include the collective commitment to climate action of the German financial sector and the Principles for Responsible Banking. The undertakings listed in Fig. VII.30 demonstrate that each group entity in the DZ BANK Group is already taking climate and sustainability targets fully into account in strategic and operational processes.

DZ BANK introduced internal training formats in 2022 to build up the sustainability expertise of its employees. The **foundation training course in sustainability** and the **training course in sustainability sales** address climate-related and environmental topics. Furthermore, the Supervisory Board received internal training lasting several hours on the subject of sustainability for the fourth time in 2025. The training sessions are delivered as part of the relevant higher-level standard processes of the specific divisions. The HR division, for example, systematically tracks employees' participation in training courses.

2.2.3 Greenhouse gas emissions of the DZ BANK Group (E1-6, E1-7, E1-8)

Procedure for determining emissions in own operations

In accordance with the GHG Protocol, the DZ BANK Group reports the greenhouse gas emissions resulting from its own operations in CO₂ equivalents. These are calculated using the emission factors included in the calculation tool developed by the Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. (VfU) [Association for Environmental Management and Sustainability in Financial Institutions] specifically for the financial sector. The operational carbon footprint covers greenhouse gas emissions under Scope 1 (direct burning of fuels, including fuel consumption of fleet vehicles and loss of coolant), Scope 2 (use of electricity and district heating), and Scope 3 (upstream and downstream activities in the value chain).

In 2024, the DZ BANK Group carried out a significance analysis of the operational Scope 3 categories. The 14 Scope 3 categories that are potentially relevant to own operations were assessed with regard to the proportion of total operational Scope 3 greenhouse gas emissions that they account for. Categories accounting for less than 3 percent were rated as not significant and not included in the operational carbon

²² Further information on employee training and development can be found in chapter VII.3.2.2 'Employee development'.

footprint. The DZ BANK Group updates the full Scope 3 greenhouse gas inventory at least every 3 years or on the occurrence of a significant event or a significant change in circumstances, and reassesses the significance. The 2024 significance analysis was reviewed in 2025. No material changes were identified that would require a reassessment of the relevant Scope 3 categories.

An exception was made for category 5, greenhouse gas emissions from waste generated in operations. Due to considerable stakeholder interest, these greenhouse gas emissions are included in the carbon footprint despite not constituting a significant share.

The following were deemed significant:

- Greenhouse gas emissions from purchased goods and services (category 1) Greenhouse gas emissions from capital goods (category 2)
- Greenhouse gas emissions from fuel and energy-related activities (category 3)
- Greenhouse gas emissions from waste generated in operations (category 5)
- Greenhouse gas emissions from business travel (category 6)
- Greenhouse gas emissions from employee commuting (category 7)
- Greenhouse gas emissions from downstream leased assets (category 13)

The following were deemed not significant:

- Greenhouse gas emissions from upstream transportation and distribution (category 4)
- Greenhouse gas emissions from upstream leased assets (category 8)

Scope 3 greenhouse gas emissions from downstream transportation and distribution (category 9), the processing of sold products (category 10), the use of sold products (category 11), the end-of-life treatment of sold products (category 12), and franchise activities (category 14) do not apply to the business model of a financial services provider and therefore were not collected.

Emissions from R+V's tenanted real estate are assigned to investments and, from 2025, are disclosed under Scope 3.15 (investments). This is due to a reinterpretation of the relevant paragraphs in ESRS.

To ensure the highest possible data quality despite the partially heterogeneous data sources within the DZ BANK Group, a standardized procedure was defined for determining consumption data for own operations. As a rule, primary data must be collected for each significant emission source throughout the entire reporting year. However, not all consumption data can be collected by December 31 due to the heterogeneous nature of the base data. Collection therefore occurs in stages.

Greenhouse gas emissions from corporate and customer events (Scope 3, category 1) and cost-based estimates of greenhouse gas emissions (Scope 3, categories 1 and 2) are recorded as at December 31. To determine all other significant emission sources, 4 data quality levels were defined in descending order:

1. Primary data as at September 30
2. Primary data from the reporting year prior to September 30
3. Data from the prior year
4. Estimated data

To determine standardized annual consumption figures, available data with a reporting date of September 30 or earlier in the reporting year was collected, taken from previous years, or estimated by experts. These figures were extrapolated for the calendar year to December 31, depending on the emission source defined by the 'data capture in own operations' policy. The extrapolation factors for water, electricity, and heating for the period from October to December are based on the average consumption figures for the last 3 years (where available) at DZ BANK, BSH, UMH, TeamBank, DZ HYP, and R+V.

Given the current limited availability of data, this approach was chosen with a view to ensuring the timely provision of data and its orderly collection, processing, and – where necessary – standardized extrapolation. In order to ensure a complete and representative picture of the entire financial year, the data collected as at September 30 is extrapolated for the fourth quarter as described above. This method of data capture combines actual data with projected values to provide a robust overall analysis. The proportion of operational Scope 3 greenhouse gas emissions (categories 1 to 13), calculated as at September 30 using activity data based on primary data, was 20 percent (2024: 39 percent).

Using this consumption data, the greenhouse gas emissions were then calculated on the basis of the ecoinvent emission factors (version 3.10) and other sources in the VfU calculation tool. Supplementary emission factors published by government agencies are also used, such as those relating to country-specific electricity mixes. These emission factors were chosen because they are mandatory when using the VfU tool to calculate operational greenhouse gas emissions.

Procedure for determining financed emissions

Taking the same approach as for its own operations, DZ BANK measures its financed greenhouse gas emissions (Scope 3, category 15) in CO₂ equivalents in accordance with the principles of the GHG Protocol. The calculation is usually based on the globally accepted PCAF market standard for determining the greenhouse gas emissions of credit and investment portfolios, taking into account PCAF part A 'Financed emissions' (version: December 2022). DZ BANK closely follows external standards but does not have its findings validated by a third party.

The calculation is based on all on-balance-sheet financing transactions within DZ BANK's scope of consolidation for the purposes of the IFRS consolidated financial statements. These transactions contribute directly to the financing of counterparties and are associated with potential greenhouse gas emissions from the underlying economic activities. This primarily covers loans, shares, and bonds. Hedging and derivatives are not included, as they cannot be clearly assigned to an underlying financed asset.

To determine the financed portion of a counterparty's total Scope 1 to Scope 3 emissions, DZ BANK uses an attribution factor based on the amount of finance relative to the enterprise value. The greenhouse gas emissions associated with an asset (for example a company) are multiplied by the attribution factor, providing the proportion of total emissions financed by DZ BANK. The attribution factor only takes into account amounts actually drawn down excluding outstanding loan commitments. For the real estate asset class, DZ BANK also takes amounts into account that have not yet been paid out, e.g. tranches not yet drawn down during the construction phase.

DZ BANK uses a model calculation of financed greenhouse gas emissions, differentiating according to data availability. Preference is given to primary data, i.e. either emissions data that has been collected and quality-assured by customers directly or emissions data that originates from official customer publications and has been obtained from external data providers. As the calculation is based on data reported by customers, there is usually a time lag of one to two years for the emissions data. Where this has an impact on decisions, DZ BANK updates the comparative figures once new information on the previously reported estimates becomes available. If published information is not available, DZ BANK makes use of standardized estimation processes to determine financed emissions. These involve model-based methods such as customer-specific bottom-up models, regression models, or sector-specific and country-specific average values from external data providers. Data sources are selected using a step-by-step process based on common market practice. As the availability of data decreases, so does the accuracy of the determined emission values. Based on the latest methodology, this approach does not result in any material inaccuracies in measurements. DZ BANK continually refines its methods and reviews models and assumptions as part of annual updates in order to increase data quality and the information value of the results.

A group risk management unit at DZ BANK calculates the financed emissions from the banking book and trading book centrally. This does not include entities that manage their own data for specific management units or asset classes. Specifically, R+V is responsible for recording all financed emissions of R+V and its material subsidiaries. Loans from DZ HYP, BSH, and DZ PRIVATBANK that are secured against real estate are also excluded from the central calculation of financed emissions. These are calculated on a decentralized basis and made available for aggregation.

In addition to financed emissions from on-balance-sheet transactions in the DZ BANK Group, the financed emissions of assets under management (AuM) are also determined for UMH and DZ PRIVATBANK. The calculation is performed on a decentralized basis. These emissions are disclosed separately from the financed emissions from on-balance-sheet transactions. As there are investments in UMH funds within the DZ BANK Group, the summation of financed emissions from on-balance-sheet transactions and of financed emissions from AuM involves double counting.

Fig. VII.31 below shows the DZ BANK Group's financed emissions, broken down by management unit and split into the following categories: credit and investment portfolio, real estate finance, and AuM. The credit and investment portfolio category comprises financed emissions from the banking book and trading book, excluding products that are not of a finance nature. Because of its materiality in the group, the real estate finance category is shown separately from the rest of the lending business. The financed emissions from real estate finance include those from consumer home finance. The sum of all emissions from the credit and investment portfolio and real estate finance categories can be found in Fig. VII.32 under category 15, investments, of which on-balance-sheet portfolio. The AuM at UMH include emissions from securities and from commercial real estate. The AuM at DZ PRIVATBANK include emissions from the securities portfolio of managed special funds and from asset management mandates. The sum of all emissions from AuM can be found in Fig. VII.32 under category 15, investments, of which assets under management.

The financed emissions are also broken down into Scope 1, Scope 2, and Scope 3 emissions to ensure transparent and accurate reporting. The primary data ratio disclosed for financed emissions in the 2024 sustainability report is no longer included in this report. Instead, the average PCAF score on a scale from 1 to 5²³ is used to disclose data quality and provide better comparability across the market. The total PCAF score for all of the DZ BANK Group's financed emissions is weighted using the outstanding amount and is 3.34.

23 Since different PCAF scores may be available for each Scope, Fig. VII.31 lists an average value per row in the column 'PCAF score across all Scopes'.

FIG. VII.31: FINANCED EMISSIONS OF THE DZ BANK GROUP, BY MANAGEMENT UNIT

Management unit	Financed emissions (tCO ₂ eq)			Total	PCAF score across all Scopes
	Scope 1	Scope 2	Scope 3		
Credit and investment portfolio					
BSH	202,464	42,791	2,754,127	2,999,382	4.14
DZ BANK (including direct long-term equity investments) ¹	6,824,909	1,074,232	65,213,858	73,112,999	4.84
DZ HYP	361,940	21,727	722,756	1,106,423	5.00
DZ PRIVATBANK	109,542	16,114	1,383,486	1,509,142	4.57
TeamBank	1,527	79	54,414	56,020	5.00
UMH	38,007	4,921	1,030,371	1,073,299	3.64
VR Smart Finanz	57,874	17,241	834,261	909,375	5.00
R+V	6,043,943	518,938	33,237,461	39,800,342	3.22
Real estate finance					
BSH	627,443	446,656	-	1,074,099	3.09
DZ HYP	513,533	403,571	-	917,104	3.56
DZ PRIVATBANK	5,803	2,339	-	8,141	4.30
Assets under management					
DZ PRIVATBANK	2,463,226	565,951	14,453,829	17,483,006	2.66
UMH	18,819,226	2,831,389	192,994,470	214,645,085	2.70

¹ Direct long-term equity investments of DZ BANK with available information on financed emissions but not separately disclosed in the table with their respective subsidiaries are VR Factoring, VR Equitypartner, and VR Equitypartner Beteiligungskapital GmbH & Co. KG UBG.

In the following paragraph, a coverage rate is published for each category of financed emissions and for each Scope in order to make it clear how much data is actually available or could be estimated for the relevant investments. The coverage rate is reported as a value between 0 and 1. The outstanding amount is used for aggregation purposes.

The relative data coverage in relation to the total volume of the credit and investment portfolio affecting PCAF is 98.7 percent for Scope 1 emissions, 98.6 percent for Scope 2 emissions, and 98.6 percent for Scope 3 emissions. In real estate finance, the relative data coverage in relation to the total volume affecting PCAF is 98.2 percent for Scope 1 and Scope 2 emissions. Scope 3 emissions are excluded for real estate finance in accordance with PCAF, so no coverage ratio is determined for this. For assets under management, the relative data coverage in relation to the total volume affecting PCAF is 94.4 percent for Scope 1 emissions, 91.8 percent for Scope 2 emissions, and 82.8 percent for Scope 3 emissions.

The methodology for determining financed emissions is continuously updated to make reporting more transparent and conclusive. Material adjustments have been made since the 2024 sustainability report, which are explained below and which influence the comparability of reported emissions.

For the first time, financed emissions are reported for individual group entities and asset classes in Fig. VII.31. Whereas only a consolidated total for financed emissions (excluding AuM) was disclosed in the previous reporting period, this new granularity provides more detailed insights into where the emission hotspots are within the DZ BANK Group and across a range of asset classes. This significantly increases transparency and improves insight into the distribution of emissions, but it also makes it more difficult to directly compare the total amount with previous years' reports that do not include this level of detail.

This report is the first to include the financed emissions from assets under management. The decision to include these emissions was made for reasons of significance and consistency with established reporting standards, although there is no explicit obligation to do so. AuM emissions were also determined using the PCAF standard. Since AuM emissions account for 65 percent of total financed emissions, their inclusion for the first time is significant as it substantially increases the total emissions reported compared with 2024.

The relevant reference value for determining the total sample of financed emissions was adjusted in the reporting period. Instead of using the credit and investment portfolio (excluding R+V) based on the risk data

as before, financial data is now used. This change brings the sustainability report into line with the consolidated financial statements and thus improves consistency across the financial and sustainability reporting. Additionally, and unrelated to the change in reference value, intragroup transactions were removed from the calculation of financed emissions in this reporting period. These transactions, which were previously taken into account, are no longer included in the group's emissions calculation in line with the accounting treatment in the consolidated financial statements. The elimination of intragroup transactions results in a significant reduction in reported emissions related to the credit and investment portfolio (excluding R+V) compared with previous reporting periods. It also increases the value of information about the external impact of the DZ BANK Group's emissions.

In the previous reporting period, financed emissions from unit-linked life insurance were included in the greenhouse gas inventory of R+V's credit and investment portfolio. These emissions are no longer included in the carbon footprint in this report; instead, they are mentioned separately in the text to ensure transparency. Emissions from unit-linked life insurance amounted to 10,117,103 tCO₂eq in the reporting year and are no longer part of the consolidated emissions footprint (2024: 8,953,485 tCO₂eq).

Also new is the additional reporting of emissions in DZ PRIVATBANK's real estate portfolio. These had not previously been included due to limited data availability. While the proportion of total financed emissions accounted for by this portfolio is small when measured against the DZ BANK Group's overall portfolio, it is nonetheless relevant.

The total figure for the financed emissions of the credit and investment portfolio and the real estate emissions (excluding AuM), which is presented in Fig. VII.31, has the same scope as the total emissions reported in 2024. This specific subtotal amounted to 122,566,326 tCO₂eq, an increase of 7.2 percent in reported emissions compared with the figure of 114,284,055 tCO₂eq disclosed in 2024. It should be noted that this change is greatly influenced by the methodological adjustments described above and is therefore not directly attributable to a pure increase in emissions.

Taking into account the AuM included for the first time, the total Scope 3 category 15 emissions for 2025 amounted to 354,694,418 tCO₂eq. Due to the inclusion of AuM in the scope of reporting, this total figure is – as expected – significantly higher than the figure reported in 2024 (which did not include AuM) and reflects the more comprehensive approach to calculating emissions.

The following overview presents the DZ BANK Group's Scope 1 to Scope 3 greenhouse gas emissions and financed emissions.

FIG. VII.32: THE DZ BANK GROUP'S GREENHOUSE GAS EMISSIONS

tCO ₂ eq	Retrospective				Milestones and target years			
	Base year	Comparative	N (2025)	% N / N-1	2025	2030	2050	Annual % target / Base year
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (tCO ₂ eq)		23,093	23,671	3%				
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)		0%	0%					
Scope 2 GHG emissions								
Location-based gross Scope 2 GHG emissions (tCO ₂ eq)		39,494	40,294	2%				
Market-based gross Scope 2 GHG emissions (tCO ₂ eq)		9,367	9,831	5%				
Significant Scope 3 GHG emissions								
Total gross indirect (Scope 3) GHG emissions (tCO ₂ eq)		114,419,643	354,852,248	210%				
1 Purchased goods and services		34,909	58,040	66%				
Optional sub-category: Cloud computing and data center services		-	847					
2 Capital goods		13,775	14,699	7%				
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	see chapters VII.2.2.1 and VII.2.2.2	24,906	24,442	-2%				
4 Upstream transportation and distribution		-	-					
5 Waste generated in operations		11,706	12,241	5%				
6 Business travel		15,300	13,466	-12%				
7 Employee commuting		33,765	32,735	-3%				
Optional sub-category: Remote working		-	586					
8 Upstream leased assets		-	-					
9 Downstream transportation		-	-					
10 Processing of sold products		-	-					
11 Use of sold products		-	-					
12 End-of-life treatment of sold products		-	-					
13 Downstream leased assets		1,227	774	-37%				
14 Franchises		-	-					
15 Investments		114,284,055	354,694,418	210%				
of which assets under management		-	232,128,091					
of which on-balance-sheet portfolio		-	122,566,326					
Total GHG emissions								
Total GHG emissions (location-based) (tCO₂eq)		114,482,230	354,916,213	210%				
Total GHG emissions (market-based) (tCO₂eq)		114,452,103	354,885,750	210%				

Some of the 2024 figures for two group entities' greenhouse gas inventory were recalculated in 2025. The change is taken into account in the disclosure of the DZ BANK Group's greenhouse gas emissions. The change was the result of better data quality, methodological adjustments, and the inclusion of emissions data from tenanted real estate that had not been included in the prior year. The adjustment of the prior-year figure improves comparability over time. Data quality was improved primarily with regard to waste, business travel, and the loss of coolant and fire extinguishing agents. Methodological adjustments affect the calculation of emissions from events, now based on expenditure, and of emissions from commuting and remote working, including field staff. Furthermore, methodological adjustments were made to the calculation of Scope 1 and Scope 2 emissions from electric vehicles and vehicles with internal combustion engines. Overall, the adjustments affect Scopes 1, 2, 3.1 (purchased goods and services), 3.3 (fuel and energy-related activities), 3.5

(waste generated in operations), 3.6 (business travel), and 3.7 (employee commuting / remote working). The retrospective upward adjustment to the 2024 emissions by around 21,120 tCO₂eq is already reflected in Fig. VII.32. As R+V's tenanted real estate is considered part of investment activity, it is assigned to the entity's downstream value chain. A reinterpretation of ESRS allows for the related emissions to be disclosed under Scope 3.15 (investments) in 2025. In 2024, emissions from R+V's tenanted real estate were reported – in accordance with the interpretation of ESRS at that time – under Scopes 1, 2, 3.1 (purchased goods and services), 3.3 (fuel and energy-related activities), and 3.13 (downstream leased assets). To ensure that emissions data remains comparable over time, the figures for 2024 were retrospectively adjusted in line with the reclassification under Scope 3.15 (investments). In total, 17,704 tCO₂eq from Scope 1, 49,766 tCO₂eq from Scope 2, and 82,581 tCO₂eq from the relevant Scope 3 categories were reclassified.

The greenhouse gas emissions presented in Fig. VII.32 include emissions generated by subsidiaries of R+V that are not fully consolidated for the purposes of the IFRS consolidated financial statements. For reasons of transparency, DZ BANK discloses the Scope 1 and Scope 2 greenhouse gas emissions of these R+V entities separately below. The Scope 1 emissions amounted to 7,779 tCO₂eq (2024: 7,254 tCO₂eq), while the Scope 2 emissions amounted to 612 tCO₂eq using the market-based method (2024: 1,003 tCO₂eq) and 785 tCO₂eq using the location-based method (2024: 1,548 tCO₂eq). The following figures were determined for the entities in the scope of consolidation of the IFRS consolidated financial statements: 5,003 tCO₂eq for Scope 1 (2024: 5,642 tCO₂eq), 2,206 tCO₂eq for Scope 2 (market-based) (2024: 1.349 tCO₂eq), and 9,428 tCO₂eq for Scope 2 (location-based) (2024: 7,316 tCO₂eq). Due to the aforementioned methodological adjustments, the figures stated for the prior year no longer match the figures in last year's report.

Contractual instruments in the context of market-based Scope 2 GHG emissions include a number of mechanisms and agreements that companies can use to reduce their indirect GHG emissions from purchased energy. Bundled contractual instruments are traded alongside the generated energy to provide proof of specific characteristics (e.g. renewable energy sources). Of the market-based Scope 2 GHG emissions disclosed in Fig. VII.32, 59 percent were attributable to bundled contractual instruments in the DZ BANK Group (December 31, 2024: 26 percent). The DZ BANK Group used 0 percent unbundled contractual instruments (December 31, 2024: 0 percent).

Biogenic greenhouse gas emissions within the DZ BANK Group account for an immaterial share of total emissions and are therefore not reported separately in the greenhouse gas inventory.

The following figure presents the intensity of the total GHG emissions in tCO₂eq in relation to the DZ BANK Group's net revenue. In order to present the DZ BANK Group's actual net revenue more accurately, it is now based on the interest income, fee and commission income, and insurance income²⁴, as reported in the income statement.

FIG. VII.33: INTENSITY OF GREENHOUSE GAS EMISSIONS IN RELATION TO NET REVENUE

	2024	2025
Total GHG emissions (location-based) per net revenue (tCO ₂ eq / €)	0.0053	0.0109
Total GHG emissions (market-based) per net revenue (tCO ₂ eq / €)	0.0053	0.0109

GHG removals, projects aimed at reducing GHG emissions, and internal carbon pricing systems

The DZ BANK Group has no projects aimed at removing or storing greenhouse gas emissions relating to its own operations or to the upstream or downstream value chain. As the 'contribution claims' purchased by the group entities in the DZ BANK Group in 2025 are not factored into the calculation of the greenhouse gas inventory as carbon credits, the disclosures on the DZ BANK Group's financial contribution to climate action are made in chapter VII.2.2.1.

²⁴ 'Insurance revenue from insurance contracts issued' less 'insurance revenue from reinsurance contracts held'.

The DZ BANK Group does not use any internal carbon pricing systems.

2.3 Biodiversity and ecosystems (E4-1, E4-2, E4-3, E4-4)

The DZ BANK Group views biodiversity and ecosystems as factors in the resilience of its strategy and business model and as part of the physical and transition risks to the climate and nature. Potential risk drivers are either physical, such as declining soil quality and natural protection from erosion or landslides, or transitional, such as processes for adapting to more sustainable use of water and bodies of water. The methodology is based on the ESG risk management framework described in chapter VII.2.1.

The current assessment identified nature-related transition risks – limited to market risk in the insurance business – as material in the medium- and long-term time horizon. This is based on potential changes in credit ratings and asset valuations in investment activities in the Insurance sector due to changes in the market with regard to biodiversity and ecosystems. The list of ESG risk drivers considered was reduced from around 70 in 2024 to around 50, and a range of insights were consolidated to provide a complete materiality assessment. The potential opportunities that the topic of biodiversity could present for the DZ BANK Group are currently being evaluated.

The global assessment of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services emphasizes the central role of climate as a driver of changes in biodiversity. In this context, all of the DZ BANK Group's sector-related climate targets, policies, and actions described in chapter VII.2.2.2 are also relevant for promoting and protecting biodiversity.

The social impacts of a decline in biodiversity have not yet been analyzed in detail.

Targets for biodiversity and ecosystems

The topic area of biodiversity and ecosystems is still under development in the DZ BANK Group.

In 2025, this topic area was examined in greater detail as part of the sustainability program. Objectives included creating transparency about relevant regulatory requirements, further refining the design of existing sustainability instruments, and formulating the strategic positioning on the topic of nature. The 'Sustainability program management' and 'Sustainability analytics and loan guidelines' projects divided the task into the following steps: requirements analysis, portfolio analysis, sector deep-dives, and determination of positioning and specific actions.

As part of the portfolio analysis, the potential impacts on nature and the dependencies on ecosystems of the DZ BANK Group's lending business were analyzed for the first time using publicly available tools. The agriculture and food, power generation, and real estate and construction sectors were then examined from 3 perspectives: potential nature-related business opportunities, potential nature-related impacts, and potential nature-related risks.

No quantitative targets for 'nature' have been defined so far. The plan is to continue working on this topic at DZ BANK and in the DZ BANK Group in 2026.

Most of the DZ BANK Group is already involved in a variety of ways to promote this topic area and avoid investments in activities that have damaging effects on biodiversity and ecosystems. Their ambitions are supported by the following policies and actions.

Policies for biodiversity and ecosystems

The DZ BANK Group has a holistic understanding of sustainability and formulates the policies for its business portfolio accordingly. This is the reason its existing policies, primarily the **exclusion criteria** and **sector criteria** (see chapter VII.2.2.2), also include biodiversity aspects. The policies are directly linked to the material topic of biodiversity and ecosystems, plus the related impacts, risks, and opportunities.

The groupwide **exclusion criteria for lending** stipulate that the DZ BANK Group does not finance activities involving the trading of endangered animal or plant species in accordance with the CITES (Convention on International Trade in Endangered Species) list. Furthermore, it does not finance companies or projects that pose a significant danger to the environment and to ecosystems.

DZ BANK's **sector criteria** place a particular focus on biodiversity in the following areas: dams and water infrastructure, forestry, commodities, agriculture, and fishing. In these areas, it only finances ventures where there is proof of public acceptance, of protection of river ecosystems and biodiversity, and of fair distribution of benefits. Forestry companies must be certified and meet **Forest Stewardship Council (FSC)**, national **Programme for the Endorsement of Forest Certification (PEFC)**, or equivalent standards. DZ BANK is guided by the revised **World Bank standards** (WN OP 4.36, 2013) and by the criteria specified at the Ministerial Conference on the Protection of Forests in Europe, held in Helsinki in 1993 (MCPFE, now Forest Europe). In connection with the sector criterion for the commodities industry, the preservation of biodiversity is explicitly factored into the lending decision. DZ BANK also champions the protection of biodiversity and the reduction of greenhouse gas emissions in the agricultural industry.

UMH has established a framework for the protection and promotion of biodiversity in its **biodiversity policy**. The policy supplements the existing climate strategy and defines in greater detail how UMH deals with biodiversity aspects in the areas of operations, securities, and real estate. The aim is to systematically integrate biodiversity risks into investment decisions and minimize negative impacts on biodiversity and ecosystems. The policy is based on the Kunming-Montreal Global Biodiversity Framework and the European Union's Biodiversity Strategy for 2030.

Actions for biodiversity and ecosystems

The DZ BANK Group entities implement actions to ensure compliance with existing biodiversity policies. At the same time, they continually drive thematic development and manage the risks described in chapter VII.2.1 arising from other environment-related topics in their respective businesses. No clearly definable financial resources were used to implement these actions.

Through its **sector criteria**, DZ BANK recognizes the key role that agriculture plays in food security and society's expectations regarding the way in which food is produced. Accordingly, it supports farms that adhere to the **sector criteria for agriculture**, irrespective of whether they farm conventionally or organically. The criteria include actions to reduce water consumption and compliance with German fertilizer legislation, the German Plant Protection Act (PflSchG), and the German Animal Welfare Livestock Husbandry Regulation (TierSchNutztV). DZ BANK focuses on farms that operate in accordance with the EU's common agricultural policy and are eligible for support. With regard to financing land purchases in regions with indigenous populations, DZ BANK always follows the principle of **free, prior, and informed consent (FPIC)** in order to respect the rights and interests of indigenous groups.

In 2023, DZ BANK analyzed the impacts of its agriculture portfolio on the basis of the SDG classification. The results of the analysis were presented as part of a 'sector sprint light' for agriculture within the "Advancing Sustainability" program. The SDG classification for the credit portfolio is reported internally to the Board of Managing Directors every six months. DZ BANK also uses specific case studies to examine impacts along the agricultural value chain. Furthermore, DZ BANK supports companies that operate in accordance with the principle of circularity and thus contribute to the preservation of biodiversity.

R+V developed a **biodiversity score** in 2025 in order to take greater account of biodiversity and ecosystems in investments. The biodiversity score has been an integral element of the ESG integration process since 2025 and is thus applied to those parts of the portfolio covered by the process. This is achieved by providing biodiversity-related information in the ESG task force with the aim of further refining its control measures. Depending on the individual case, the outcome may lead to actions such as increased monitoring, portfolio reduction, or active engagement.

UMH is making progress with the implementation of its biodiversity policy in product design. In 2022 and 2023, it analyzed biodiversity-critical sectors, assessed relevant risks using the ENCORE tool, and integrated the findings into its investment processes and decisions. On this basis, it also carried out targeted **engagement activities** in 2025 and applied **exclusion criteria** to ensure compliance with biodiversity-related standards. Engagement activities were focused on companies in the agricultural, consumer goods, and oil and gas sectors. UMH specifically excludes companies that do not meet key standards such as the UN Convention on Biological Diversity and UNESCO guidelines. In its real estate business, UMH applies **environment checks** to **purchases** and **actions that promote biodiversity**, such as green roofing and the creation of biotopes. It considers biodiversity along the entire value chain and places a particular focus on regions with greater biodiversity, such as tropical forest areas. The implementation is monitored accordingly in each segment's standard processes.

In the short term, UMH is focusing on the integration of comprehensive biodiversity data and increased engagement in critical sectors. In the medium term, it will prioritize biodiversity-friendly investments with the aim of actively contributing to the reversal of biodiversity loss. The long-term objective is to make the portfolio climate neutral while systematically taking biodiversity aspects into account.

2.4 Mandatory disclosures for the DZ BANK banking group under the EU taxonomy

2.4.1 Qualitative mandatory disclosures for the DZ BANK banking group under the EU taxonomy

Notes on the methodology

EU Taxonomy Regulation – current situation

The goal of the EU action plan for financing sustainable growth, published in March 2018, is to channel capital flows toward activities that are environmentally sustainable. A common understanding of what counts as an environmentally sustainable activity is an essential part of this. The EU Taxonomy Regulation, which came into force on January 1, 2022, sets out to achieve this by defining criteria to determine which economic activities qualify as environmentally sustainable and by specifying relevant disclosure requirements (in article 8).

At the heart of the EU Taxonomy Regulation are a total of six environmental objectives, namely:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

In July 2025, the European Commission published a Delegated Act to reduce the bureaucratic burden that EU taxonomy reporting places on companies. Consequently, the following material changes compared with December 31, 2024 were implemented in the DZ BANK banking group's mandatory EU taxonomy reporting as at December 31, 2025:

- The number of templates to be used in the reporting was significantly reduced.
- The method for calculating the green asset ratio (GAR) was adjusted by removing assets from the denominator that cannot be included in the numerator.

Scope of mandatory and voluntary disclosures under the EU taxonomy

DZ BANK's mandatory disclosures pursuant to the EU Taxonomy Regulation must be reported at the highest level of the scope of consolidation for regulatory purposes. For DZ BANK, this is the DZ BANK banking group, in which the R+V subgroup is accounted for under the equity method rather than as an insurance subsidiary.

The information on the insurance and reinsurance activities performed by R+V, as defined by annexes IX and X of Delegated Regulation (EU) 2021/2178, are presented in R+V's group sustainability report.

The EU Taxonomy Regulation does not permit voluntary disclosures to be presented within the mandatory disclosures and, so far as they are made elsewhere, the two categories must be kept clearly separate. In the DZ BANK Group's sustainability report, the DZ BANK banking group only publishes mandatory disclosures under the EU taxonomy, i.e. disclosures prepared within the narrowly defined methodology specified by the EU Taxonomy Regulation for entities subject to a reporting requirement.

Explanatory notes on the structure of the assets in the mandatory disclosures relating to the green asset ratio (GAR)

The balance sheet structure for the results tables required by the EU Taxonomy Regulation is operationalized in accordance with the structure of the financial reporting requirements (FINREP) implemented in the DZ BANK banking group. Assets are shown at their gross carrying amounts.

Explanatory notes on the EU taxonomy classification

Assets that can be included in the numerator of the GAR are classified in terms of their EU taxonomy eligibility and alignment using the key performance indicator method (KPI method) or the individual transaction method.

In the KPI method, the use of funds for the asset is not specified in the agreement with the customer. Under this classification method, the asset is therefore classified pro rata in line with the customer's published EU taxonomy eligibility and alignment KPIs.

The individual transaction method is used when the use of funds for the asset is specified. In this case, financed economic activities are assessed to ascertain whether they satisfy the EU Taxonomy Regulation's technical screening criteria for EU taxonomy eligibility and/or alignment. If the criteria are satisfied in full and the minimum safeguards are adhered to, the asset is considered fully taxonomy-aligned. Adherence to the minimum safeguards does not have to be checked for consumer home finance and is deemed to be a given.

In the case of finance for households where the use of funds is not specified (e.g. consumer finance), the finance is neither taxonomy-eligible nor taxonomy-aligned under the rules of the EU Taxonomy Regulation.

Explanatory notes on data sources and limitations

Explanatory notes on procuring business customers' EU taxonomy KPIs

The DZ BANK banking group predominantly obtained business customers' EU taxonomy KPIs from external data providers specializing in the procurement of such information. In some cases, the banking group supplemented the KPIs with data obtained by carrying out its own research.

The DZ BANK banking group did not use any estimates for business customers' EU taxonomy KPIs.

Explanatory notes on the availability of energy performance certificates and similar documentation in real estate finance

Information taken from energy performance certificates and similar documentation is to be used to check the satisfaction of the technical screening criteria for EU taxonomy eligibility and alignment in the real estate business.

Data coverage for energy performance certificates and similar documentation is being expanded in two ways: firstly, organically as a result of inflows and new business and, secondly, through targeted purchases for existing business. In the consumer business, purchases are made as part of a process coordinated within the Cooperative Financial Network.

Explanatory notes on the nature and objectives of EU taxonomy-aligned economic activities in the DZ BANK banking group

FIG. VII.34: SUMMARY OF KPIS TO BE DISCLOSED BY CREDIT INSTITUTIONS UNDER ARTICLE 8 OF THE TAXONOMY REGULATION (2025)

		Total exposure to taxonomy-aligned activities (€ million)		KPI ¹ (%)	KPI ² (%)	% coverage (over total assets) ³	Non-assessed exposures (% of covered assets) ⁴	
		Revenue-based	CapEx-based	Revenue-based	CapEx-based		Revenue-based	CapEx-based
Main KPI	Green asset ratio (GAR) stock	5,975	6,805	3.08%	3.51%	35.66%	-	-
		Total exposure to taxonomy-aligned activities (€ million)		KPI ¹ (%)	KPI ² (%)	% coverage (over total assets) ³	Non-assessed exposures (% of covered assets) ⁴	
		Revenue-based	CapEx-based	Revenue-based	CapEx-based		Revenue-based	CapEx-based
Additio	GAR (flow)	720	1,082	1.94%	2.91%	6.83%	-	-
nal KPIs	Trading book	-	-	-	-	-	-	-
	Financial guarantees	116	204	4.90%	8.59%	0.44%	-	-
	Assets under management	8,272	12,492	10.97 %	16.57 %	13.87%	-	-
	Fee and commission income ⁵	-	-	-	-	-	-	-

1 Based on the revenue KPI of the counterparty.

2 Based on the CapEx KPI of the counterparty.

3 Percentage of assets covered by the KPI over banks' total assets.

4 In accordance with Article 7 (8) of this Regulation.

5 Fee and commission income from services other than lending and AuM.

Note 1: Across the reporting templates: Cells shaded in black should not be completed.

Note 2: The fees and commissions (sheet 6) and trading book (sheet 7) KPIs only apply from 2028.

On balance sheet

The total assets of the DZ BANK banking group amounted to €543,628 million as at December 31, 2025 (December 31, 2024: €543,008 million).

The denominator of the GAR (total GAR assets) of the DZ BANK banking group came to €193,865 million as at December 31, 2025 (December 31, 2024: €427,070 million). The 2025 Delegated Act to simplify EU taxonomy reporting is the key factor in this change.

The GAR of the DZ BANK banking group increased from 0.50 percent as at December 31, 2024 to 3.08 percent as at December 31, 2025 (revenue-based) and from 0.66 percent to 3.51 percent (CapEx-based).

One of the factors in this change was the aforementioned adjustment to the calculation method specified by the regulatory authorities. The reduction in the GAR calculation's denominator resulted in a higher ratio.

Another key driver of this change were the higher rates of EU taxonomy alignment in consumer home finance. The improved data coverage for energy performance certificates contributed to this.

Off balance sheet

As a rule, the EU taxonomy assessment for assets under management is based on the KPI method. The GAR relating to these assets under management stood at 16.57 percent (CapEx-based; December 31, 2024: 5.89 percent) and 10.97 percent (revenue-based; December 31, 2024: 3.45 percent).

As a rule, the EU taxonomy assessment for financial guarantees is based on the KPI method. The GAR relating to these financial guarantees stood at 8.59 percent (CapEx-based; December 31, 2024: 9.47 percent) and 4.90 percent (revenue-based; December 31, 2024: 5.90 percent).

Compliance with Regulation (EU) 2020/852 in the financial undertaking's business strategy, product design processes, and engagement with customers and counterparties

DZ BANK sees itself as a partner in the transformation of the real economy, helping with the transition to a more sustainable business model. In doing so, it wishes to seize additional business opportunities arising from high demand for financing and investment solutions (for example, to finance the transition to EU taxonomy-aligned business). An increase in EU taxonomy-aligned business would help to achieve various ESG goals that DZ BANK has set itself in its business strategy (such as its growth target for renewable energies financing).

Furthermore, DZ BANK has developed a classification approach for sustainability products in the form of a sustainability product framework. A business partner's compliance with statutory standards – for example the EU taxonomy requirements, but also globally recognized criteria of the International Capital Market Association (ICMA) and the Loan Market Association (LMA) for green, social, and ESG-linked products – can be one of the criteria for assessing a product's sustainability. DZ BANK AG's lending business has been classified in line with this approach since October 2025. An evaluation option is to be created in 2026.

Significance of the financing of taxonomy-aligned economic activities within the DZ BANK banking group's overall activity

The EU taxonomy is one of a total of 5 relevant sources of requirements that form the basis of the target vision for the sustainability classification at the level of DZ BANK.

Technical implementation of the target vision began with the 'SDG classification' source of requirements. Carbon accounting and climate alignment were introduced for relevant sectors in 2023.

With regard to the 'EU taxonomy classification' source of requirements, the DZ BANK banking group started by implementing the requirements of the EU Taxonomy Regulation and the processes for determining the relevant metrics. As stipulated, a green asset ratio based on a granular analysis of individual financed activities has been calculated annually since December 31, 2023; the ratio is disclosed in the sustainability reporting for 2025. During the formulation of the sustainability product framework, it was decided that business activities that are aligned with the requirements of the EU taxonomy should be considered sustainable business activities as defined by DZ BANK. Sustainable products such as green loans, ESG-linked loans, and those that meet the requirements of the EU taxonomy are considered by DZ BANK as a market segment with growth potential. Accordingly, one of the aims of the sustainability product framework is to support the sale of these products.

2.4.2 Quantitative mandatory disclosures for the DZ BANK banking group under the EU taxonomy

The detailed mandatory quantitative disclosures for the DZ BANK banking group under the EU taxonomy can be found in the annex.

Within the DZ BANK banking group's detailed mandatory quantitative disclosures under the EU taxonomy, inflows in assets that are not included in the GAR calculation are calculated using a simplified method in which the volume as at the prior-year reporting date is deducted from the volume as at the reporting date. For these assets, negative inflow values indicate that the volume has decreased year on year.

3 Social matters

The success of the DZ BANK Group depends on its employees being dedicated and well qualified for their jobs. In order to support them to the fullest extent possible in their work and personal development, the DZ BANK Group attaches great importance to a supportive workplace. It also considers the interests of workers in the value chain, of affected communities, and of customers as consumers and end-users to be of key importance for the DZ BANK Group. The DZ BANK Group has introduced a number of policies and actions to take account of the social impact of its business activity.

The DZ BANK Group has not yet introduced any measurable, outcome-oriented targets for systematically tracking the effectiveness of the relevant policies and actions in the following areas:

- Employee development
- Equal opportunities
- Work-life balance
- Remuneration, social protection, and codetermination
- Occupational health and safety
- Human rights
- Workers in the value chain
- Affected communities
- Investors, policyholders, consumer finance borrowers, home savings customers, and real estate finance borrowers

These social metrics are not currently validated by an external body.

3.1 Management of material impacts, risks, and opportunities in the social sphere (SBM-3)

The DZ BANK Group's **own workforce** affected by material impacts, risks, and opportunities includes both employees and external workers. Employees are people with an active employment contract (temporary, permanent, full-time, or part-time employment, and employees available on demand) with the company, including members of the top management level, people in the active phase of semi-retirement (Altersteilzeit), apprentices / young people undergoing training, employees with marginal employment contracts, and employees with inactive employment contracts such as those on parental leave. Interns, temporary student employees, and students on PhD, master's, or bachelor's degree courses undertaking research within the group as part of their dissertation or thesis are not included as employees. Governing bodies, such as the Board of Managing Directors / senior management, are not included either. The definitions are documented in the DZ BANK Group's accounting manual. The number of employees is determined as an average and as at the reporting date. The number of full-time and part-time employees and the total number of employees must also be determined, in each case broken down by gender. The definitions are based on the legal requirements under section 314 (1) no. 4 of the German Commercial Code (HGB).

For the first time, external workers were included in the report in 2025. External workers only comprised temporary workers as defined by the German Labor Leasing Act (AÜG). Temporary workers are employed by a third party (agency) but are available to work for another company (temporary employer) for a specific period of time. They receive their salary from the agency while being bound by the temporary employer's instructions for the duration of their assignment. AÜG is intended to ensure that temporary workers receive the same company benefits as permanent employees of the company hiring them. Those benefits include remuneration, vacation pay, Christmas bonuses, use of communal facilities and company-owned childcare centers, and individual employee benefits. Therefore, all other targets, policies, actions, and processes detailed below apply only to employees and not to external workers (temporary workers as defined for the reporting year). For group entities based in a member state of – or outside of – the EEA, the applicable national provisions on labor leasing apply.

The entities in the DZ BANK Group provide the financial resources – in the form of dedicated budgets and donations for social and cultural causes – for implementing actions related to the social sphere.

The DZ BANK Group offers attractive working conditions in order to attract well-qualified specialists and managerial staff and to retain them on a long-term basis. These include fair and transparent remuneration systems (see chapter VII.3.2.4), actions related to improving work-life balance (see chapter VII.3.2.3), and preventive health programs (see chapter VII.3.2.5). The DZ BANK Group promotes an inclusive and respectful working environment in order to boost employee motivation and satisfaction and to create incentives for potential applicants.

A potential negative impact can materialize if, due to insufficient protection of personal data, for example, employees' basic rights are infringed and there is a loss of trust in the employer. In order to counter this potential impact, personal data is protected in the DZ BANK Group in accordance with the statutory provisions. The data protection rules apply across the group and are in line with the principles defined in Article 5 of the General Data Protection Regulation (GDPR). Data protection officers have been appointed in the group entities where required by law.

The DZ BANK Group also identified opportunities related to its own workforce. They include boosting employer branding, enhancing the success of the business through its reputation as a fair and responsible employer, and increasing staff commitment, retention, and the number of job applicants. In order to capitalize on these opportunities, employees are offered benefits as well as training and skills development. Various channels are used to raise workers' awareness of the topics of diversity and inclusion, such as holding events and training, supporting networks, arranging secondment programs to encourage cultural exchange, and actively seeking out workers' perspectives in employee surveys and internal communications formats. The DZ BANK Group has signed the Diversity Charter, which is a self-imposed obligation to promote diversity and respect in the workplace, demonstrating its commitment to equal treatment and inclusion. For certain vulnerable groups of people, a groupwide inclusion agreement has been put in place in order to break down discriminatory barriers (see chapter VII.3.2.3). Activities within DZ BANK do not pose a risk in relation to forced labor, human trafficking, or child labor, either in terms of the type of work or geographical place of work. There were no material impacts on the workforce related to the transition plan for DZ BANK's own operations (see chapter VII.2.2.1).

The entities in the DZ BANK Group conduct comprehensive risk analyses every year in line with LkSG requirements in order to identify and assess human rights-related and environmental risks in the supply chain. The risk analysis involves an abstract assessment of suppliers' country-specific and sector-specific risks, followed by an advanced analysis using defined criteria. It takes account of the impacts on **workers in the value chain** and on the environment, and forms the basis for preventive and remedial action. With regard to supplier selection, the DZ BANK Group has developed a minimum standard for assessing the sustainability performance of suppliers, which includes a graduated escalation process that can ultimately result in a supplier being excluded. Sustainability criteria also play a key role when purchasing goods and services, in addition to price and quality, to ensure responsible procurement when selecting a supplier and encourage sustainable practices (see chapter VII.3.3). In accordance with the LkSG guidance for the banking and insurance industries, the analysis and the resulting positive impact particularly affect workers in the upstream value chain. The upstream value chain primarily includes external service providers who are directly involved in or enable the bank's value creation processes, such as IT service providers, consultants, auditors, relevant intermediaries, and outsourced services in the IT and back-office areas. No differentiation is made with regard to particularly vulnerable groups in relation to workers in the value chain.

With regard to **affected communities**, the DZ BANK Group helps local communities by supporting charitable projects and social initiatives and by providing jobs and education in the form of training and development (see chapter VII.3.4). Negative impacts on habitat can affect local residents or indigenous populations, for example, who are deemed to be vulnerable groups. The DZ BANK Group pays particular attention to communities in locations where it grants loans (business portfolio) and where it has offices (own operations).

Reputational risks may arise from business partners failing to protect cultural identities, traditional ways of life, or ethnic diversity, for example in their lending business in particularly sensitive sectors such as agriculture, palm oil production, and dam projects. This relates to communities that are affected by financed activities and to locations with local offices. In order to prevent such risks, the DZ BANK Group takes generally accepted standards into account in its financing decisions (see chapter VII.3.4).

Customer satisfaction and long-term business relationships are very important to the DZ BANK Group. It aims to strengthen **customer** loyalty and satisfaction through targeted actions and effective complaints procedures. Its main customer groups are securities investors, policyholders, consumer finance borrowers, real estate finance borrowers, and home savings customers. The group aims to ensure that consumers and end-users across all customer segments are guaranteed (equal) access to financial products and insurance. The group entities use specific concepts to ensure service quality and to process complaints (see chapter VII.3.5). The group checks that it is focusing on the needs of customers by regularly measuring customer satisfaction. The aim is to offer customers the best possible support by transparently providing and communicating information. The entities in the DZ BANK Group provide financial resources through dedicated budgets to support the implementation.

The DZ BANK Group considers vulnerable groups to primarily include individuals who require assistance due to age, disability, limited access to financial products, or financial hardship. Care is taken to offer these target groups special support, transparent information, and accessible financial products.

Tapping into new markets and customer groups, and offering financial products that are tailored to their requirements, presents opportunities for customers of the DZ BANK Group. The DZ BANK Group considers upholding general privacy laws to be a priority in order to protect customers' rights. Data protection and information security are governed groupwide by binding policies (see chapter VII.3.5). Reputational risk can arise from the way that customer relationships are managed and in connection with the group's own products. Stakeholders' trust may be damaged if public perception shifts due to uncertainty regarding product liability, product safety, or data protection. To counter this, the DZ BANK Group defines requirements for product governance and thus sets fundamental quality standards for handling financial instruments (see chapter VII.3.5). The entities in the DZ BANK Group provide financial resources through dedicated budgets to support the implementation of actions in the area of product governance.

A firm focus on customers and the development and provision of tailored market offerings are instrumental in the DZ BANK Group's lasting success. We strengthen customer satisfaction and trust in the long term by continuously adapting our product and service portfolio to individual customer requirements. This focus enables us to quickly react to changing requirements and market trends and thus safeguard our competitiveness and ongoing business success.

The management units' business environment analyses assess socially relevant risk drivers and their influence on the business model. The analyses show that there are mainly short-term operational risks with regard to the social sphere. They may arise due to inadequate health and safety regulations or a lack of data security in relation to employees. These risks, which have a short-term time horizon, are categorized as low for the business model because the DZ BANK Group is not aware of any instances when the statutory provisions in this area have not been fulfilled. Risks from product liability and product safety, including consumer protection, are covered through the policies that are in place. These risks were therefore also deemed to be low in the short-term time horizon. In addition, the DZ BANK Group identified short-term reputational risks that could potentially have a negative impact (moderate effect) on the business model. At the same time, the continual improvement in working conditions results in opportunities and positive impacts on the DZ BANK Group's business model, for example because it boosts employee motivation and performance, improves health, and reduces absences.

As part of the materiality assessment (see chapter VII.1.5), impacts, risks, and opportunities (IROs) were identified in the social sphere that are material for the DZ BANK Group in relation to its own workforce,

workers in the value chain (in own operations), affected communities (in own operations and the business portfolio), and consumers and end-users (in the business portfolio).

FIG. VII.35: OVERVIEW OF THE IMPACTS, RISKS, AND OPPORTUNITIES IN THE SOCIAL SPHERE

ESRS	Topic in the materiality assessment	IRO type	Dimension	Time horizon	Description	Chapter in the report
S1	Working conditions ¹	+	OO	st	Ensuring employee motivation and satisfaction by providing fair and transparent remuneration systems and options for improving work-life balance such as flexible working hours and preventive health programs	Chapter VII.3.2.4 Remuneration, social protection, and codetermination Chapter VII.3.2.3 Diversity, equal opportunities, and work-life balance Chapter VII.3.2.5 Occupational health and safety
S1	Working conditions	O	OO	n/a	Boosting employer branding and increasing the competitive edge through fair working conditions and benefits	Chapter VII.3.2.1 HR strategy Chapter VII.3.2.3 Diversity, equal opportunities, and work-life balance Chapter VII.3.2.5 Occupational health and safety
S1	Equal treatment / non-discrimination ¹	+	OO	st	Creating an inclusive work environment and ensuring equal treatment through equality and non-discrimination	Chapter VII.3.2.3 Diversity, equal opportunities, and work-life balance Chapter VII.3.2.5 Occupational health and safety
S1	Equal treatment / non-discrimination	O	OO	n/a	Enhancing competitiveness through appropriate training and skills development for employees	Chapter VII.3.2.2 Employee development
S1	Equal treatment / non-discrimination	O	OO	n/a	Reputation as a fair employer with a zero-discrimination approach boosts employer branding, staff commitment and retention, and the number of job applicants	Chapter VII.3.2.1 HR strategy Chapter VII.3.2.6 Human rights relating to the DZ BANK Group's own workforce
S1	Other labor rights ¹	+	OO	st	Boosting employee satisfaction by promoting a respectful working environment	Chapter VII.3.2.3 Diversity, equal opportunities, and work-life balance Chapter VII.3.2.6 Human rights relating to the DZ BANK Group's own workforce
S1	Other labor rights ²	—	OO	mt	Infringement of employees' basic rights and loss of trust in the employer due, for example, to insufficient protection of employees' personal data	Chapter VII.3.2.6 Human rights relating to the DZ BANK Group's own workforce
S1	Other labor rights	O	OO	n/a	Reputation as a responsible employer, enhancing the success of the business through fair working conditions, a respectful corporate culture, and transparent communication with employees	Chapter VII.3.2.1 HR strategy
S2	Workers in the value chain ¹	+	OO	st	Observing human rights and certain environmental aspects through internal risk management and the selection of suppliers on the basis of sustainability criteria	Chapter VII.3.3 Workers in the value chain
S3	Affected communities ¹	+	OO	st	Helping affected communities by supporting charitable projects and creating jobs and educational opportunities	Chapter VII.3.4 Affected communities
S3	Affected communities ¹	+	P	st	Considering and improving the living conditions of affected communities through financial assistance / financing / insurance	Chapter VII.3.4 Affected communities
S4	Consumers and end-users ¹	+	P	st	Keeping customers informed by offering high-quality advice; facilitating access to financial products and insurance across all customer segments	Chapter VII.3.5 Customer focus
S4	Consumers and end-users	O	P	n/a	Long-term business success through customer centricity, products that meet the needs of the market, and the resulting customer satisfaction	Chapter VII.3.5 Customer focus

+ = positive impact, — = negative impact, R = risk, O = opportunity, P = business portfolio, OO = own operations, st = short term, mt = medium term, lt = long term, n/a = not applicable,
 1 = actual impact, 2 = potential impact

3.2 Employees

Brief summary

- The DZ BANK Group considers itself a responsible employer that attaches a high priority to a healthy working environment, fair remuneration, and development opportunities.
- The main targets are ensuring a continually high level of employee satisfaction and increasing the proportion of women at the level of the Board of Managing Directors / senior management to at least 30 percent by 2030.
- The DZ BANK Group has clear remuneration policies in place, supports diversity and inclusion, and has established extensive training and development programs.
- Policies such as the code of conduct, the groupwide guidelines on human rights, and company agreements set out rules on fair working conditions, equal opportunities, health management services, and data protection.
- Occupational health and safety is managed on the basis of company agreements, regular risk assessments, and preventive action.
- Extensive processes and channels, including regular employee surveys and management feedback, are intended to incorporate employee perspectives into business decisions.

In terms of equal opportunities and the integration of people with disabilities, all group entities located in Germany aim to meet the minimum statutory level of 5 percent of the workforce.

3.2.1 HR strategy (S1-1, S1-2, S1-3, S1-4, S1-5, S1-6; S1-7)

Targets relating to the HR strategy

At present, there is no measurable groupwide target for gauging employee satisfaction, but individual entities in the DZ BANK Group have their own targets. The Board of Managing Directors of DZ BANK has therefore adopted the target of maintaining a score of at least 70 on the **Organizational Commitment Index (OCI)**. BSH and VR Smart Finanz aim to keep their OCI scores at a minimum of 75.

The OCI score is determined in regular employee surveys at DZ BANK, BSH, DZ HYP, DZ PRIVATBANK, Reisebank, TeamBank, UMH, VR Factoring, and VR Smart Finanz. The score is based on 5 standardized questions on the following aspects: overall satisfaction, likelihood of recommending the entity as an employer, returning to work, personal commitment, and competitiveness. Depending on the entity, the surveys are conducted every one to 3 years. A survey on employee satisfaction was carried out at VR Equitypartner for the first time in 2023, with VR Equitypartner aiming to establish the OCI score as its standard benchmark in the future too.

In 2025, DZ BANK achieved a score of 84 (2024: 82), DZ PRIVATBANK 78 (2024: 77), Reisebank 80 (2024: 76), TeamBank 78 (2024: 81), UMH 79 (last survey in 2023: 78), and VR Smart Finanz 76 (2024: 78). BSH, DZ HYP, and VR Factoring did not conduct a survey in 2025, so BSH's score remains at 82, DZ HYP's at 80, and VR Factoring's at 70 until a new survey is carried out. Determining the OCI helps the group entities to implement their individual HR strategies of positioning themselves as responsible employers that offer a safe working environment and attractive career progression. At DZ BANK and BSH, target achievement is monitored by Group Human Resources in the context of Board of Managing Directors meetings. VR Smart Finanz manages the OCI through its HR and Compliance department.

As part of its efforts to implement the DZ BANK Group's HR strategy, TeamBank additionally measures the satisfaction of its employees on an annual basis using its own **engagement index**. In 2025, its score stood at 69 (target: 72; 2024: 71).

The targets for the aforementioned group entities were based on the findings of previous surveys. They were set – in consultation with the employee representatives – at Board of Managing Directors level / senior management level. All group entities that determine an OCI carry out an online survey to establish the actual

value. The results are communicated internally afterwards, e.g. on the intranet, and any potential for improvement that has been identified is jointly discussed.

These targets are directly linked to the material topics of working conditions, equal treatment and non-discrimination for all, and other labor rights, plus the related impacts, risks, and opportunities in connection with employees. For external workers, AÜG is directly linked to the material topic of equal treatment and non-discrimination for all, and to the related impacts, risks, and opportunities (see chapter VII.3.2.4).

Policies relating to the HR strategy

All of the DZ BANK Group's HR-strategy-related activities are based on its own business and HR strategies and those of the Cooperative Financial Network. Uniform groupwide HR targets, policies, and actions apply to the entities in the Group HR Committee (GHRC) and are decided by the committee (see chapter VII.1.3). The GHRC consists of representatives from the management units of the DZ BANK Group. The HR managers of the management units meet four to six times a year in the HR managers' working group to share their experiences.

At the German sites of the DZ BANK Group's management units, **company agreements** pursuant to the German Works Council Constitution Act (BetrVG) cover matters where workers have participation rights, such as CPD (see chapter VII.3.2.2), working hours and work location (see chapter VII.3.2.3), remuneration (see chapter VII.3.2.4), and health (chapter VII. 3.2.5). The company agreements and similar internal regulations in the management units lay down guidelines that aim to meet the requirements of the business and the interests of employees in equal measure. There are groupwide agreements, company-wide agreements, and local company agreements. To facilitate the implementation of HR-strategy-related decisions in the DZ BANK Group, a common remuneration strategy was adopted (see chapter VII.3.2.4). The management units of the DZ BANK Group have also agreed an employer branding strategy and an **HR strategy** for employees and potential applicants. Decisions regarding HR strategy in the DZ BANK Group's management units are made by the HR officers and/or the Employee Relations Directors in the GHRC (see chapter VII.1.3).

The HR strategy is built on 10 pillars:

- Recruitment and employee retention
- Modern working and flexibility
- Leadership
- Digitalization
- Social responsibility
- Strategic HR planning
- Talent and succession management
- Cost and resource management
- HR-relevant regulatory and statutory requirements
- Collaboration with employee representative bodies

The purpose of the **employer branding strategy** is to position the DZ BANK Group's management units as attractive employers, recruit and retain the right employees, and safeguard the group's future viability. The GHRC evaluates implementation of the strategy twice a year.

The DZ BANK Group protects personal data in accordance with the statutory requirements.

The aforementioned policies are directly linked to the material topics of working conditions, equal treatment and non-discrimination, and other labor rights, plus the related impacts, risks, and opportunities in connection with the DZ BANK Group's own workforce. For external workers, AÜG is directly linked to the material topic of equal treatment and non-discrimination for all, and to the related impacts, risks, and opportunities.

Actions relating to the HR strategy

The management units support the implementation of their HR strategy with ongoing **communication measures**. For example, they launched a social media campaign in 2023 in order to reach Generation Z and attract young talent. The **careers website** supports the implementation of the employer branding strategy and helps to attract potential employees.

Another staff recruitment tool is the **'Employees recruit employees and young talent'** initiative, which encourages DZ BANK Group employees to help the entities with recruitment by recommending potential candidates from their personal networks for vacant positions in the group. If an employee makes a recommendation that leads to a new recruit being hired, they are rewarded with a bonus of €1,000 (gross). The DZ BANK Group's management units participate in this program on an ongoing basis.

Also part of the HR strategy are **career scouts**, who advise employees on opportunities for development within the DZ BANK Group's management units. The virtual **career scout talk** was held once again in 2025. The format is designed to promote an understanding of the various roles and profiles within the group, encourage professional dialogue, and help to boost employee retention in the long term.

All employees in the group entities receive regular training on data protection law, with the aim of enshrining the principles of data protection and ensuring compliance with statutory data protection requirements. This applies in particular to people who have access to sensitive personal data, e.g. HR department staff and managers. DZ PRIVATBANK, Reisebank, TeamBank, VR Payment, and VR Smart Finanz all provide **mandatory data protection training** on an annual basis. This obligatory online data protection training is provided every two years at DZ BANK, BSH, DZ HYP, R+V, UMH, VR Equitypartner, and VR Factoring.

Processes and channels relating to employees

The DZ BANK Group entities use a wide range of channels to canvass the views of their employees and factor them into business decisions and initiatives. Regular **employee surveys** are carried out every 1 to 3 years and use standardized questions to establish, for example, employee satisfaction, loyalty, and attitudes to specific focus topics including values and principles. Because they hold the most senior level of responsibility, managers are responsible for implementation of the process on an operational level.

DZ BANK carries out an employee survey ('pulse check') every year. It includes questions on strategy, corporate culture, satisfaction, sustainability, and diversity. The results are published on the intranet and communicated by managers to their departments. An anonymous survey on leadership is carried out every 2 years that allows employees to give their line manager feedback via a standardized questionnaire.

DZ PRIVATBANK conducts an employee survey every year and obtains feedback on managers. At TeamBank, feedback on managers is collected as part of the annual pulse check. In addition to the regular employee survey, R+V and VR Equitypartner obtain further employee feedback via ad hoc pulse checks. VR Payment also carries out its own internal employee surveys, plus additional pulse checks that are conducted every six weeks and look at respect, stress levels, and motivation. Individual departments also carry out pulse checks at three-month intervals regarding agile values, agile principles, and agile working methods. VR Smart Finanz also conducts an annual employee survey. On an alternate annual basis, UMH conducts a climate barometer and obtains feedback on managers. VR Factoring conducts its own surveys every 2 years. Every 2 to 3 years, BSH conducts an employee survey – supplemented by short ad hoc surveys – to gauge the mood and hot topics within the organization and to make improvements visible.

The surveys help the DZ BANK Group to identify and respond to current developments among employees.

Metrics relating to the HR strategy

The entities in the DZ BANK Group employed a total of 38,778 employees as at December 31, 2025 (December 31, 2024: 38,199 employees) and 119 external workers (no prior-year figure due to being measured for the first time in the reporting year). The data was collected as a headcount as at the reporting date. Fig. VII.36 shows a breakdown of the workforce by gender.

The average number of employees in 2025 was determined by adding up the number of people at the end of each month and dividing the total by 12. The resulting average number of employees is shown in note 105 (employees) in the consolidated financial statements.

FIG. VII.36: NUMBER OF EMPLOYEES IN THE DZ BANK GROUP, BY GENDER (AS AT DECEMBER 31)

Gender	Number of employees	
	2025	2024
Male	21,307	21,028
Female	17,470	17,171
Other	1	-
Not disclosed	-	-
Total	38,778	38,199

Fig. VII.37 shows the DZ BANK Group sites with at least 50 employees and representing at least 10 percent of the overall workforce. This data is based on the country in which an employee is employed. The figures were determined as at the reporting date and reported as a headcount.

FIG. VII.37: NUMBER OF EMPLOYEES IN THE DZ BANK GROUP, BY COUNTRY (AS AT DECEMBER 31)

Country	2025	2024
Germany	36,269	35,729

Fig. VII.38 shows the number of employees in the DZ BANK Group as at the reporting date, by contract type and gender. The contract types are split into temporary employees, permanent employees, and employees available on demand. The headcount is also split into full-time and part-time employees. The figures were determined as at the reporting date and reported as a headcount. Of the DZ BANK Group's total of 38,778 employees, 94.0 percent had a permanent contract (December 31, 2024: 94.3 percent) and 6.0 percent had a temporary contract (December 31, 2024: 5.7 percent). A total of 78.3 percent were working on a full-time basis (December 31, 2024: 79.4 percent) and 21.7 percent on a part-time basis (December 31, 2024: 20.6 percent). Full-time employment equates to 100 percent of the agreed (collectively negotiated) number of full-time working hours per week. Anything less than that is counted as part time.

FIG. VII.38: NUMBER OF EMPLOYEES IN THE DZ BANK GROUP, BY CONTRACT TYPE AND GENDER (AS AT DECEMBER 31)

	Female		Male		Other		Not disclosed		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Employees	17,470	17,171	21,307	21,028	1	-	-	-	38,778	38,199
Permanent employees	16,391	16,156	20,056	19,858	1	-	-	-	36,448	36,014
Temporary employees	1,079	1,015	1,251	1,169	-	-	-	-	2,330	2,184
Employees available on demand	-	-	-	1	-	-	-	-	-	1
Full-time employees	10,629	10,646	19,725	19,692	1	-	-	-	30,355	30,338
Part-time employees	6,841	6,525	1,582	1,336	-	-	-	-	8,423	7,861

Fig. VII.39 shows the number of employees in the DZ BANK Group by contract type and country. The DZ BANK Group sites with at least 50 employees, and representing at least 10 percent of the overall workforce, are all located in Germany.

FIG. VII.39: NUMBER OF EMPLOYEES IN THE DZ BANK GROUP, BY CONTRACT TYPE AND COUNTRY (AS AT DECEMBER 31)

	Germany	
	2025	2024
Employees	36,269	35,729
Permanent employees	34,043	33,640
Temporary employees	2,226	2,088
Employees available on demand	-	1
Full-time employees	28,376	28,391
Part-time employees	7,893	7,338

Staff turnover in the DZ BANK Group, defined as the number of leavers in the reporting year divided by the average number of employees in the reporting year, was 7.1 percent in 2025 (2024: 7.0 percent). This equates to 2,693 people (2024: 2,646 people). Leavers are those who left due to dismissal by the employer, termination by the employee, termination by mutual consent, end of contract, age (retirement, early retirement), permanent or temporary incapacity to work, and death.

Metrics relating to employees

During the reporting period, 0 infringements of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises were reported that involve employees (2024: 0).

3.2.2 Employee development (S1-1, S1-4, S1-5, S1-13)

Policies relating to employee development

CPD enables employees to regularly and systematically adapt and expand their skills in a changing working environment. It is intended to help develop employees' career prospects, integrate employees after career breaks, and manage operational changes. All group entities have **processes and policies for employee development and training** in place. The related parameters are set out either in company agreements or similar internal regulations, which can be accessed by all employees.

DZ BANK, DZ HYP, R+V, and TeamBank have **company agreements on CPD**. DZ PRIVATBANK and VR Equitypartner are implementing similar internal policies. BSH, DZ HYP, UMH, VR Payment, and VR Smart Finanz have also implemented **management guidelines**.

The company agreements safeguard individual employees' skills and professional growth, thereby contributing to the companies' enduring success. The implementation of the respective agreements by the group entities is monitored by the Board of Managing Directors / senior management of each group entity and the respective HR divisions and workers' representatives. If necessary, the agreements can be enforced by a court of law or an arbitration body. The management guidance supports skills and professional growth through recommendations and requirements, particularly those concerning management style.

These policies are directly linked to the material topic of equal treatment / non-discrimination, plus the related impacts, risks, and opportunities.

Actions relating to employee development

In the course of implementing the company agreements or similar regulations on continuing professional development, most of the entities in the DZ BANK Group support high-potential employees and managers with a wide range of skills training courses on an ongoing basis. The aim is to prepare employees for taking on more demanding tasks. The courses on offer are regularly announced throughout the group.

The **Corporate Campus** brings together the latest central CPD offerings for managers in the management units. Since 2021, senior managers in the management units and the managers at DZ BANK have been able to access many different learning and discussion events.

Employees and managers at the German sites in the DZ BANK Group are entitled to an annual development or feedback meeting with their direct line manager. The criteria for the **performance and career development reviews** are transparent and are coordinated by the HR departments. The review meetings should be documented by employees and line managers together and are an opportunity for individual development plans and targets to be agreed.

Under DZ BANK's annual **reverse mentoring program**, managers pair up with young employees to learn about the expectations of Generation Z, social media, and digital platforms. The **development program for high-potential employees (PFP Growth)** is an integral element of talent management at DZ BANK. It is aimed at systematically identifying high-potential employees at an early stage and preparing them for management or specialist roles. Candidates are nominated for the program every two years.

BSH generally offers annual **staff development programs** for young professionals, future managers, newly promoted managers, and heads of department. They include jump!, which is designed to help employees to take on their first management role and focuses on management skills and personal development. Employees are informed about opportunities via internal channels such as the intranet.

In the reporting year, VR Smart Finanz continued to pursue the two development programs that it implemented in the prior year: 'Führungspotenzial' (management potential) and 'Fachkarriere' (specialist career). The programs are designed to nurture employees' potential. The first appointments to management and coordination roles have been made off the back of these programs.

DZ PRIVATBANK offers an annual **manager development program** to prepare young managers and high-potential employees to meet the requirements that will be faced by the managers of the future. TeamBank offers skills training in various formats for its new managers. It also holds annual discussion events for all managers.

TeamBank supports its employees' personal development on an ongoing basis using a feedback format for reviewing skills. The skills review is a tool for assessing the skills of employees and managers. The assessment covers professional and personal aspects. Work-related feedback between line manager and employee, as well as between employees, can also be given at any time in a face-to-face meeting. In addition, TeamBank runs an ongoing **workshop format** for personal and professional development entitled 'Spotlight Du' (putting you in the spotlight). It is offered as a course of two-hour development dialogues or as a two-day workshop. TeamBank introduced a **reflections box** in 2022 that helps employees to reflect on their development. Internal mentoring programs support employees' personal development. In 2025, TeamBank also launched a Masterclass development program for high-potential employees that addresses both leadership skills and subject-matter expertise. It is designed to support employees, promote cross-divisional networking, and build up requisite skills.

Every entity in the DZ BANK Group offers its employees its own training courses that are open to all groups of employees. The courses are adapted on an ongoing basis in line with the focus of the respective entity's HR strategy and the individual needs of its employees. All group entities keep a record of the number of CPD days for all their employees. Most group entities routinely select the training content according to their

requirements. Individual group entities evaluate the participants' feedback and produce ad hoc reports, for example for quotation and planning purposes or in order to report the findings via the HR managers to the relevant members of the Board of Managing Directors / senior management. Some group entities determine the proportion of employees who would recommend taking part and disclose this figure in HR reports or in their main human resources report.

The majority of the DZ BANK Group entities use the **video-based learning platform Masterplan** to help employees to keep on improving their digital skills. DZ BANK employees can take part in voluntary courses offered as part of the open CPD program, division-specific training, and individual external courses. Furthermore, employees in the other group entities can also participate in selected classroom-based training offered as part of DZ BANK's open CPD program. All management units in the DZ BANK Group also support employees' continuing professional development outside of working hours.

Metrics relating to employee development

In the reporting year, 66.8 percent of employees in the DZ BANK Group's management units took part in an annual performance and career development review (2024: 67.4 percent). To calculate the percentage, the number of employees who took part in a performance and career review during the reporting year was divided by the average number of employees during the reporting year.

All group entities record the number of days of training completed. The average number of training hours per employee was 27.9 in 2025 (2024: 28.4). This figure was calculated by dividing the employees' total training hours by the average number of employees during the year. Only training completed up to December 31, 2025 was included in the calculation. Mandatory training courses, full-time vocational education and training, and similar vocational programs were not included. The time documented in the system is used to measure training time, although this may differ from the actual time spent on training. Use has been made of the phase-in option with regard to the requirement to provide a gender breakdown. In 2025, the average number of hours spent on training in 2024 was restated. This was due to an adjustment to the number of hours spent on training in R+V's field sales force to include only the actual time spent on training and not the length of time set in the system, which was not always accurate. This adjustment meant that the average number of hours spent on training per employee decreased by 1.4 hours (2024 (restated): 27.0 hours).

3.2.3 Diversity, equal opportunities, and work-life balance (S1-1, S1-4, S1-5, S1-9, S1-12, S1-15)

Targets relating to diversity

The diversity target within the HR strategy for the DZ BANK Group's management units is to increase the **proportion of women at Board of Managing Directors / senior management level** to 30 percent by 2030 and maintain it at that level. The **German Act on the Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors (FüPoG)**²⁵ requires companies with more than 500 employees to define binding targets for the supervisory board, the board of managing directors / senior management, and the first and second levels of management (heads of division and heads of department) and to publish these targets. The act applies to most of the management units. In this context, the targeted increase in the proportion of women at the management levels and on the Boards of Managing Directors / in senior management and Supervisory Boards has been defined as a target as required by the Second Act on the Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors (FüPoG II)²⁶. The related **target values** by entity for the **Supervisory Board and the Board of Managing Directors / senior management** are shown in Fig. VII.40. VR Equitypartner, VR Factoring, and VR Payment are not included as they do not fall within the scope of FüPoG II. The target and actual values for VR Smart Finanz are stated on a voluntary basis as it is not covered by FüPoG II either. The same applies to the target values stated for the Board of Managing Directors level at DZ PRIVATBANK.

²⁵ In the version of the official announcement on April 30, 2015 (BGBl. I p. 642), effective date May 1, 2015.

²⁶ In the version of the official announcement on August 11, 2021 (BGBl. I p. 3311), effective date August 12, 2021.

For the management units that do fall within the scope of the law, the defined targets for the Board of Managing Directors / senior management and Supervisory Board are reviewed by the Supervisory Board ahead of the deadline and redefined in the diversity policy for the Board of Managing Directors / senior management and the Supervisory Board (see chapter VII.1.3). The employee representatives on the Supervisory Board speak for the interests of employees. In accordance with FÜPoG II, the disclosure and explanation are provided in the management report of each entity. The targets for the 1st and 2nd management levels are determined for each group entity by the relevant Board of Managing Directors / senior management and reviewed at regular intervals. In accordance with FÜPoG II, new targets are set, as a minimum, after the expiration of each deadline.

FIG. VII.40: TARGET VALUES FOR THE PROPORTION OF WOMEN ON THE SUPERVISORY BOARD AND BOARD OF MANAGING DIRECTORS / SENIOR MANAGEMENT IN THE DZ BANK GROUP IN ACCORDANCE WITH FÜPOG II, BY ENTITY

Group entity	Target (%)	
	Supervisory Board	Board of Managing Directors / senior management
DZ BANK	25.0 (Dec. 31, 2027)	25.0 (Dec. 31, 2027)
BSH	30.0 (Oct. 31, 2026)	25.0 (Oct. 31, 2026)
DZ HYP	27.8 (Jul. 31, 2028)	33.3 (Jul. 31, 2028)
DZ PRIVATBANK ¹	-	25.0 (Dec. 10, 2029)
Reisebank	16.7 (Dec. 31, 2026)	33.3 (Dec. 31, 2026)
R+V Versicherung AG	25.0 (Jun. 30, 2027)	40.0 (Jun. 30, 2027)
R+V Allgemeine Versicherung AG	25.0 (Jun. 30, 2027)	25.0 (Jun. 30, 2027)
R+V Lebensversicherung AG	18.8 (Jun. 30, 2027)	20.0 (Jun. 30, 2027)
TeamBank	25.0 (Jun. 30, 2030)	25.0 (Jun. 30, 2030)
Union Asset Management Holding AG ²	26.7 (Dec. 31, 2026)	20.0 (Dec. 31, 2026)
Union Investment Privatfonds GmbH ³	16.6 (Dec. 31, 2026)	0.0 (Dec. 31, 2026)
VR Smart Finanz ¹	20.0 (Dec. 31, 2025)	50.0 (Dec. 31, 2025)

¹ Does not fall within the scope of FÜPoG II but some voluntary target values have been defined.

² Going beyond FÜPoG, UMH included a target in its diversity and inclusion strategy to increase the proportion of women in leadership positions across all hierarchy levels (excluding Quoniam Asset Management GmbH and Zentral Boden Immobilien Group) to 30.0 percent by 2030.

³ With regard to the composition of the Board of Managing Directors / senior management at the time the target was set, it was assumed that a higher proportion of women on the Board of Managing Directors could not be achieved by the target date due to a lack of relevant vacancies; the actual figure for the Board of Managing Directors / senior management was 50.0 percent as at December 31, 2025.

The **targets** for the 1st and 2nd management levels below the Board of Managing Directors / senior management (**heads of division and heads of department**) for the group entities that fall within the scope of FÜPoG II are listed in Fig. VII.41. The **targets** and **actual values** for **team leaders / group leaders (3rd management level below the Board of Managing Directors / senior management)** are also listed for selected group entities on a voluntary basis.

FIG. VII.41: PROPORTION OF WOMEN IN THE DZ BANK GROUP BY ENTITY AND MANAGEMENT LEVEL BASED ON FÜPOG II (DECEMBER 31)

Group entity	Head of division (1st management level below Board of Managing Directors / senior management)		Head of department (2nd management level below Board of Managing Directors / senior management)		Team leader / group leader (3rd management level below Board of Managing Directors / senior management)	
	Target (%)	Actual value (%)	Target (%)	Actual value (%)	Target (%)	Actual value (%)
DZ BANK	15.0 (Dec. 31, 2026)	17.6 (Dec. 31, 2024: 17.6)	21.0 (Dec. 31, 2026)	17.0 (Dec. 31, 2024: 16.7)	-	29.0 (Dec. 31, 2024: 28.8)
BSH	15.0 (Dec. 31, 2027)	15.4 (Dec. 31, 2024: 16.0)	20.0 (Dec. 31, 2027)	18.4 (Dec. 31, 2024: 13.6)	-	34.5 (Dec. 31, 2024: 32.5)
DZ HYP	31.3 (Oct. 31, 2030)	25.0 (Dec. 31, 2024: 12.5)	30.0 (Oct. 31, 2030)	22.9 (Dec. 31, 2024: 20.6)	-	15.0 (Dec. 31, 2024: 15.0)
DZ PRIVATBANK ¹	-	- (Dec. 31, 2024: 18.5)	-	- (Dec. 31, 2024: 9.3)	-	- (Dec. 31, 2024: 22.4)
Reisebank ²	30.0 (Dec. 31, 2026)	22.2 (Dec. 31, 2024: 20.0)	30.0 (Dec. 31, 2026)	34.7 (Dec. 31, 2024: 32.7)	-	- (Dec. 31, 2024: -)
R+V Versicherung AG	20.0 (Jun. 30, 2027)	28.6 (Dec. 31, 2024: 18.8)	25.0 (Jun. 30, 2027)	19.2 (Dec. 31, 2024: 24.3)	30.0 (Jun. 30, 2027)	43.0 (Dec. 31, 2024: 28.9)
R+V Allgemeine Versicherung AG	20.0 (Jun. 30, 2027)	21.4 (Dec. 31, 2024: -)	25.0 (Jun. 30, 2027)	28.6 (Dec. 31, 2024: -)	30.0 (Jun. 30, 2027)	35.6 (Dec. 31, 2024: -)
R+V Lebensversicherung AG	20.0 (Jun. 30, 2027)	22.9 (Dec. 31, 2024: -)	25.0 (Jun. 30, 2027)	22.4 (Dec. 31, 2024: -)	30.0 (Jun. 30, 2027)	26.1 (Dec. 31, 2024: -)
TeamBank	20.0 (Jun. 30, 2026)	16.7 (Dec. 31, 2024: 10.5)	30.0 (Jun. 30, 2026)	33.3 (Dec. 31, 2024: 33.8)	45.0 (Jun. 30, 2026)	61.1 (Dec. 31, 2024: 57.1)
Union Asset Management Holding AG ³	25.0 (Dec. 31, 2026)	33.3 (Dec. 31, 2024: 33.3)	7.1 (Dec. 31, 2026)	- (Dec. 31, 2024: -)	-	31.6 (Dec. 31, 2024: 30.6)
Union Investment Privatfonds GmbH ⁴	11.8 (Dec. 31, 2026)	25.0 (Dec. 31, 2024: 18.2)	12.1 (Dec. 31, 2026)	18.9 (Dec. 31, 2024: 9.7)	-	- (Dec. 31, 2024: -)
VR Smart Finanz ^{1,5}	30.0 (Dec. 31, 2025)	29.2 (Dec. 31, 2024: 28.3)	30.0 (Dec. 31, 2025)	29.2 (Dec. 31, 2024: 28.3)	-	- (Dec. 31, 2024: -)

¹ Not within the scope of FÜPoG II.

² Reisebank: 1st management level below Board of Managing Directors / senior management equivalent to head of division and head of central services; 2nd management level below Board of Managing Directors / senior management equivalent to head of department/region and team leader; no target for 3rd management level below Board of Managing Directors / senior management.

³ Going beyond FÜPoG, the Union Investment Group adopted a diversity & inclusion strategy. It includes a target of increasing the proportion of women in leadership positions across all hierarchy levels and across the group (excluding Quoniam Asset Management GmbH and Zentral Boden Immobilien Group) to 30 percent by 2030.

⁴ Union Investment Privatfonds GmbH (UIP): 1st management level below Board of Managing Directors / senior management equivalent to head of department; 2nd management level below Board of Managing Directors / senior management equivalent to group leader; UIP has no 3rd management level below Board of Managing Directors / senior management.

⁵ VR Smart Finanz: not within the scope of FÜPoG II, voluntary definition of target values; cumulative values for 1st and 2nd management levels; there is no 3rd management level below Board of Managing Directors / senior management at VR Smart Finanz.

All of these targets are directly linked to the material topics of working conditions and equal treatment and non-discrimination for all, plus the related impacts, risks, and opportunities. These metrics are not validated by an external body.

Policies relating to diversity

Independently of statutory provisions such as FÜPoG²⁷, the management units' Boards of Managing Directors / senior management signed a **letter of intent** in 2011 in which they committed to actively support women in their career development, to give them the same pay and conditions as men in comparable positions, and to treat them equally when selecting managers. The letter of intent is the basis for the individual management units' diversity policies and actions. It was approved by the GHRC and is regularly reviewed. Responsibility for implementation lies with the respective management unit's most senior management level.

All management units (apart from DZ PRIVATBANK), Reisebank, and VR Payment also signed Germany's **Diversity Charter**. This was completed between September 2010 and September 2013 (management units and Reisebank) and in May 2025 (VR Payment). The Diversity Charter is a voluntary undertaking published in 2006 and a non-profit organization that encourages organizations to create a working environment that is free from prejudice. DZ PRIVATBANK signed Luxembourg's equivalent, the Charte de la Diversité, in May 2024 and the Women in Finance Charter in February 2023.

²⁷ In the version of the official announcement on April 30, 2015 (BGBl. I p. 642), effective date May 1, 2015.

DZ BANK, BSH, DZ HYP, DZ PRIVATBANK, R+V, and TeamBank have each introduced their own **diversity policy** aimed at creating an inclusive working environment, ensuring equal treatment, and strengthening gender diversity at all management levels. Responsibility for implementation lies with the relevant Board of Managing Directors / senior management. DZ BANK uses the quarterly management report to monitor changes in gender distribution in terms of the proportion of women in leadership positions. UMH signed off its comprehensive diversity and inclusion strategy in 2023. The strategy was developed by the Diversity Council with the involvement of all parts of the business, since all segments, divisions, and support functions are represented on the Diversity Council.

In their **human rights guidelines**, the DZ BANK Group's management units reject any form of discrimination (see chapter VII.3.2.6). They do not tolerate any form of verbal, physical, or sexual harassment of employees or third parties.

When employing external workers, all group entities in Germany must comply with the statutory requirements of section 8 AÜG, **taking collective pay agreements into account**. The principle of equal treatment of external workers and permanent employees therefore applies. Directive 2008/104/EC on temporary agency work applies in those EU member states and European Economic Area (EEA) countries in which the DZ BANK Group entities are located. The directive defines the principle of non-discrimination between external workers and employees within a company.

These policies are directly linked to the material topics of working conditions and equal treatment and non-discrimination for all, plus the related impacts, risks, and opportunities.

Actions relating to diversity

To implement the policies, most entities in the DZ BANK Group offer all employees and managers annual **training on the German General Equal Treatment Act (AGG)** or similar national protective provisions within the EEA. Breaches of AGG can be reported anonymously, for example using the relevant whistleblowing system or via an ombudsperson. Employees also have a statutory right to lodge a complaint under section 84 et seq. BetrVG.

DZ BANK and VR Smart Finanz offer their employees the **'Unconscious bias' e-learning program** on an ongoing basis. DZ BANK also offers a classroom-based seminar entitled **'Female leadership – ready for the next step'**. The list of internal CPD courses includes modules on a range of focus topics, such as 'Diversity and critical communications', 'Cultural diversity', and 'Queerness at DZ BANK' (see chapter VII.3.2.2). There are also diversity networks at DZ BANK that represent various aspects of diversity. DZ BANK's CPD offering is also open to VR Equitypartner employees.

To promote opportunities for colleagues to meet and talk, BSH set up a **women's network** in 2022. By introducing role models on the intranet and running an event for managers on unconscious bias, BSH aims to keep raising awareness of the topic and be supportive.

DZ PRIVATBANK takes further action inhouse aimed at implementing its diversity policy, for example in order to increase the proportion of managerial positions held by women. Besides organizing such action, the women's network that has been established facilitates dialogue among female managers and high-potential employees.

In order to implement its diversity strategy, R+V has set up a **diversity network** that meets on a quarterly basis to enhance awareness of diversity and promote a more inclusive corporate culture. The network was established in 2021 and has been meeting every quarter since.

TeamBank adheres to the diversity policy in all HR processes. It also organizes an annual **Diversity Day**, when it hosts a number of diversity-related events and activities such as a diversity quiz. TeamBank gets involved in Girls' Day too.

UMH runs **workshops on unconscious bias**, posts **inclusive job advertisements**, and maintains **diversity networks** as part of its efforts to implement its diversity and inclusion strategy.

Metrics relating to diversity

The number of employees at the top management level in the DZ BANK Group is broken down by gender in Fig. VII.42. The percentages were calculated based on the number of managers at the top management level by gender as at the reporting date relative to the total number of managers at the top management level as at the reporting date. The top management level is the first management level below governing bodies such as the Board of Managing Directors / senior management, and includes heads of division and director-generals. The second management level includes heads of department, for example, and is not part of the top management level. The headcount is reported as an absolute figure and as a percentage. The proportion of women at the top management level in the DZ BANK Group stood at 19.1 percent at the end of 2025 (December 31, 2024: 17.4 percent).

FIG. VII.42: GENDER DISTRIBUTION AT THE TOP MANAGEMENT LEVEL IN THE DZ BANK GROUP (AS AT DECEMBER 31)

	Headcount		Percentage	
	2025	2024	2025	2024
Men	207	204	80.9%	82.6%
Women	49	43	19.1%	17.4%
Other	-	-	0.0%	0.0%
Not disclosed	-	-	0.0%	0.0%

Fig. VII.43 shows the age structure for the DZ BANK Group's employees, broken down by age group. The percentages were calculated based on the number of employees by age group as at the reporting date relative to the total number of employees as at the reporting date.

FIG. VII.43: AGE STRUCTURE OF THE DZ BANK GROUP (AS AT DECEMBER 31)

	Percentage	
	2025	2024
Age group: under 30	14.0%	13.9%
Age group: 30 to 50	49.8%	50.3%
Age group: over 50	36.2%	35.8%

Policies relating to equal opportunities

The inclusion of people with disabilities in all divisions and at all offices of the DZ BANK Group is corporate policy. The majority of management units adopted a joint **inclusion agreement** in 2022, which has since been implemented across most of the DZ BANK Group. Those management units undertake to ensure that, given the ongoing changes in the world of work, people with severe disabilities are offered opportunities to fulfill and develop their potential. Impairments resulting from severe disability are considered to be part of a person's unique identity. The inclusion agreement is designed to eliminate discrimination and to foster equal opportunities, diversity, and inclusion. Its aims include meeting the statutory employment quota, offering skills training, and ensuring workplaces are suitable and accessible. **Integration agreements** are additionally in place at DZ BANK and BSH. The implementation of the inclusion and integration agreements is the responsibility of the Boards of Managing Directors / senior management of the group entities and is supported by the respective HR divisions.

Both policies are directly linked to the material topics of working conditions and equal treatment and non-discrimination for all, plus the related impacts, risks, and opportunities.

Actions relating to equal opportunities

Representative committees for employees with severe disabilities have been elected by employees and established within most of the DZ BANK Group at local, company-wide, and groupwide level, partly to implement the inclusion and integration agreements. Their task is to look after the interests of employees with severe disabilities at the time of recruitment, for the duration of the employment relationship and, where applicable, when the employment contract ends. This includes advising on setting up workplaces, making sure that they are suitable and accessible. In the context of disciplinary action, the representative committee for employees with severe disabilities and the employee representative bodies have a special protective function, for example through their involvement in dismissal cases. There are also inclusion officers as required by the German Social Code Book IX (SGB IX). Inclusion officers are representatives of the employer who ensure that the employer complies with its statutory obligations to employ severely disabled people. These officers serve as points of contact for severely disabled employees and for the representative committee for employees with severe disabilities, support the employer in the implementation of the legal requirements, and monitor compliance with these obligations. Employers are required to appoint an inclusion officer under section 181 SGB IX.

The role of group inclusion officer was additionally established in the course of implementing the groupwide inclusion agreement. It is not required by law. This action is ongoing in most management units.

Metrics relating to equal opportunities

The proportion of people with disabilities in the DZ BANK Group was 3.8 percent at the end of 2025 (December 31, 2024: 3.7 percent). To calculate this percentage, the number of employees with a certified degree of disability of 50 or above and people with a certified degree of disability of 20 to 50 whose disability is officially recognized as being equal to a severe disability as at the reporting date was divided by the total number of employees as at the reporting date. The definition of people with disabilities set out in section 2 (1) SGB IX is binding in Germany. Sites outside Germany with 20 or more employees used the local statutory definition for people with disabilities. Fig. VII.44 shows a breakdown by gender of people with disabilities (recorded for the first time in 2025).

FIG. VII.44: GENDER DISTRIBUTION OF PEOPLE WITH DISABILITIES (AS AT DECEMBER 31)

	Percentage
	2025
Men	3.5%
Women	4.2%
Other	0.0%
Not disclosed	0.0%

Policies relating to work-life balance

All entities in the DZ BANK Group support a better work-life balance by offering flexible working hours, part-time models, remote working, and – across much of the group – sabbatical leave. In most of the group entities, the options are governed by **internal agreements** and local **company agreements on flexible working hours**. The company agreements cover matters related to working hours, allowing employees to schedule their working hours themselves in consultation with colleagues and managers and in accordance with operational needs. **Rules for remote working** have been established across most of the DZ BANK Group. These agreements set out the general parameters for remote working, such as availability, working hours, workplace setup, and insurance cover. The implementation of the various agreements is the responsibility of the Boards of Managing Directors / senior management and is monitored by the HR divisions, employee representative bodies, and team leaders.

The **right to take parental leave** is enshrined in law at the German sites. At some group entities, employees in the collectively-negotiated wage sector can extend their parental leave by a further 6 months if they have been with the group entity for at least 5 years.

These policies are directly linked to the material topic of working conditions, plus the related impacts, risks, and opportunities.

Actions relating to work-life balance

The DZ BANK Group implements its company agreements on working time by continually offering its employees flexible working hours and ways of working. The majority of the group also offer semi-retirement and sabbaticals. Voluntary additional benefits aimed at improving work-life balance are another permanent part of HR policy and help employees deal with the demands of everyday life. The DZ BANK Group also offers **employee benefits such as childcare, emergency assistance, and special leave**. DZ BANK and VR Payment employees, for example, can arrange their **working hours** and **breaks** flexibly and can **accumulate overtime**. Flextime models offer compensation for overtime, with one option being to convert overtime into time off in lieu. Company agreements on working time at TeamBank and VR Smart Finanz include provisions on the management of **time balances**, the **reduction of accrued overtime**, and the **payment of supplements**. In accordance with the entity-specific rules on working time, there is an option at DZ BANK, BSH, DZ HYP, DZ PRIVATBANK, TeamBank, and VR Smart Finanz to gain additional annual leave through salary sacrifice on an ongoing basis. It is possible to switch between full-time and part-time work at all group entities, provided the entity-specific rules on working time are observed. For longer breaks, DZ BANK, DZ HYP, and TeamBank offer a **sabbatical** for up to 12 months. A comparable sabbatical model is in place at BSH. UMH offers a 3-month sabbatical, while VR Payment's is between 3 and 6 months. Employees must have been with the company for at least 5 years. Under the respective company agreements on remote working, employees at DZ BANK, BSH, TeamBank, VR Payment, and VR Smart Finanz can meet their **contractual obligations away from company premises**, giving them a better work-life balance.

Most of the DZ BANK Group entities have agreed to undergo the **'berufundfamilie' (job and family) audit** at the specified intervals. The audit implements entity-specific agreements on working time. The process has multiple stages. The initial audit is followed by two re-audits, which are scheduled at three-year intervals and are followed by a dialogue procedure. The voluntary undertaking entails developing targets and implementing action steps in the 8 areas of action: working hours, organization of work, work location, information and communication, leadership, professional development, remuneration elements and benefits in kind, and services for families. The aim of the process is to enable entities to become self-monitoring.

All employees at DZ BANK, DZ HYP, DZ PRIVATBANK, R+V, TeamBank, and UMH can access the free support and advisory services provided by **pme Familienservice**. These are offered on an ongoing basis in implementation of the entity-specific agreements on working time. The benefits include homecare/eldercare, advice for parents, childcare, and a concierge service that can help with everyday tasks such as running errands. This service offers employees flexibility and encourage a good work-life balance.

In 2022, BSH established a **women’s network** and, in 2025, facilitated dialogue with employees who are parents by arranging breakfast sessions with the Board of Managing Directors. The women’s network is offered as an ongoing platform for dialogue. At BSH, benefits that go beyond the statutory and collectively negotiated arrangements include offering employees the chance to take a break from work in order to bring up their children, up to 24 months of unpaid care leave for employees with caring responsibilities, and a retirement home for former employees and their family members. The terms and conditions are governed by the company agreement on working time.

Metrics relating to work-life balance

As at December 31, 2025, 100.0 percent (December 31, 2024: 100.0 percent) of employees were entitled to take leave from work for family reasons. This calculation was based on the number of employees that were entitled to take leave from work for family reasons under national law as at the reporting date, relative to the total number of employees as at the reporting date. Fig. VII.45 provides a breakdown by gender of entitled employees who actually took leave from work for family reasons in 2025. For this breakdown, the number of entitled employees who took leave from work for family reasons during the reporting year, broken down by gender, was divided by the number of entitled employees during the reporting year, broken down by gender.

FIG. VII.45: GENDER DISTRIBUTION OF EMPLOYEES TAKING LEAVE FROM WORK FOR FAMILY REASONS (FIGURE FOR THE YEAR)

Entitled employees who took leave from work for family reasons (%)			
	2025		2024
Male	3.9%		3.8%
Female	8.7%		7.9%
Other	-		-
Not disclosed	-		-

3.2.4 Remuneration, social protection, and workers’ participation rights (S1-1, S1-4, S1-5, S1-8, S1-10, S1-11, S1-16)

Policies relating to remuneration

The DZ BANK Group entities pride themselves on having constructive and collaborative employer-employee relationships. This is expressed in fair, performance-based remuneration that is enshrined in guidelines at all entities. Most of the group entities are subject to the German Remuneration Regulation for Institutions (InstitutsVergV). Section 27 InstitutsVergV requires the senior management of the parent company to define a groupwide **remuneration strategy**. This is to ensure that the remuneration systems within the DZ BANK Group are subject to uniform rules and are in line with regulatory requirements. The DZ BANK Group considers this management approach, which includes decentralized decision-making powers, to be well balanced. Systematic coordination between all entities is necessary to ensure compliance with InstitutsVergV and other remuneration-related regulatory requirements. Company-law and other statutory provisions – especially in relation to the independence of the subsidiaries – are also taken into account. If a subordinated entity located outside Germany is subject to stricter requirements than those that apply in Germany, the stricter requirements must be met. The groupwide remuneration strategy does not apply to the R+V insurance group as it does not fall under the scope of consolidation for regulatory purposes. As part of the groupwide management of remuneration, compliance with the agreed remuneration principles must be documented and presented for inspection by DZ BANK. The remuneration strategy of the DZ BANK Group is reviewed at least once a year and amended if necessary.

In accordance with the groupwide remuneration strategy, remuneration is a central HR management tool within the DZ BANK Group. The aims of the DZ BANK Group's remuneration structure are to

- give each employee an incentive to contribute personally to the sustainable implementation of the strategic objectives of the DZ BANK Group and the individual divisions;
- award equal pay to all employees who are doing the same job, are of equal merit, and have the same level of experience, irrespective of gender, age, origin, or other characteristics;
- reward performance without encouraging employees to take unwanted risks;
- attract talented employees, motivate them, and encourage them to remain in the DZ BANK Group.

The remuneration policy is published on a consolidated basis each year in accordance with InstitutsVergV and the **EU Capital Requirements Regulation (CRR)**. It is published for all entities to which the groupwide remuneration strategy applies. All entities in the DZ BANK Group that are based in Germany must also comply with the **German Remuneration Transparency Act (EntgTranspG)**, which was enacted to ensure equal pay for women and men doing equal or equivalent work. In line with the five-year reporting cycle, the statutory reporting requirement was last met in DZ BANK's 2022 management report.

Employee remuneration generally consists of a fixed part and a variable part. The level of fixed remuneration is based on market conditions, the importance of the employee's role, and the employee's individual skills. Depending on the remuneration system of the group entity, the level of variable remuneration reflects the employee's personal performance, the entity's success, and the success of the division in which the employee works. At all institutions in the DZ BANK Group, measures are in place to ensure that variable remuneration does not exceed fixed remuneration. Departures from this rule are only permitted in justified exceptional cases and only if a resolution is adopted in accordance with section 25a (5) KWG. For employees in control units as defined in InstitutsVergV (such as Group Risk Controlling or Group Audit), the focus is on the fixed part of the remuneration.

The policies are directly linked to the material topic of working conditions, plus the related impacts, risks, and opportunities.

Actions relating to remuneration

The actions taken by the entities in the DZ BANK Group to implement the remuneration strategy include not only adequate remuneration but also voluntary benefits that the entities offer in order to make them an attractive place to work and to promote a good work-life balance (see chapter VII.3.2.3). **Employer-specific benefits** such as long-service awards, subsidized travel cards, and travel subsidies under existing company agreements are offered by the DZ BANK Group to enhance the attractiveness of the workplace.

The remuneration systems in most group entities require **annual target agreement and attainment reviews** to be held for employees and managers in the non-collectively negotiated wage sector. Some entities also carry out salary analysis every year as part of the salary processes in order to identify and avoid any discrimination at an early stage. The analysis looks at further criteria such as age and period of service, as well as gender.

The employee representative bodies at DZ BANK, TeamBank, and VR Smart Finanz are informed of pay rises in advance and are given the opportunity to **comment**, especially in the event of suspected arbitrary decisions or discrimination. DZ BANK employees have the right, on the basis of the information provided in accordance with EntgTranspG, to be given the reasons for their level of salary if they suspect that they are being discriminated against on the basis of their gender despite performing an equal or equivalent role. They also have the right to a discussion with their manager on the adequacy of their remuneration and on individual opportunities for increases within the salary structure.

Metrics relating to remuneration

The unadjusted gender pay gap in the DZ BANK Group is 21.1 percent (December 31, 2024: 20.8 percent); the adjusted gender pay gap is 3.9 percent. The unadjusted gender pay gap is the difference in percentage terms between the average pay levels of all female and male employees. Factors explaining salary differences, such as role or level, are not included in the calculation of the unadjusted gender pay gap. It serves as an indication of structural differences. The adjusted gender pay gap, on the other hand, is the difference in percentage terms between employees in comparable positions, taking objective factors such as organizational unit / role and level within the company into account. Both metrics are statistical indicators and not direct evidence of a specific instance of pay discrimination as not all salary-relevant criteria (e.g. individual professional experience) are factored in. Checking for equal pay for equal or equivalent work is always carried out on a case-by-case basis.

The calculation of the gender pay gap included all female and male employees except members of governing bodies, i.e. no members of a Board of Managing Directors / senior management or Supervisory Board, as at December 31, 2025. In addition to the basic salary and any variable remuneration, pay elements such as occupational pensions were taken into account. The average salary is calculated by dividing the annual total remuneration (extrapolated for full-time employment) of male employees and of female employees by the number of full-time hours worked by male and female employees respectively. The adjusted gender pay gap in the DZ BANK Group is calculated from the group entities' adjusted gender pay gaps. The figures are adjusted in the same way across the group, taking the criteria organizational unit / role and level within the company into account. In the majority of the group entities, tool-based regression analysis is used to calculate the adjusted gender pay gap. Some group entities use separate solutions. The adjusted gender pay gaps are consolidated into a group figure by weighting the individual results on the basis of headcount. The annual total remuneration ratio for the DZ BANK Group is 31.7 (2024 using the updated method: 33.2; 2024 using the previous method: 30.9). It is the ratio of the annual total remuneration of the highest paid person in the DZ BANK Group to the median income of the employees in the DZ BANK Group. The previous method was updated in the reporting year and is now based on the actual number of hours worked. This more accurately reflects the employee structure for the purposes of this metric. Part-time salaries are included as such. The same group of people was used to calculate the total remuneration ratio as for the calculation of the gender pay gap. Both employees and members of the governing bodies of DZ BANK and other group entities were taken into account as the highest-paid person in the numerator of the total remuneration ratio. The median income in the denominator of the total remuneration ratio is the median annual total remuneration for all employees, excluding the highest paid person and excluding members of the governing bodies. The total remuneration ratio is calculated using the individual total remuneration data provided by the group entities.

DZ BANK and several other group entities operate internationally. Any statutory or collectively negotiated minimum wages are adhered to in the relevant countries. In countries with no statutory rules on minimum wages, DZ BANK sets an appropriate guide figure for wages that is in line with typical local remuneration levels and satisfies the requirements of ESRs S1-10 AR73. Trainees and interns are not included in the above calculations.

Policies relating to social protection

Regarding external workers, the group entities take the provisions of AÜG into account as well as the implementation into national law of the directive on temporary agency work that applies in Germany and other EU member states in which the entities in the DZ BANK Group are based. Among other provisions, the directive defines the principle of non-discrimination between external workers and employees within a company. AÜG governs the supply of workers by their agency to third parties and is intended to ensure that temporary workers receive the same company benefits as permanent employees of the company hiring them. Those benefits include remuneration, vacation pay, Christmas bonuses, use of communal facilities and company-owned childcare centers, and other employee benefits. This does not include occupational pension provision or employee discounts. For group entities based in a member state of – or outside of – the EEA, the applicable national provisions on labor leasing apply.

AÜG is directly linked to the material topic of equal treatment and non-discrimination for all, and to the related impacts, risks, and opportunities.

Actions relating to social protection

As well as the **basic provision for old age and sickness enshrined in law**, the majority of the entities in the DZ BANK Group provide other **employee benefits**, some of which are available at the sites abroad too (see chapter VII.3.2.3). At all German sites, the group entities offer group accident insurance and an occupational pension scheme to most of their employees. DZ BANK provides contingency benefits and a subsidy for childcare costs for its employees in Germany who find themselves in an emergency through no fault of their own. Contingency benefits can be granted in the event of extraordinary burdens due to illness or other misfortune, or where there is extreme pressure on an employee's financial circumstances.

Metrics relating to social protection

As in 2024, all DZ BANK Group employees at sites in Germany are fully covered by social insurance. This means that, as in the prior year, almost 100 percent of the employees across the DZ BANK Group enjoy social protection in line with statutory legislation in respect of major life events, such as illness, unemployment, employment injuries and acquired disabilities, parental leave, and retirement, or in respect of disability. In Germany, they are also entitled to additional benefits offered by the individual entities.

Policies relating to workers' participation rights

At the DZ BANK Group's sites in Germany, **freedom of association, the right to collective bargaining, and the right to strike** are enshrined in the constitution (article 9 (3) of the German Constitution). Forming, joining, or being a member of a labor union must not be a reason for discrimination or retaliation. The DZ BANK Group believes that there is no risk to the right to freedom of association or collective bargaining at any of the DZ BANK Group's permanent establishments in the EEA. The management units' sites are also covered by the **German Works Council Constitution Act (BetrVG)**, which governs matters such as employee representatives' rights of participation (employees' councils) when the employer is planning actions. As a minimum, the entities outside Germany that are not subject to German legislation apply the **ILO fundamental conventions** at their sites (see chapter VII.3.2.6). The DZ BANK Group recognizes without qualification the right of all employees to form labor unions and employee representative bodies on a democratic basis within the framework of national legislation or ILO fundamental conventions.

For employment contracts where remuneration is based on collective pay agreements, the collective pay agreements for the local cooperative banks and the cooperative central institution apply by virtue of the incorporation of collectively agreed provisions into the employment contracts or by virtue of an employee belonging to the labor union. For employment contracts where remuneration is non-collectively negotiated, the collective bargaining provisions only apply where they have been specifically incorporated into the employment contracts.

The employees are primarily banded into the pay groups in accordance with the nature of their work and number of years in the role. The material criteria for the definition of the pay groups include skills and expertise, ability to communicate, and level of responsibility. Other collective pay agreements apply in most group entities, such as the collective pay agreement for the private banking industry, the collective pay agreement for the insurance industry, the framework collective agreement for banks and building societies, collective agreements for specific banks, and the Luxembourg collective pay agreement for bank employees.

These policies are directly linked to the material topics of working conditions and equal treatment and non-discrimination for all, plus the related impacts, risks, and opportunities.

Actions relating to workers' participation rights

For the majority of the DZ BANK Group, workers' participation rights are upheld through **local employees' councils at the individual sites, central employees' councils at company level**, and the **group employees' council at group level**. In accordance with the legal definition in BetrVG, senior managers are represented by a senior managers' committee that they elect. Employee representation is also achieved by the election of employee representatives to the Supervisory Board (see chapter VII.1.3.1).

Employees are directly involved in business decisions through the employee representatives elected to the Supervisory Boards of the management units. Irrespective of this, employees can always address their concerns to the Board of Managing Directors / senior management via the employee representative body or give feedback in regular employee surveys.

Most entities in the DZ BANK Group notify their employees about current **collective pay bargaining** and **wage settlements** via the intranet, which is freely accessible to every employee, and, in Germany, through the employee representative bodies.

Metrics relating to workers' participation rights

Within the EEA, 58.9 percent of employees were covered by collective bargaining agreements (December 31, 2024: 62.4 percent). Outside the EEA, the figure was 14.8 percent (December 31, 2024: 15.5 percent). This calculation was based on the number of employees covered by collective bargaining agreements within and outside the EEA as at the reporting date, broken down by country, relative to the total number of employees as at the reporting date. In 2025, the rate of collective bargaining coverage at R+V was restated for 2024 in order to apply the standard definition of a collective bargaining agreement. This definition does not include wage agreements that are similar to collectively negotiated agreements. By applying this standard interpretation of the definition, collective bargaining coverage fell by 3.2 percent (December 31, 2024 (restated): 59.2 percent).

Within the EEA, 93.2 percent (December 31, 2024: 92.1 percent) of employees were additionally represented by employee representative bodies. The number was determined on the basis of headcount as at the reporting date. Fig. VII.46 provides an overview of representation structures within and outside the EEA. No agreement exists in the DZ BANK Group for representation by a European employees' council, a Societas Europaea (SE) employees' council, or a Societas Cooperativa Europaea (SCE) employees' council.

FIG. VII.46: EMPLOYEE REPRESENTATION IN THE DZ BANK GROUP (AS AT DECEMBER 31)

Coverage (%) ¹	Collective bargaining coverage		Social dialogue	
	Employees – EEA		Workplace representation – EEA	
	2025	2024	2025	2024
0 - 19				
20 - 39				
40 - 59	Germany			
60 - 79		Germany		
80 - 100			Germany	Germany

¹ Only countries with over 10 percent coverage.

3.2.5 Occupational health and safety (S1-1, S1-4, S1-5, S1-14)

Policies relating to occupational health and safety

The entities in the DZ BANK Group ensure safe workplaces for their employees to prevent accidents, damage to health, and illness. Employees of DZ BANK do not have jobs that put them at higher risk of illness or accident. In Germany, occupational health and safety is governed by the **Health and Safety at Work Act** (ArbSchG). It requires the employer to assess workplaces regarding factors that represent a hazard to physical or mental health, to take precautionary measures in hazardous work areas, and to provide regular health and safety training for employees. The aim is to comprehensively protect employees from physical and, increasingly, psychological strain. As a minimum, the DZ BANK Group applies the **ILO fundamental conventions** at its international sites in order to maintain uniform standards of occupational health and safety.

DZ BANK, BSH, VR Factoring, and VR Smart Finanz have implemented their own **guidelines or company agreements** aimed at **preventing and dealing with addiction**. These serve to offer help to addicts and those at risk of addiction as early as possible. The respective HR officer, the national or local employees' council, and the representative committee for employees with severe disabilities are responsible for implementation. **Company agreements on carrying out risk assessments** are also in place at DZ BANK, BSH, R+V, UMH, and VR Smart Finanz. TeamBank conducts risk assessments every three years. VR Payment conducts them annually or more often where needed but does not have a separate company agreement in place. Responsibility for implementation and monitoring of the company agreements lies with the relevant Boards of Managing Directors / senior management and national or local employees' councils.

The **company agreements on workplace setup** at DZ BANK, DZ HYP, R+V, and VR Smart Finanz are aimed at designing office space in a way that meets requirements, encourages collaboration, and maintains the health of employees. DZ PRIVATBANK uses comparable collective arrangements. The respective heads of department, employees' councils, and Boards of Managing Directors are responsible for their implementation and monitor compliance.

These policies are directly linked to the material topics of working conditions and equal treatment and non-discrimination for all, plus the related impacts, risks, and opportunities.

Actions relating to occupational health and safety

To implement their company agreements, the majority of the group entities have appointed **company doctors** and occupational safety specialists at their sites in Germany. They advise employees on health and safety in the workplace regularly and on an ad hoc basis and check individual workstations. In addition, they carry out workplace inspections as part of formal processes, for example to proactively identify and remediate poor ergonomics.

There are formal **employer-employee committees** in most of the DZ BANK Group as required by section 11 of the German Act on Occupational Physicians, Safety Engineers and Other Occupational Safety Specialists (ASiG). The committee is made up of the occupational safety specialist, the company doctor, plus someone –

usually from the HR division – to represent the employer. It meets on a quarterly basis as stipulated in section 11 ASiG. The committee's aim is to discuss matters relating to occupational health and safety and the prevention of accidents, to identify any failings, and to initiate preventive action.

The majority of entities have also established **independent social counseling services** that provide help and support to employees and managers in difficult situations at work or at home, for example by providing training on prevention. Employees returning to work after a lengthy period of incapacity receive assistance via the company return-to-work and disability management program at all sites in Germany in accordance with section 167 SGB IX.

The DZ BANK Group entities offer a wide range of **workplace health services** ranging from company sports groups to flu vaccinations and special preventive healthcare offerings. The majority of the DZ BANK Group entities in Germany also offer an ongoing **bike leasing scheme** for employees. In most of the entities, the HR divisions are responsible for these actions; there are no groupwide guidelines on this.

Mental health is a perennial topic on management training courses at DZ BANK, BSH, DZ PRIVATBANK, and VR Payment. Most of the entities in the DZ BANK Group provide ongoing preventive mental health courses as part of their CPD programs. These actions form part of the implementation of local occupational health and safety requirements and of company agreements on risk assessment.

Processes relating to occupational health and safety

Most of the management units systematically record the views of employees through anonymous **online surveys** conducted as part of the mental health risk assessments. These are followed up by workshops where sources of stress are identified and actions to reduce them are developed. Effectiveness checks show that the actions taken so far have resulted in improvements.

DZ BANK carries out a mental health risk assessment at all of its German locations with the involvement of line managers, employees, HR officers, and the employees' council. Each of DZ BANK's local employees' councils has an identical company agreement on conducting mental health risk assessments, which is supplemented by a data protection policy. The process is accompanied by information events, workshops, and technical support.

Metrics relating to occupational health and safety

Continuous improvement of occupational health and safety, compliance with applicable laws on health and safety at work and other comparable national legislation and groupwide standards, and the achievement of health and safety targets are all part of the DZ BANK Group's occupational health and safety management system. Compliance with national statutory provisions can be used to achieve full coverage. Coverage of 100 percent (December 31, 2024: 100 percent) is therefore assured from the perspective of the DZ BANK Group. In 2025, the DZ BANK Group recorded 0 fatalities (2024: 0) in its own workforce and 0 fatalities (2024: 0) among other workers at the group entities' sites as a result of work-related injuries or illnesses. There were 285 reportable workplace accidents at the German sites in 2025 (2024: 294 reportable workplace accidents). The rate of reportable work-related accidents was calculated by dividing the number of reportable work-related accidents during the reporting year by the average number of hours worked and then multiplying it by 1,000,000. This gives a rate of 5 (2024: 5.5). There were 0 known breaches of health and safety regulations (2024: 0).

3.2.6 Human rights relating to the DZ BANK Group's own workforce (S1-1, S1-2, S1-3, S1-4, S1-5, S1-17)

Policies relating to the workforce's human rights

For the DZ BANK Group, the upholding of human rights provides the foundations for sustainable development. The entities in the DZ BANK Group consider sustainable development to be the benchmark for business conduct that takes a long view and meets commercial, environmental, and social challenges head on. Any violation in a company's own business operations or in those of its suppliers would result in reputational

damage and a loss of confidence. That is one of the reasons why the DZ BANK Group recognizes the **Universal Declaration of Human Rights proclaimed by the United Nations General Assembly** and the **European Convention on Human Rights** and ensures that its business conduct reflects those values. The entities are also committed to the 10 principles of the **UN Global Compact**, covering the areas of human rights, labor standards, the environment, and anti-corruption, at all of their sites. The **fundamental conventions of the ILO** apply in full to all employees in the DZ BANK Group too. The code of conduct and human rights guidelines form the binding frame of reference for respecting human rights in the DZ BANK Group (see chapter VII.4.2).

The **code of conduct** applies across the DZ BANK Group and requires all managers and employees to act in compliance with the law and to respect human rights, particularly in their dealings with customers, business partners, and colleagues. The DZ BANK Group does not tolerate any discrimination on the basis of ethnic origin²⁸, color, gender, sexual orientation, sexual identity, disability, age, religion, political opinion, national extraction, or social origin. It also strictly rejects any form of forced labor or child labor. Furthermore, human rights aspects are specifically taken into account in the operational business processes of the DZ BANK Group, for example in procurement, the lending process at DZ BANK, and business portfolio management at UMH. Responsibility for the annual update process lies with the group entities' compliance divisions. There is currently no central system of monitoring in place at banking group level. Overall responsibility rests with the Board of Managing Directors / senior management of the relevant DZ BANK Group entity.

The **human rights guidelines** add more detail to the principles enshrined in the code of conduct and also cover the Universal Declaration of Human Rights. They underscore the management units' commitment to democratic values, tolerance, equality of opportunity, and the protection of human rights. The individual entities are conscious of their responsibility toward stakeholders. The principles defined in the guidelines constitute a frame of reference for human rights across the group and are updated on an ongoing basis. Responsibility for implementation and monitoring lies with the Compliance, HR, and Legal divisions. Overall responsibility rests with the Board of Managing Directors / senior management.

LkSG requires companies to meet human rights-related and environmental due diligence obligations in their own operations. The main areas covered are preventing child labor, slavery, and forced labor, maintaining occupational health and safety, ensuring adequate wages, upholding the right to form labor unions, providing access to food and water, and protecting against the illegal seizure of land and withdrawal of livelihoods.

These policies are directly linked to the material topics of working conditions and equal treatment and non-discrimination for all, plus the related impacts, risks, and opportunities.

Actions relating to the workforce's human rights

The DZ BANK Group entities to which LkSG applies (DZ BANK, BSH, R+V Allgemeine Versicherung, R+V Lebensversicherung AG, R+V Service Center GmbH, and TeamBank) have established a **risk management system** that these group entities believe is appropriate and effective. It has been integrated into all relevant company processes and sets out the responsibilities for dealing with human rights-related and environmental due diligence obligations. All the entities covered by LkSG have appointed **human rights officers** to monitor risk management. The officers are required to report internally to the relevant Board of Managing Directors.

DZ BANK, BSH, R+V, and TeamBank carried out an extensive **risk analysis** for 2025 in accordance with the requirements of LkSG. The purpose of the analysis is to identify, assess, and set the priorities for human rights-related and environmental risks in the entity's own business operations. The first step was to examine country-specific and sector-specific risks in an abstract risk analysis. This was followed by a more targeted risk analysis that assessed the identified risks using the following defined criteria: likelihood of occurrence, severity, causal contribution, and scope of influence. The annual risk analysis examines the potential impact of the business

²⁸ The DZ BANK Group only uses the phrase 'ethnic origin'. It corresponds to the term 'racial and ethnic origin' used in ESRS (ESRS S1-1 section 24b).

activities on employees and the environment. It provides the basis for the evaluation of preventive measures and the definition of suitable remedial action.

DZ BANK, BSH, R+V, and TeamBank have each adopted and published a **policy statement on respect for human rights** that sets out their **human rights strategy**. The statements include a commitment to international human rights standards and the expectation that employees and suppliers respect these standards. They also detail how the due diligence obligations are fulfilled within the organization. Each Board of Managing Directors bears responsibility for its organization's policy statement. In terms of content, the statements are updated every year based on the results of the risk analysis. They are communicated separately to employees and suppliers. The relevant group entities also regularly train their employees on complying with and implementing the statutory LkSG requirements.

Processes relating to the workforce's human rights

The DZ BANK Group's employees, as well as people outside the group, can use an entity's **whistleblowing system** or the **LkSG complaints process** to contact the entity in confidence in the event of suspected violations of, or risks relating to, human rights or environmental regulations (see chapter VII.4.3). DZ BANK, BSH, R+V, and TeamBank have each implemented an LkSG complaints process. The process design meets the requirements of section 8 LkSG.

The DZ BANK Group attaches great importance to protecting the whistleblower and handling reports confidentially. A small group of specially trained employees check any reports received, with the involvement of the organizational units affected. They assess the information received in terms of substance and with regard to human rights-related and environmental risks. If the suspicion is justified, suitable preventive and remedial action is initiated. If a complaint about the business practices of an entity proves to be justified, the entity must take remedial action.

The relevant entities inform their employees publicly of the internal complaints channels and the complaints process (including process steps and responsibilities). A training course on LkSG aims to ensure that employees are informed of the structures that are in place and understand them. There is currently no overarching process for checking whether employees trust the complaints process. DZ BANK's human rights officer reviews the effectiveness of the complaints process as part of the monitoring activities. Grievance mechanisms within the meaning of LkSG are designed to play a key role in proactively identifying human rights-related risks and potential violations. Insights from complaints received are incorporated into the annual risk analyses, existing and new human rights-related and environmental actions, and training and business processes.

Breaches of AGG or similar national protective provisions can be reported at all DZ BANK Group sites using whistleblowing systems, the LkSG complaints process, or via internal reporting channels or ombudspersons. Employees also have the legal option set forth under sections 84 et seq. BetrVG to make a complaint to the competent body at their place of work.

Metrics relating to the workforce's human rights

The DZ BANK Group registered a total of 4 incidents of discrimination or legal action regarding AGG in 2025 (2024: 4 incidents of discrimination or legal action). These figures only included justified complaints and legal action received by entities in the DZ BANK Group or the competent authorities through a formal process in relation to a violation of human rights. Breaches of a prohibition listed in section 2 (2) LkSG were also included, provided they were identified by the authorized parties through official established processes such as management system audits, formal monitoring programs, and grievance mechanisms. The documented incidents relate to violations of human rights that were documented centrally via the LkSG complaints process and in which employees of the DZ BANK Group were directly involved. In addition, 5 non-anonymous and 0 anonymous formal complaints (total complaints: 5; 2024: 6) regarding potential violations of human rights were received via the whistleblowing system or the LkSG complaints process. Of these, 0 non-anonymous and 0 anonymous complaints (total complaints: 0) were submitted to the national contact points for OECD multinational enterprises. Of the 5 complaints, 4 related to discrimination and are included in the 4

mentioned incidents of discrimination, i.e. they partly overlap with the reported matters and are therefore not additional incidents.

The registered incidents or complaints resulted in fines, penalties, or compensation for damages of €0.00 in total (2024: €0.00). The total amount is reflected under 'Other net operating income' in section C of the consolidated financial statements. A fine is an amount of money paid after a violation of human rights. Penalties are punitive measures that may be imposed in the event of non-compliance with standards or a breach of legal requirements. Compensation for damages is an amount of money paid as redress to the affected person after a violation of human rights.

There were 0 severe human rights violations involving employees in 2025 (2024: 0). There were 0 incidents in which the UN Guiding Principles on Business and Human Rights or the OECD Guidelines for Multinational Enterprises were not complied with (2024: 0). No fines, penalties, or compensation for damages as a result of potentially severe human rights violations were incurred. The total amount of fines, penalties, and compensation for damages in the DZ BANK Group is reflected under 'Other net operating income' in section C of the consolidated financial statements and came to €0.00 (2024: €0.00). The aforementioned disclosures are based on all complaints, incidents, and total monetary amounts recorded during the reporting year in the DZ BANK Group.

3.3 Workers in the value chain (S2-1, S2-2, S2-3, S2-4, S2-5)

Brief summary

- The DZ BANK Group promotes positive impacts on workers in the upstream and downstream value chain in its ESG risk management and in its selection of suppliers on the basis of sustainability criteria.
- LkSG requires companies to meet human rights-related and environmental due diligence obligations along the value chain.

Targets relating to workers in the value chain

In relation to the selection of suppliers on the basis of sustainability criteria, UMH²⁹ aims to use suppliers with an **EcoVadis rating** to cover **90 percent** of addressable purchasing volume by the end of 2026. This target is not environment-related and was defined without involving stakeholders that are relevant in a sustainability context. It is also not science-based. The metric for measuring the target is 'Proportion of suppliers in relation to addressable purchasing volume with EcoVadis rating'. The target is tracked by recording the metric every quarter and disclosing it in the quarterly procurement report. This quarterly report is submitted to the Executive Committee every six months. Progress made is in line with the original plans. As it is an absolute target, setting a benchmark figure to measure progress is not appropriate.

Policies relating to workers in the value chain

The DZ BANK Group has implemented binding policies for its management units in order to bring about potentially positive impacts on workers in the upstream and downstream value chain, such as safeguarding jobs that respect human rights.

The entities are also committed to the 10 principles of the **UN Global Compact**, covering the areas of human rights, labor standards, the environment, and anti-corruption, at all of their sites. The **fundamental conventions of the ILO** apply to all value chain workers in the DZ BANK Group too. The **code of conduct** (see chapter VII.4.2) and **human rights guidelines** form the binding frame of reference for respecting human rights in the DZ BANK Group.

The **human rights guidelines**, which add detail to the principles of the code of conduct, for example by defining the Universal Declaration of Human Rights as a groupwide frame of reference for human rights (see chapter VII.3.2.6), also apply to workers in the value chain.

29 The details concerning UMH in relation to suppliers do not apply to the special funds or to VisualVest, Quoniam, or the ZBI Group.

The **code of conduct**, which requires compliance with the law and respect for human rights, particularly in dealings with customers, business partners, and colleagues, applies to employees (see chapter VII.3.2.6) and workers in the value chain.

In order to embed these principles along the entire value chain, i.e. beyond their own workforce, the DZ BANK Group management units require their suppliers to accept/confirm the minimum standards specified in the **contractual sustainability requirements for suppliers**. These are part of the business relationship and are based on the same standards that apply to the sustainability in procurement guideline, such as the principles of the UN Global Compact, as well as on the code of conduct issued by the Bundesverband Materialwirtschaft, Einkauf und Logistik e.V. (BME) [German Association for Supply Chain Management, Procurement and Logistics]. They are applied by each group entity individually and define minimum environmental, economic, and social standards. In particular, they demand environmental responsibility, due diligence with regard to human rights, and compliance with legal requirements. Companies that do not accept the sustainability requirements are reviewed on a case-by-case basis. This involves an assessment of whether the non-acceptance of the sustainability requirements would create material risks for the business relationship that would influence the suitability of the company as a business partner, taking into account the escalation scheme. The final decision about working with a company is made by the relevant group entity or by the DZ BANK Group. The working group for sustainability in procurement has jointly agreed on the contractual requirements. The procurement departments of the group entities are normally responsible for monitoring whether the suppliers engaged and managed through the procurement organization comply with the sustainability requirements. The sustainability requirements are screened by each entity, for example by means of supplier meetings or using ratings and questionnaires. The managers in the procurement divisions are responsible for the supplier onboarding process, during which the contractual sustainability requirements are agreed with and accepted by suppliers. At DZ PRIVATBANK, responsibility for assessing the suitability of suppliers with regard to sustainability matters lies with the relevant user or department.

The sustainability in procurement guideline defines principles for the responsible selection of suppliers in most entities within the DZ BANK Group. It provides guidance for the procurement of services and sustainable products, as well as helping suppliers to develop or improve. The guideline takes environmental criteria (such as climate change mitigation and the conservation of natural resources), social criteria (in particular compliance with labor standards and respect for the human rights of value chain workers), and the prevention of corruption into account. The aim is to support responsible and future-proof supplier management, to minimize environmental and social risks within the supply chain, and to promote adherence to ethical business practices.

The group entities generally embed and implement the guideline differently in supplier management (non-transaction-specific) and procurement management (transaction-specific). The procurement departments of the group entities are required to observe and implement the guideline in their work. The principles set out in the guideline reflect the DZ BANK Group's 2017 climate strategy and take account of legal requirements arising from LkSG and official publications. Key points of reference are the principles of the UN Global Compact, the ILO fundamental conventions, and the guidance published by the Bundesamt für Wirtschaft und Ausfuhrkontrolle (BAFA) [German Federal Office for Economic Affairs and Export Control] on performing a risk analysis in accordance with LkSG (see chapters VII.3.2.5 and VII.3.2.6). The guideline was created by the groupwide working group for sustainability in procurement, which also keeps it up to date.

LkSG requires companies to meet human rights-related and environmental due diligence obligations along the value chain. As part of sustainable supply chain management within DZ BANK, the bank has defined the necessary general procedures and responsibilities for the risk analysis of its value chain and of its suppliers.

The policies are directly linked to the material topic of workers in the value chain, plus the related impacts, risks, and opportunities.

Actions relating to workers in the value chain

The DZ BANK Group has created the **working group for sustainability in procurement** to implement the sustainability in procurement guideline and the contractual sustainability requirements on an ongoing basis. It comprises the sustainability coordinators of the procurement departments in most group entities and meets on a monthly basis. The working group has developed a **minimum standard** for assessing the sustainability performance of suppliers, which includes a graduated escalation process that can ultimately result in a supplier being excluded. Utilizing a risk-based classification of suppliers, the following are carried out annually in most entities within the DZ BANK Group:

- A tool-based analysis of the supplier portfolio by country and sector
- A more in-depth tool-based rating for relevant suppliers (examination of the following categories: environmental impacts, labor rights and human rights, ethics, and sustainable procurement)
- A supplier development meeting with selected suppliers to address sustainability-relevant aspects

Most DZ BANK Group entities use the **EcoVadis** platform on an ongoing basis as the central self-assessment tool for suppliers and to implement the sustainability in procurement guideline. Further, the procurement department urges the relevant suppliers to obtain an **EcoVadis rating** for sustainability assessment. If an **EcoVadis rating** cannot be obtained, the group entities use an internal sustainability questionnaire to assess the supplier's sustainability-related activities.

DZ BANK, BSH, and UMH hold regular (e.g. annually or ad hoc) **development meetings** with selected suppliers and service providers to address sustainability-relevant matters. These meetings implement the sustainability in procurement guideline and serve to reflect on the status quo and to initiate targeted steps to promote further development. Other group entities plan to gradually introduce this format.

The **working group for sustainability in procurement** has developed a **training format** for most of the DZ BANK Group entities that covers fundamental approaches and methods for sustainability within supplier management, as well as the requirements of LkSG regarding human rights and the environment. The focus is on early identification, on the handling and documentation of risks relating to sustainability in supplier management, and on working with human rights officers. The training is designed to promote the implementation of the sustainability in procurement guideline and encourage a shared understanding of it. The group entities adapt the training format to their own specific requirements and each entity conducts the training as needed, for example as part of the employee onboarding process or after a certain period has elapsed since the last training course (e.g. once a year or every 2 years).

DZ BANK, BSH, R+V, and TeamBank carry out an extensive **risk analysis** annually in accordance with the requirements of LkSG. The purpose of the analysis is to identify, assess, and set the priorities for human rights-related and environmental risks in the downstream value chain. The first step was to examine country-specific and sector-specific risks in an abstract risk analysis of the entire supplier portfolio. This was followed by a more targeted risk analysis that assessed the identified risks using the following defined criteria: likelihood of occurrence, severity, causal contribution, and scope of influence. The annual risk analysis examines the potential impact of the business activities on workers in the value chain and the environment. It provides the basis for the evaluation of preventive measures and the definition of suitable remedial action.

The constant central point of contact for LkSG at DZ BANK is DZ BANK's **human rights officer**. The human rights officer is responsible for developing, introducing, and monitoring the framework specifications as well as for monitoring the adequate implementation of the statutory and regulatory requirements in DZ BANK's supply chains. The procurement function provides support by taking a risk-based approach and carries out the LkSG risk analysis in the upstream supply chain. Below, 'supply chain' refers to direct suppliers.

Processes and channels relating to workers in the value chain

The DZ BANK Group's employees, as well as people outside the group, can use an entity's whistleblowing system or the LkSG complaints process to contact the entity in confidence in the event of suspected violations

of, or risks relating to, human rights or environmental regulations. The DZ BANK Group attaches great importance to protecting whistleblowers and handling reports confidentially. Specially trained employees review the reports and, if the suspicion is justified, initiate suitable preventive and remedial action.

The relevant entities inform their employees of the internal complaints channels and the complaints processes. A training course on LkSG is designed to ensure that employees are aware of and understand the structures. The human rights officer reviews the effectiveness of the processes as part of the monitoring activities. Insights from grievance mechanisms are considered early risk indicators and taken into account in risk analyses, action plans, training sessions, and business processes.

Breaches of AGG or similar national protective provisions can be reported using whistleblowing systems or the LkSG complaints process or via internal reporting channels or ombudspersons. Employees can also make a complaint to the competent body at their place of work in accordance with sections 84 et seq. BetrVG.

Metrics relating to workers in the value chain

In its policies for respecting human rights, the DZ BANK Group follows international standards, including the UN Guiding Principles on Business and Human Rights, the fundamental conventions of the ILO, and the OECD Guidelines for Multinational Enterprises (see chapter VII.3.2.6). These policies also apply in relation to workers in the value chain. No cases of non-respect of these international standards relating to workers in the value chain were reported during the reporting period.

3.4 Affected communities (S3-1, S3-2, S3-3, S3-4, S3-5)

Brief summary

- Exclusion criteria and specific sector criteria govern how particularly sensitive financing is dealt with in order to minimize risks for local communities.
- Projects in sensitive sectors will be financed only if they comply with international standards such as the principle of free, prior, and informed consent (FPIC principle).
- DZ BANK invests regularly in social bonds that support social causes and must apply the Equator Principles in project finance.
- Besides its core business, the DZ BANK Group helps communities by supporting local social initiatives and cultural institutions.
- A structured complaints management system allows affected people and communities to voice human rights-related or environmental concerns in confidence.

Policies relating to affected communities

In their **human rights guidelines** (see chapter VII.3.2.6), the management units of the DZ BANK Group make a commitment to democratic values, tolerance, equality of opportunity, and the protection of human rights. These sustainability guidelines highlight the positive impact of the DZ BANK Group on affected communities.

In its business portfolio, DZ BANK takes potential impacts on affected communities into account by using **sector criteria for lending**. Responsibility for monitoring lies with the exclusion criteria working group. The Credit Committee bears overall responsibility for implementation. DZ BANK does not provide finance for dam projects that do not apply the recommendations of the World Commission on Dams (WCD). Borrowers must prove that they recognize the rights of affected people and ensure that the benefits are shared equitably (see chapter VII.2.2.2). In the ESG checklist used in its lending process, DZ BANK takes account of the interests, views, and rights of affected communities, including respect for human rights in connection with the impact of financed business activities on indigenous population groups or local residents. This also involves examining whether and to what extent certain communities – such as those with special characteristics or living conditions – may be potentially more at risk. In its financing in the commodities sector, DZ BANK is guided by international conventions and examples of best practice from the World Bank and industry associations (see chapter VII.2.2.2). When making financing decisions, DZ BANK specifically takes account of human rights aspects and the interests of indigenous people and local communities. DZ BANK has also defined specific

requirements for the palm oil value chain. DZ BANK only funds companies in this sector if they are a member of the Roundtable on Sustainable Palm Oil (RSPO) or a comparable organization. It also expects companies to introduce and rigorously comply with a 'no deforestation, no peat, no exploitation' (NDPE) policy that applies to their own plantations, to suppliers, and to purchased palm oil products. By 2030 at the latest, all quantities of palm oil that are sold, processed, or used must be fully traceable back to the plantation from which it was sourced and be certified under the RSPO standard at a minimum. This is to ensure that DZ BANK's financing activities also promote the protection of indigenous population groups and other vulnerable groups of people. These criteria form part of the sector criteria (see chapter VII.2.2.2).

As part of its commitment to the **Equator Principles**, DZ BANK reviews all large-scale project finance transactions that are subject to the Equator Principles with regard to topics such as working conditions and complaints processes. This commitment is managed by the Structured Finance division, while responsibility lies with the Board of Managing Directors.

These policies are directly linked to the material topic of affected communities, plus the related impacts, risks, and opportunities.

Actions relating to affected communities

DZ BANK invests in **social bond transactions** on an ongoing basis, in some cases to encourage lending, for example in social housing, and to support other social projects. When selecting projects, DZ BANK pays attention to compliance with recognized international standards such as the World Bank Sustainable Development Framework and the sustainable development goals.

To implement the International Finance Corporation environmental and social standards, the **Equator Principles checklist** is applied as mandatory in eligible project finance transactions. DZ BANK subjects project finance with a total investment volume of more than USD 10 million and project-specific corporate finance with a volume of at least USD 50 million to an assessment in accordance with these principles. Depending on their level of environmental and social sustainability, DZ BANK then assigns projects to one of the following categories: A (potentially significant impact), B (potentially limited impact), or C (low or no impact).

In its corporate customer business, DZ HYP supports initiatives to build affordable housing, such as by providing finance for housing sector projects. The home-building companies include cooperative, municipal, and church housing companies, along with other members of the Bundesverband deutscher Wohnungs- und Immobilienunternehmen e.V. (GdW) [German Housing and Property Companies Association]. DZ HYP also acts as a sales partner for loans from Germany's KfW development bank in this context.

Through the aforementioned actions, the DZ BANK Group aims to identify and prevent risks and potentially negative impacts on affected communities in its business portfolio at an early stage.

The DZ BANK Group entities support local communities and charitable projects through donations, charitable foundations, and volunteering. Through the **corporate volunteering initiative LokalSozial**, employees regularly support the Frankfurter Tafel food bank and organize food donations for those in need. DZ BANK allows trainees taking part in the initiative to volunteer during working hours. Additionally, DZ BANK supports disadvantaged children and their families through donations to the charities Frankfurter Kinderbüro and Düsseldorfer Kindertafel.

DZ BANK, R+V, and UMH provide ongoing support to the **non-profit initiative Joblinge e.V.**, which aims to help disadvantaged teenagers to find training schemes and enter the world of work. DZ BANK Group employees volunteer as mentors for the participants, helping them look for places on training schemes and their first jobs. UMH is also involved in the 'Wir für Morgen' (we for tomorrow) initiative by providing loans to beacon projects in the areas of environment, education, and society. These projects make sustainability efforts visible through their contribution to society and have an impact beyond their immediate sphere of influence.

DZ BANK and other entities in the DZ BANK Group have been supporting the work of the **Aktive Bürgerschaft** [active citizenship] charitable foundation for decades. DZ BANK is represented on the **foundation's governing board and advisory board**. The foundation is the center of excellence for civic engagement in the Cooperative Financial Network. It supports more than 420 citizens' foundations in Germany with strategic tasks such as putting a committee succession plan into place, adopting digital technologies, and securing volunteers. One initiative deserving special mention is the 'sozialgenial – schoolchildren get involved' education project, in which pupils develop their own volunteering ideas. More than 130,000 young people have heeded the call to get involved so far. The project aims to reach children of all backgrounds, help them to develop their individual skills, and strengthen democratic attitudes and values.

With a range of **cultural charitable foundations**, the DZ BANK Group promotes social participation, education and integration, and cultural development on a local level. DZ BANK also supports local institutions such as the MMK foundation of the Museum of Modern Art in Frankfurt and Städtischer Museums-Verein e.V. In 2020, the Board of Managing Directors of DZ BANK established the DZ BANK Art Foundation as a charitable body with the aim of opening up access to the bank's photographic art collection to a wider audience. Every other year, the Art Foundation awards a support grant for artists of any age.

Other DZ BANK Group entities are also committed to promoting the common good through their own charitable foundations. The **Schwäbisch Hall foundation** 'bauen – wohnen – leben' promotes projects relating to homes, urban development, and intergenerational living. The R+V foundation focuses on education, support for young people, and civic engagement. Deutschland im Plus, the charitable foundation established by TeamBank, has been championing financial literacy and helping to prevent people from getting into too much debt since 2007. The UMH foundation gets involved in education, community, sustainability, and climate action. The Vordertaunus citizens' foundation, an initiative of VR Smart Finanz, has been supporting disadvantaged young people in the region since 2013. Furthermore, VR Payment supports the local women's soccer team of Eintracht Frankfurt and the Skywheelers Frankfurt, a wheelchair basketball club.

Processes and channels relating to affected communities

DZ BANK, BSH, R+V, and TeamBank have established **LkSG complaints processes** that allow affected people and representatives of local communities to report human rights-related or environmental risks and violations in confidence (see chapter VII.3.2.6 and chapter VII.4.3). The DZ BANK Group does not currently have any structured processes for engaging with affected communities with regard to potential impacts.

When refining its exclusion criteria and sector criteria in the lending business and in own-account investing activities, DZ BANK considers the stances and recommendations of NGOs that represent the key interests of affected communities. An interdepartmental working group is responsible for refining the exclusion criteria and sector criteria. The working group develops proposals for refinements based, for example, on external feedback, complaints received, and risks identified and then presents them to the Credit Committee for a decision. In the case of agriculture, which is a particularly vulnerable sector, DZ BANK takes care to ensure that affected communities can present their concerns in accordance with the FPIC principle. Besides these actions, there is at present no overarching process for ensuring that affected communities are aware of, understand, and trust the available structures. There is no direct collaboration with affected communities or their legitimate representatives.

Metrics relating to affected communities

In its policies for respecting human rights, the DZ BANK Group follows international standards, including the UN Guiding Principles on Business and Human Rights, the fundamental conventions of the ILO, and the OECD Guidelines for Multinational Enterprises (see chapter VII.3.2.6). These policies also apply in relation to affected communities, including indigenous populations. No cases of non-compliance with these standards relating to affected communities were reported in 2025 (2024: 0 cases).

3.5 Customer focus (S4-1, S4-2, S4-3, S4-4, S4-5)

Brief summary

- The DZ BANK Group aims to boost customer satisfaction and customer retention through targeted action and effective complaints channels.
- R+V assesses the quality of its advice on an annual basis using specific consultation points.
- For investors, DZ BANK has defined groupwide quality standards for product development and ensures transparency and customer protection by means of standardized information.
- Some entities in the DZ BANK Group factor their customers' interests into process optimization through active feedback management.

The DZ BANK Group sees it as its duty to support the cooperative banks in their business with consumers and end-users so that cooperative banks, irrespective of their size, can provide consumers and end-users with a comprehensive range of financial products and services. To this end, the DZ BANK Group makes financial products available that are sold through the cooperative banks. In some cases, group entities also maintain direct business relationships with consumers and end-users. The entities in the DZ BANK Group are interested in building long-term relationships with their customers based on a spirit of partnership. Accordingly, their marketing activities also take account of the interests of particularly vulnerable customer groups, such as people who are older, have disabilities, or find themselves in financial difficulties. This primarily involves accessible and comprehensible communication. To prevent customers from taking on excessive debt, the group entities communicate transparently, check customers' credit standing, and offer flexible loans that can be adapted if necessary. A number of quality assurance policies are also in place, which vary depending on the business model and target group. The DZ BANK Group has not issued any centralized guidance on quality assurance and complaints management.

The DZ BANK Group can gain insights into the perspectives of particularly vulnerable customer groups, such as people with limited mobility, with low financial literacy, or in difficult circumstances, by using specific processes and communication channels (see chapter VII.3.5.1, chapter VII.3.5.2, chapter VII.3.5.3, and chapter VII.3.5.4). Besides these individual actions, there is no overarching process for the DZ BANK Group to ensure that its consumers and end-users are aware of and trust the structures and processes.

No infringements of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises that involve consumers and end-users were identified during the reporting period (2024: 0 infringements). The DZ BANK Group's policies on interactions with consumers and end-users do not currently make any specific reference to internationally recognized guidelines, such as the UN Guiding Principles on Business and Human Rights. The rules that are in place are nonetheless aligned with the fundamental principles of responsible and legally compliant conduct.

3.5.1 Investors

Policies relating to investors

The requirements and parameters for product development and product sales are set out in the **product guidelines for the investment and lending business of the DZ BANK Group** and, to some extent, in the business and risk strategy. They thus lay down the quality standards. DZ BANK, DZ PRIVATBANK, and DZ HYP must meet the statutory requirements regarding product governance in the liabilities-side business. In line with these **statutory requirements regarding product governance**, DZ BANK develops its securities products in the best interests of consumers and end-users. Especially for advisory products with a subscription period, it aligns the product offering with the interests of its customers, designing products on the basis of market assessments by its Research division. DZ BANK ensures that margins are appropriate and the complexity of the products is limited. The requirements are monitored by the product managers responsible for issuance processes and product regulatory requirements as part of issuance tracking. To make the products more

understandable and easier to compare with other products, DZ BANK and DZ PRIVATBANK³⁰ prepare key information documents (KIDs). Furthermore, DZ BANK defines target markets to make it easier for salespeople to offer the products to the consumers and end-users for whom they were developed.

Data protection policies that apply to the investment and lending business are in place in all group entities in order to protect personal data and maintain privacy. These policies include guidelines and procedural instructions and are designed to avoid the misuse of data and safeguard the rights of data subjects. Personal data is processed in accordance with the GDPR. Information about the processing of personal data is provided on the DZ BANK Group's website and intranet. The group aims to ensure compliance with the data protection policies through mandatory training and regular checks (see chapter VII.4.3). The respective Board of Managing Directors / senior management is responsible for implementation, while the data protection officers monitor compliance. The requirements of the GDPR also extend to communication, which can have a positive effect on the provision of tailored information to customers.

Besides the statutory requirements, UMH follows the voluntary principles set out in the **rules of conduct** of the Bundesverband Investment und Asset Management (BVI) [German Investment Funds Association]. The departments responsible for implementing the BVI rules of conduct vary across the entities of the Union Investment Group. The Compliance division – and in some cases, the Audit division – conducts risk-based reviews to ensure that UMH policies are in line with the rules of conduct.

DZ PRIVATBANK integrates the **analysis of sustainability aspects** as a key element of **investment strategies** in independent asset management. A best-select approach combined with exclusion criteria is used across all asset classes. DZ PRIVATBANK takes financial risks linked to sustainability into account in the risk-controlled investment process, factoring them into the value-at-risk. Right from the pre-contractual phase, sustainability criteria are communicated transparently and embedded in investment decisions through a comprehensive set of rules. Periodic ESG reporting and a final assessment of the potential returns by the competent portfolio managers also take place.

DZ BANK (since spring 2020), R+V (since summer 2020), DZ PRIVATBANK³¹ (since autumn 2021), and BSH (since winter 2023) are signatories to the **Principles for Responsible Banking (PRB)** and the **Principles for Responsible Investment (PRI)** (see chapter VII.2.2.2).

These policies are directly linked to the material topic of consumers and end-users, plus the related impacts, risks, and opportunities.

Actions relating to investors

The provision and communication of high-quality information to customers and to consumers and end-users can lead to long-term business success and facilitate tailored market offerings, thus increasing customer satisfaction. In order to take advantage of these opportunities, the DZ BANK Group relies on transparent communication that is tailored to the recipient and complies with the law.

On behalf of the Board of Managing Directors / senior management, the **officer for the protection of customers' financial instruments** ensures that the DZ BANK Group meets the regulatory obligations with regard to the protection of financial instruments and customers' ring-fenced funds. The officer also contributes to transparency and the quality of advice given by formulating information on financial instruments in a comprehensible way. This facilitates access to safe and suitable financial products.

The DZ BANK Group has a **compliance function** for the investment and lending business. It is responsible for identifying, managing, and mitigating compliance risk in order to avoid breaches of legal provisions and to

³⁰ In this instance, 'DZ PRIVATBANK' is used to refer only to IPConcept (Luxemburg) S.A..

³¹ In this instance, 'DZ PRIVATBANK' is used to refer to both DZ PRIVATBANK S.A. and DZ PRIVATBANK (Schweiz) AG.

protect the rights of consumers and end-users (see chapter VII.4.3). Furthermore, the compliance function supports the development of tailored market offerings by identifying and managing risks at an early stage. This boosts customer satisfaction and confidence.

DZ PRIVATBANK offers 5 strategy families in the sustainable investment sphere on an ongoing basis. They comprise more than 10 sets of investment guidelines that fall into the 'article 8-compliant' category under the EU Sustainable Finance Disclosure Regulation (SFDR). The strategies can be accessed through securities account solutions and fund solutions. DZ PRIVATBANK provides information on its strategy families on its website under 'Nachhaltig Investieren' (sustainable investment). The sustainable investment process is used in all asset management strategies. The calculated sustainability ratios are factored in when ascertaining sustainability preferences.

Processes and channels relating to investors

The majority of the DZ BANK Group entities are bound by the statutory requirements for **complaints management**. Any expression of dissatisfaction by a consumer or end-user is considered a complaint, to which a response must be given within a reasonable period of time together with a clear explanation of the options for making a complaint. If a consumer's or end-user's request is not met, they are informed of the possible dispute resolution procedures (not applicable to R+V). The same principles apply to complaints by investors (see chapter VII.3.2.6). The group entities provide information on relevant ways to make a complaint on their websites. The groupwide declaration of principles sets out binding policies that aim to ensure that investors do not suffer any negative consequences as a result of their complaint, provided it is not demonstrably fraudulent.

The **customer dialogue center** at DZ BANK is the central point of contact in customer securities business. DZ BANK focuses on transparent and open communication, a range of services tailored to customers' individual needs that are available over the phone or through the chat function, and excellent availability. Customer satisfaction is to be increased by continually improving these service channels.

DZ BANK and UMH primarily sell their products to consumers and end-users through cooperative sales partners in Germany and Austria. The sales partners are asked periodically about their satisfaction. UMH carries out its **surveys of the sales banks** every year, whereas DZ BANK conducts a survey every 3 years. The management level immediately below the Board of Managing Directors / senior management is responsible for these satisfaction surveys.

3.5.2 Policyholders

Policies relating to policyholders

Based on the quality of advice (BQ) policy, customers are provided with a clear picture of their individual risks and action areas. Using the information provided by customers, R+V prepares a situational analysis, including product recommendations. R+V believes that this approach enhances customer satisfaction levels, as does fulfilling the duty to inform, explain, and clarify. The Sales Development department in the Customers and Sales division is responsible for the aforementioned policy.

The **guidelines for sustainable product standards** are another integral element of the quality- and sustainability-oriented product development process. They provide a binding framework for developing new products and adapting existing ones. The aim is to systematically integrate regulatory requirements and sustainability matters into the product management process and implement them across the company. Particularly in view of the challenges presented by climate change, key principles such as 'safety through prevention' and 'rewarding risk-mitigating behavior' are pursued. Implementation of these guidelines is checked by the product development team. To underscore the importance of these standards, strategic responsibility for them lies at Board of Managing Directors level and head of division level in the non-life insurance business. Compliance with the guidelines is checked when products are being developed. Exceptions are possible, but must be justified and carefully reviewed.

R+V pursues an **omnichannel strategy** that is aimed at addressing and advising customers at the right time, via the right channel, and with the right products. The omnichannel product guidelines are a core element of the omnichannel strategy and cover the pre-packaging of the product offering – both cross-channel and channel-specific – and optional modules for customizing offerings. A wide range of product modules can be pre-packaged using product lines (classic, comfort, and premium). The strategy is managed and implemented using internal departmental reporting. Customer Management and Marketing within the Customers and Sales division is responsible for this strategy. Customer satisfaction is measured using the Contact Net Promoter Score (CNPS) and the Business Net Promoter Score (BNPS).

R+V has introduced procedural instructions for **data protection** in several divisions. Procedural instructions have been developed for the Sales division that are intended to ensure compliance with the GDPR and the requirements set out in the code of conduct of the Gesamtverband der Deutschen Versicherungswirtschaft e.V. (GDV) [German Insurance Association]. The aim is to create a standardized and transparent process that improves the protection of personal data and strengthens customers' trust. The non-life insurance, personal insurance, and inward reinsurance businesses have also developed specific procedural instructions. The individual rules reflect functional features and are an integral part of the groupwide data protection structure.

These policies are directly linked to the material topic of consumers and end-users, plus the related impacts, risks, and opportunities.

Actions relating to policyholders

R+V implemented the **Quality of Advice for Individuals (BQ Individuals) and Quality of Advice for Companies (BQ Companies) software applications** in 2024 and 2022 respectively in order to systematically enhance the quality of advice, while simultaneously reducing the risk of error when advising customers. The aim is to help advisors to prepare end-to-end and ad hoc advisory concepts and provide customers with clear information about their individual insurance and pension situation.

The effectiveness of **BQ Individuals** is tracked by the system. A check is performed as to whether customers received advisory documentation by email. If they have given their prior consent, customers also receive an anonymized feedback form. The feedback serves to continually improve the advisory process in terms of quality and customer satisfaction. For **BQ Companies**, the focus is on periodically checking and updating the customer's operational data during annual reviews. The reviews are held with the help of digital tools and are automatically documented. In this manner, R+V aims to ensure that the company's insurance cover meets its current needs and to avoid incorrect information being used in consultations.

In addition, effectiveness is measured against the fulfillment of specific requirements for advisory activities. In retail customer business, this is measured using quality of advice points that are awarded for high-quality customer meetings. Advisors must meet a defined value within a calendar year. In corporate customer business, effectiveness is measured using the number of fully documented annual reviews, for which clear requirements also apply depending on the group receiving advice.

In its occupational health insurance business (bKV), R+V offers the **R+V HealthBenefits service program**. This program provides free additional services (healthcare telephone hotline, interactive service platform, R+V Family Coach, R+V BestSpecialist) that supplement the insurance cover. The healthcare services offered in connection with R+V HealthBenefits cover a range of areas, including medical advice, a search function for finding hospitals and specialist doctors, and preventive health initiatives. It is designed to support customers and their health in day-to-day life. R+V holds regular information events in order to assist brokers and ensure the quality of advice over the long term. The effectiveness of this program is to be ensured by updating the healthcare services on an ongoing basis in line with healthcare trends and the needs of the market. Usage is checked at least once per year.

Processes and channels relating to policyholders

R+V deploys the **net promoter system** to systematically and regularly measure customer satisfaction, using the results to continually improve products, processes, and actions. The method of obtaining the feedback varies depending on whether the contact is inbound or outbound. In the case of outbound contact, a pop-up window or a QR code is used for selected contacts (including online). In the case of inbound contact, customers are asked for their feedback afterwards, e.g. after a claim has been settled, a policy has been amended, or a new policy has been taken out. Customers are asked to participate during a telephone call or in an email or text message containing a link to an online questionnaire. The change in the Net Promoter Score helps R+V to measure the success of its actions. The Brand, Product, and Customer Management department in the Customers and Sales division is responsible for the net promoter system. In addition, R+V systematically monitors and analyzes the **user experience (UX)** and the **user interface design (UI)** using methods such as interviews, surveys, usability tests, and behavioral observation. The aim is to align digital applications with customer requirements. The findings feed into the relevant decision-making processes in the departments. The development of user interface concepts is intended to ensure compliance with UX/UI standards and expressly takes vulnerable user groups – such as people with disabilities, older people, and people with limited financial literacy – into account, for example by designing digital offerings to be accessible and easily understandable. Responsibility for implementing and managing the UX methods lies both with the digital.workshop department in the Digitalization and Operational Processes division and with the User Experience Design group in the Digital Customer Applications department. The frequency and nature of user involvement are decided upon by the relevant UX professionals.

R+V's customers can use the formalized **complaints management function** to express their concerns and make complaints directly. The aim is to proactively identify any negative impacts and counter them appropriately. R+V provides information on complaints management on its website. Complaints can be submitted by telephone, email, mail, or fax or by contacting the field sales force. **Meine R+V** [my R+V] is an online customer portal in which customers can make complaints to R+V anonymously or in their own name. Complaints can be submitted online or by phone using the service hotline of R+V Service Center GmbH, which checks whether a complaint needs to be forwarded to the responsible department and initiates specific actions. No standardized remedial action is taken; instead, the action to be taken is decided upon based on the matter at hand. Every complaint must be documented and, where possible, dealt with within 3 days of receipt.

All complaints are examined and, if necessary, forwarded to the responsible department. The departments' direct complaints management functions are checked internally once per year in order to ensure adherence to company standards. Remedial action is taken on a case-by-case basis.

There is also an indirect complaints management function that systematically analyzes whether complaints are handled in accordance with the internal rules. To this end, internal complaints reports are produced that include an analysis of the complaints received. A complaints report is also submitted to the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) [German Federal Financial Supervisory Authority] on an annual basis. Independently of this, BaFin performs regular checks on complaints management as part of its supervisory function.

3.5.3 Consumer finance borrowers

Policies relating to consumer finance borrowers

TeamBank has implemented several company-wide policies to make its processes and workflows efficient and customer-focused. It reviews their content at least annually.

The **trademark rights policy** and the design policy serve to clearly indicate the origin of trademarked products and services to end-users and to avoid them being mistaken for products and services of a different origin. The Head of Legal monitors trademark rights as part of brand collision management, while the Head of Brand and Customer Experience ensures adherence to brand alignment by means of a clearly defined brand identity and brand monitoring.

The **design policy** obliges the development teams to follow the design rules from the design system when developing and updating software user interfaces (front ends). This does not apply to applications without a customer and/or partner user interface. The purpose of the design system is to help the development teams to create a consistent user experience on all platforms and devices and thus speed up development as a result of using pre-prepared design elements. As part of the development process, the interdisciplinary teams at TeamBank independently review their results using defined design guidelines. In addition, user tests and experience audits are conducted that help to monitor and impose the design. Responsibility for both policies lies with the Head of Brand and Customer Experience.

The **complaints management policy** governs the consistent treatment of customer complaints in respect of a product, service, action, or employee of TeamBank. It also covers complaints in relation to the requirements of LkSG. The aim is to deal with complaints promptly and in the interests of the customer making the complaint. The Head of Monitoring and Complaints Management tracks the volume and rate of complaints, and how long it takes to process them, in a monthly departmental report and in monthly reports to management.

These policies are directly linked to the material topic of consumers and end-users, plus the related impacts, risks, and opportunities.

Actions relating to consumer finance borrowers

TeamBank continually strives to make improvements in order to ensure a positive and consistent customer experience. It works with **persona clusters** enriched with Sinus Milieu data in order to take account of societal shifts and address different target groups. A range of instruments aim to ensure that products and services are continually aligned with customer requirements. One of these instruments is the **brand and consumer experience audit** in which direct feedback from customers throughout the customer journey is analyzed and used to improve products and services. Within the organization, the experience coordinators create transparency in respect of the brand and customer experience. Training and regular meetings help employees to gain a better understanding of customer and brand perception.

Writing guidelines provide support for day-to-day communications with end customers and enable consistent, on-brand messaging. The aim is to ensure an inclusive customer experience.

To fulfill its social responsibility in receivables management and to deal responsibly and reliably with customers in financial difficulties, TeamBank continually and proactively offers to establish contact with an external debt advisory service after issuing a second reminder. The aim is to get professional support for customers at an early stage in order to counter any further indebtedness and promote financial stability. The debt advisory services support customers in individual meetings and develop tailor-made solutions, such as adjusting existing installment agreements.

Processes and channels for engaging with consumer finance borrowers

TeamBank's customers can use the formalized complaints management function to express their concerns and make complaints directly. The aim is to proactively identify any potential negative impacts and counter them appropriately. TeamBank provides information about the process on its website. Complaints can be submitted by telephone, email, mail, or fax or via the customer portal, the easyCredit+ app, the 'der faire Credit' app, or social media.

To gain insight into the needs, expectations, and experiences of customers, TeamBank gathers feedback on an ongoing basis, varying the format used depending on the topic and the feedback requirements. Examples include interviews, user testing, closed research communities, and customer conferences. Depending on the topic and the feedback requirements, some formats might be dropped or new ones added if expedient from a user perspective.

TeamBank systematically measures customer satisfaction using the **Net Promoter Score** based on customers' willingness to recommend TeamBank. The Net Promoter Score is ascertained at 3 significant touchpoints for TeamBank in the customer relationship: after the contract has been signed, after 18 months, and after the contract ends.

TeamBank generally measures brand appeal once a year based on the **brand performance monitor** as a way of increasing the success and appeal of the product brands over the long term. The findings are evaluated and the resulting input is used by TeamBank as the basis for optimizing the brand strategy.

Measurement using AdTrek takes place monthly in order to gain insights for easyCredit communications and media tactics and thus enhance the effectiveness of advertising.

eKomi, an independent online review system, is used to collect customer feedback and reviews on an ongoing basis at relevant transaction-based touchpoints along the customer journey. The feedback and reviews enable adjustments to be made at short notice.

In addition to the formal complaints process and measurement of the Net Promoter Score, TeamBank also involves consumers and end-users in the product development process.

TeamBank primarily sells its products to consumers and end-users through cooperative sales partners in Germany and Austria. The sales partners are asked periodically about their satisfaction. TeamBank carries out its **surveys of the sales banks** every year. The management level immediately below the Board of Managing Directors is responsible for these satisfaction surveys.

3.5.4 Home savings customers and real estate finance borrowers

Policies relating to home savings customers and real estate finance borrowers

The data protection standards of BSH reflect the data protection principles of the **GDPR** and help to build trust and offer transparency toward customers. This supports the provision of clear and comprehensible data protection information and is directly linked to the material topic of consumers and end-users, plus the related impacts, risks, and opportunities. Implementation of the data protection standards is overseen by, and the responsibility of, the data protection officer.

From its perspective, DZ HYP ensures that its customers' personal data is protected and only used for the intended purpose. In doing so, it addresses the risk of a loss of confidence that could result from inadequate data protection. The basis for this is provided by the **data protection policy**, which is binding for all employees. DZ HYP's aim is to meet its customers' expectations in terms of process efficiency with a high standard of data protection. The Board of Managing Directors is responsible for compliance within the meaning of the GDPR, while line managers are responsible for the implementation of their employees' actions.

This policy is directly linked to the material topic of consumers and end-users, plus the related impacts, risks, and opportunities.

Actions relating to home savings customers and real estate finance borrowers

In retail customer business, DZ HYP reviews customers' **assets and capacity to service their debt** in accordance with the rules in the Mortgage Credit Directive. By taking an appropriate and measured approach to lending, DZ HYP prevents its customers from taking on excessive debt. To this end, real estate finance business is based on a calculation of the long-term mortgageable values of the properties to be financed or used as security. It also examines aspects such as the customer's overall assets and liabilities and their long-term capacity to service their debts. The requirements are also aligned with the applicable version of the Mortgage Credit Directive.

DZ HYP plans to expand its access channels in order to make it easier for customers to access its financing products. In new business, DZ HYP focuses on supporting sustainable housing and offers loans at favorable interest rates for properties with very good energy efficiency and/or with low final energy consumption. A specific example is the **eco-loan** product, which offers a reduced interest rate for owner-occupied properties with final energy consumption of no more than 50 kWh / m². Development lending programs from Germany's KfW development bank – 'Climate-friendly new construction – residential buildings', 'Efficiency House modernization', and 'Home ownership for families' – have also been integrated into the retail sales channels. The resources used were not quantified in the reporting period.

Processes and channels relating to home savings customers and real estate finance borrowers

BSH uses **customer experience measurements** in order to systematically obtain feedback from customers. The Net Promoter Score is one aspect of customer feedback and determines part of employees' performance-based remuneration. The measurements include interviews on customer satisfaction in comparison with that of competitors, other qualitative feedback on the field sales force, the customer dialogue center, social media, and the views of consumer organizations.

BSH maintains a close dialogue with customers in order to understand their needs and improve customer satisfaction. As well as **talking to them in person**, it uses **regular surveys**, ad hoc consumer surveys, and temporary customer communities and focus groups for this purpose. BSH factors this external input into its efforts to enhance its service process and product development. The term 'service process' refers to all services for resolving customer issues. For example, sales employees contribute their practical experience of customers to the refinement of processes, products, and services. The field sales force and cooperative partner banks regularly evaluate their working relationship with BSH. Once a year, BSH compiles the sales climate index for its field sales force in relation to material sales-relevant parameters. The members of the Boards of Managing Directors and managers at the partner banks also provide feedback. While the Market division plays a central role in involving consumers and end-users, the Board of Managing Directors is responsible for the company's customer focus.

BSH views complaints as an important opportunity to improve customer satisfaction. It takes a sensitive approach when **handling complaints** and always focuses on the customer's perspective. BSH analyzes the complaint carefully to ascertain the factors that motivated the customer to make a complaint and the customer's personal needs. Complaints can be submitted orally or in writing and either directly by the complainant or by a person authorized to represent them. All complaints are systematically analyzed. BSH

strives to handle every complaint appropriately, which is why it aims for all employees to have a consistent understanding of how to recognize complaints.

Where there is cause for complaint, customers can access DZ HYP's complaints management system using the central address for complaints provided on the DZ HYP website. If the Compliance division receives a complaint relating to retail customer business, corporate customer business, or public-sector customer business, it forwards the complaint directly to the Retail Customer Sales, Corporate Customer Sales Management, or Public-Sector Customer Sales department, which handles the complaint through to closure of the case.

4 Governance

4.1 Management of material impacts, risks, and opportunities in the governance sphere (SBM-3)

The DZ BANK Group considers long-term, successful business relationships to be a positive impact of maintaining **good corporate governance and a strong corporate culture**. The group regards acting with integrity, protecting whistleblowers, and recording few incidents of corruption and bribery as an opportunity to position itself as a transparent and reliable business partner (see chapter VII.4.2). Advocacy within the parameters permitted by law can also improve business opportunities.

The DZ BANK Group has examined risk drivers relevant to governance as part of business environment analyses and has assessed their impacts on the business model of each management unit. Governance structures and processes that are inadequate or lack transparency, such as insufficient actions to tackle money laundering, corruption, and the financing of terrorism, can potentially lead to short- to medium-term operational and reputational risks that could have a low to medium negative impact on the DZ BANK Group's business model. The DZ BANK Group employs a comprehensive compliance management system for the **prevention of corruption, bribery, and financial criminality (compliance)**, which it also shares with its business partners (see chapter VII.4.3). This system is based on the group governance policy, the code of conduct, and a risk management system that also takes account of sustainability risks. In its lending process, the DZ BANK Group sets minimum requirements regarding anti-corruption and competition/tax for transactions with customers to ensure that it only funds those customers who satisfy the minimum corporate governance requirements.

Due to potential risks that could be caused by governance structures that are inadequate or lack transparency, the DZ BANK Group has taken appropriate action to prevent corruption using a compliance management system that includes compliance policies and an annual risk analysis (see chapter VII.4.3).

Advocacy within the parameters permitted by law can also support the business opportunities of the DZ BANK Group. DZ BANK therefore conducts **political engagement** through membership of associations. It transparently discloses the relevant activities to employees, the public, and other stakeholders through its entries in the lobbying register of the Bundestag (first chamber of the German parliament) (see chapter VII.4.4).

The metrics are not validated by an external body.

The material impacts, risks, and opportunities in relation to corporate governance are presented in the table below.

FIG. VII.47: OVERVIEW OF THE IMPACTS, RISKS, AND OPPORTUNITIES IN THE CORPORATE GOVERNANCE SPHERE

ESRS	Topic in the materiality assessment	IRO type	Dimension	Time horizon	Description	Chapter in the report
G1	Business practices and corporate culture ¹	+	OO	st	Positive impact on labor market and competitors through the applied corporate culture and business practices	Chapter VII.4.2 Corporate governance and corporate culture Chapter VII.4.3 Compliance
G1	Business practices and corporate culture ¹	+	P	st	Enabling sustainable and enduringly successful business relationships founded on good compliance and a strong corporate culture	Chapter VII.4.2 Corporate governance and corporate culture Chapter VII.4.3 Compliance
G1	Business practices and corporate culture	O	P	n/a	Positioning as a reliable and transparent business partner by acting with integrity	Chapter VII.4.2 Corporate governance and corporate culture Chapter VII.4.3 Compliance
G1	Business practices and corporate culture	R	OO	n/a	Operational risk: Negative financial impact on DZ BANK group entities themselves due to government/regulatory action as well as changes in market sentiment/preferences/situation combined with inadequate strategic planning and risk management. This includes the insufficient management of systemic and idiosyncratic risks resulting from a deficient internal control and risk management system and/or a lack of control and oversight activities in committees.	Chapter VII.4.2 Corporate governance and corporate culture
G1	Anti-competitive behavior, political engagement / lobbying ¹	+	OO	st	Strengthening trust and credibility through transparent disclosure of lobbying activities to employees, as well as helping to shape political parameters through active engagement in specialist committees and associations	Chapter VII.4.4 Political engagement
G1	Anti-competitive behavior, political engagement / lobbying	O	OO	n/a	Positioning as a reliable and transparent employer by acting with integrity	Chapter VII.4.4 Political engagement
G1	Corruption and bribery ¹	+	P	st	Tackling financial criminality and creating incentives for the avoidance of corruption and bribery when collaborating with business partners	Chapter VII.4.3 Compliance
G1	Corruption and bribery	O	P	n/a	Establishing trustworthiness as a business partner by keeping the number of cases of corruption and bribery low	Chapter VII.4.3 Compliance

+ = positive impact, - = negative impact, R = risk, O = opportunity, P = business portfolio, OO = own operations, st = short term, mt = medium term, lt = long term, n/a = not applicable,
1 = actual impact, 2 = potential impact

4.2 Corporate governance and corporate culture (G1-1)

Targets relating to corporate governance and corporate culture

The DZ BANK Group has not yet defined any measurable, outcome-oriented targets for systematically tracking the effectiveness of policies and actions in the area of corporate governance. The annual review and update of the **group governance policy (GGP)** and the DZ BANK Group's code of conduct aims to ensure adherence to the standards and principles defined therein. Furthermore, the related training sessions are designed to ensure that the provisions of corporate law and regulatory requirements are met and that the principles regarding unethical business practices, fraud prevention, and human rights are adhered to. Each year, the Supervisory Board's Risk Committee receives detailed information on changes and updates to the GGP and acknowledges them following appropriate assessment. The Group Coordination Committee is informed in detail about changes to the DZ BANK Group's code of conduct every year and must sign off the updated version by means of an approval process.

Policies relating to corporate governance and corporate culture

The fundamental framework for the management and monitoring of the DZ BANK Group's management units is set out in the **GGP**, which contains standards for good and responsible corporate governance and group

management. This is implemented by the GRFC (see chapter VII.1.3). The GGP defines the requirements for legally compliant actions in accordance with the DZ BANK Group's code of conduct and includes a functioning system of risk management that incorporates sustainability risks. In addition, it compels the Board of Managing Directors / senior management and the Supervisory Board to pursue sustainable value creation in accordance with societal expectations and regulatory requirements.

By committing to the UN Global Compact, the DZ BANK Group has voluntarily undertaken to respect and comply with the 10 principles of corporate responsibility within its sphere of influence. This includes respecting human rights and taking decisive action against corruption in all its forms, such as extortion, bribery, and passive corruption. The DZ BANK Group's **code of conduct** is based on these principles. It also addresses undesirable business practices and makes reference to various tools for preventing fraud and respecting human rights. The Compliance division ensures that DZ BANK's code of conduct is updated. Overall responsibility lies with the Board of Managing Directors.

These policies are directly linked to the material topic of business practices and corporate culture, plus the related impacts, risks, and opportunities.

Actions relating to corporate governance and corporate culture

The DZ BANK Group has established a groupwide compliance management system that has been documented in writing as part of its compliance framework. It comprises policies for the prevention of corruption, annual risk analyses, training, and control and monitoring actions for preventing the infringement of laws and regulations related to regulatory requirements and corruption (see chapter VII.4.3).

DZ BANK has set up a **whistleblowing system** with the aim of ensuring that incidents related to its business conduct, including cases of corruption and bribery, are investigated promptly, independently, and objectively. This includes incidents concerning employees and those concerning the Board of Managing Directors or Supervisory Board. All incidents are dealt with using a standardized procedure (see chapter VII.4.3). The relevant employees complete a training course at least every 2 years.

DZ BANK's Board of Managing Directors and Supervisory Board attend induction sessions and regular training sessions on the corporate values and on responsible leadership to ensure that the values embodied by the corporate culture are firmly anchored in the organization. The programs provide an understanding of the DZ BANK Group's structure, business model, risk profile, and governance and are intended to help officeholders to perform their functions and roles (see chapter VII.3.2.2).

The DZ BANK Group regards **social and cultural projects**, such as support for local communities, as an integral element of its corporate culture (see chapter VII.3.4).

Processes relating to corporate governance and corporate culture

The DZ BANK Group involves its employees in enhancing the corporate culture, primarily by conducting employee surveys. These **surveys** aim to capture needs and expectations, identify areas of action, and initiate change processes (see chapter VII.3.2.4).

4.3 Compliance (G1-3, G1-4)

The disclosures in this chapter relate to the DZ BANK Group entities that are considered part of the scope of consolidation for compliance purposes. In addition to the management units, this also encompasses Reisebank, VR Equitypartner, VR Factoring, VR Payment, and GENO Broker.

Targets relating to compliance

The DZ BANK Group currently has no measurable, outcome-oriented targets for tracking the effectiveness of its policies and actions related to the prevention of corruption. One of TeamBank's ongoing targets is to ensure that 100.0 percent of its employees are trained in the prevention of criminal offenses as at the reporting date of the calendar year. TeamBank measures this by the number of employees completing the web-based training each year as a proportion of its total workforce. Target achievement is monitored annually, based on the percentage of web-based training not completed. TeamBank has been pursuing this target since the applicable statutory provisions came into effect. As it is an absolute target, setting a benchmark figure to measure progress is not appropriate.

Policies relating to compliance

The **compliance framework** was established as a means of ensuring that the DZ BANK Group satisfies the statutory and regulatory requirements. The compliance framework of the DZ BANK Group comprises a **compliance policy** and compliance standards. The compliance policy sets out requirements for establishing and organizing the compliance functions and details of their duties. The compliance standards implement these requirements within the group's operations. The standards on preventing money laundering and the financing of terrorism, on accepting and granting benefits, and – applicable in the banking group – on preventing criminal offenses also form part of the compliance framework. Responsibility for implementation and monitoring lies with the Compliance division, while overall responsibility rests with the Board of Managing Directors / senior management.

The compliance framework includes the guidelines on managing conflicts of interest, which apply across the group. DZ BANK and individual group entities set their own specific rules on **handling conflicts of interest** in their written procedures, especially in cases where the supply of financial analyses coincides with the provision of banking services. Within DZ BANK, the capital market compliance team monitors the controls established by the divisions and regularly informs management about conflicts of interest.

These policies are directly linked to the material topic of bribery and corruption, plus the related impacts, risks, and opportunities.

Actions relating to compliance

In accordance with the compliance policy, all entities in the DZ BANK Group that are required by law or regulation to establish a **compliance function** have done so in order to mitigate risks arising from non-compliance with legal provisions and requirements. The role of the compliance function is to ensure the implementation of effective procedures for compliance with the legal provisions and requirements that are material to the entities, along with the relevant controls. The compliance function is also responsible for supporting and advising senior management on compliance with these legal provisions and requirements. Its primary remit is to identify those material legal provisions and requirements that, if not complied with, might put the entities' assets at risk. This process is carried out on an ongoing basis, taking risk perspectives into consideration.

Under the compliance framework, **corporate compliance** at DZ BANK is responsible for all aspects of compliance governance across the group. It also supports the group entities in implementing the framework and monitors their adherence to it.

Once per year, and also as required, DZ BANK's **Compliance division submits a report** to the Board of Managing Directors and the Audit Committee on the activities of the compliance functions of DZ BANK and the group entities and describes any material insights they have gained. The division continually reviews and refines the safeguards of the compliance standard (particularly in relation to the prevention of money laundering, financing of terrorism, and other criminal offenses) and the guidelines on managing conflicts of interest.

At DZ BANK, the **Compliance division** ensures that effective procedures for complying with the legal provisions and requirements that are material to the bank are implemented and the relevant controls are carried out. The areas of responsibility of the Compliance division include the prevention of financial criminality (the division is the central point of contact in this regard), capital market compliance and corporate compliance, and the MaRisk compliance function. Depending on the specific implementation of the compliance framework in each group entity, the Compliance division includes the ombudsperson (see chapter VII.3.2.3), the data protection officer, the anti-money laundering officer, the responsible officer, the officer for the protection of customers' financial instruments, and the human rights officer. Other monitoring functions, such as information security, are assigned to other areas of the organizational structure of DZ BANK.

Within the compliance framework, the **MaRisk compliance** function is responsible for monitoring legal standards on a continual basis in the banking group and conducts the MaRisk compliance risk analysis. The Regulatory Workflow Center system is used to monitor legal standards. In the regulatory banking group, the 'Central inventory of laws and regulations' standard constitutes the groupwide rules and ongoing actions in this context and forms part of the compliance framework.

In accordance with the compliance framework, each Head of Division, Head of Area of Board Responsibility, and Head of Business Segment of DZ BANK appoints a **fraud prevention coordinator** tasked with implementing actions to prevent criminal offenses at DZ BANK. This person ensures, in collaboration with the Compliance division, that the relevant actions are implemented. In the DZ BANK Group, the **processes for accepting customers** and updating customer data on an ongoing basis are set out in the compliance framework and follow an individual risk-based approach for each specific group entity. A risk-based approach ensures that all necessary data and information about the bank's customers is collected. This also includes checks to identify politically exposed persons (PEPs) and checks against sanction and embargo lists.

The **capital market compliance team at DZ BANK** carries out ongoing risk-based monitoring, supports the implementation of the investment services processes, and raises employees' awareness of compliance risks. It also monitors and assesses the principles and processes put in place for complaints procedures and optimization actions. The Compliance division uses software solutions to detect market manipulation and insider trading. These check the securities transactions of customers, employees, and the bank's own-account trading for breaches such as market manipulation and insider trading.

To **prevent financial criminality**, DZ BANK has set up a central point of contact for the prevention of money laundering, the financing of terrorism, and other criminal offenses in accordance with section 25h KWG. It conducts an annual risk analysis for all sites in Germany and abroad and for the group entities, as well as developing and implementing security actions such as employee training. As a bank, DZ BANK conducts electronic transaction monitoring for its payment services in order to check suspicious transactions for potential indications of money laundering or the financing of terrorism. It reports any suspicious transactions to Germany's central agency for analyzing financial transactions, the Financial Intelligence Unit (FIU). The entities in the DZ BANK Group continuously run mandatory **compliance training** for at-risk groups of people to guarantee adherence to legal requirements and to minimize compliance risks effectively. All employees and the senior management are deemed to be at risk of exposure to corruption and bribery. The training content is based on the risk profile of each function and covers typical elements of corruption, the prevention of money laundering, terrorism financing, and fraud, as well as sanctions and due diligence in the supply chain. It also covers conflicts of interest when giving investment advice.

DZ BANK provides regular training on compliance, the prevention of money laundering and the financing of terrorism, financial sanctions and embargoes, fraud prevention, data protection, and the prevention of market manipulation. The web-based training concludes with a test. It is mandatory for new employees and must be repeated every 2 years. The Compliance division monitors attendance and involves line managers and the deputy anti-money laundering officer in the reminder process. The compliance officer endeavors to ensure that relevant subjects are covered as part of Supervisory Board training.

In terms of the content of the **compliance training**, the DZ BANK Group entities set their own individual focus according to their business model, for example antitrust law and money laundering (BSH), the prevention of financial criminality, portfolio management, and employee transactions (UMH), and continuity management, data protection, conflicts of interest, the acceptance and granting of benefits, and money laundering (VR Payment). In most of the other group entities (DZ HYP, DZ PRIVATBANK, Reisebank, VR Equitypartner, and VR Smart Finanz), compliance training must be taken every 2 years, with the exception of the mandatory annual cybersecurity training at VR Equitypartner. At R+V, relevant employees must attend when they join, following a long absence, or in the event of changes to the policy. Additional risk-related training is also provided by the corporate compliance unit. The majority of the training provided by the group entities is web based, with in-person training also offered for specific topics. The aim is to guarantee a high degree of legal certainty and integrity within the whole of the DZ BANK Group.

Procedures relating to compliance

The DZ BANK Group has put in place **whistleblowing systems** to allow both employees and third parties to report potential compliance violations confidentially and without fear of reprisals. The aim is to create a safe space for reporting any irregularities (see chapter VII.3.2.6, chapter VII.3.3, chapter VII.3.4, and chapter VII.3.5). It is based on the groupwide **whistleblowing system standard**, which forms part of the compliance framework. This standard requires the group entities to notify DZ BANK of material instances of whistleblowing in anonymized form.

The ombudspersons and representatives appointed in the group entities to receive such reports are bound by confidentiality in order to protect the whistleblowers. At DZ BANK, the information received by the ombudsperson is passed on to a whistleblower committee in accordance with data protection requirements. The committee evaluates the information and initiates any required action, including the involvement of investigating authorities where necessary. Information about the whistleblowing system is published on DZ BANK's intranet and website. At DZ BANK, anonymized information on the cases handled in the whistleblowing system is reported to the Board of Managing Directors and the Audit Committee annually and, if required, on an ad hoc basis.

DZ BANK employees are regularly provided with information on the whistleblowing system as part of the compliance training courses.

Metrics relating to compliance

In 2025, there were no known convictions for breaches of applicable corruption and bribery rules by members of governing bodies or employees of group entities in the DZ BANK Group (2024: 0). No fines or similar sanctions due to such breaches were recorded (2024: €0).

Where required by law, and to raise awareness for issues relevant to compliance, the DZ BANK Group regularly runs mandatory training courses for at-risk functions. All employees in the DZ BANK Group in active employment (i.e. not suspended or inactive) can essentially be considered functions-at-risk. At most, those employees can be excluded whose role has nothing to do with the typical tasks and activities associated with the relevant group entity's business. As at the reporting date, 97.6 percent of employees in at-risk functions had taken part in and fully completed the training programs (December 31, 2024: 96.0 percent).

4.4 Political engagement (G1-5)

Targets relating to political engagement

No measurable, outcome-oriented targets have been implemented in the DZ BANK Group for tracking the effectiveness of policies and actions related to political engagement. As part of the annual update and review of the entries in the lobbying register of the Bundestag (first chamber of the German parliament) and in the registers at regional level, efforts are made to ensure that they comply with the processes set out in the procedural instruction on publications in accordance with the German Lobbying Register Act (LobbyRG) at federal and regional level, and that the entries fully and transparently reflect the DZ BANK Group's activities relating to political engagement.

Policies relating to political engagement

The **German Lobbying Register Act** (LobbyRG) requires companies that establish contact with the Bundestag or the German federal government in order to influence political decisions, or that engage others to carry out such activities, to be entered in the Bundestag's lobbying register. This requirement applies once the materiality threshold defined in the act is exceeded and provided that none of the exemptions in the act apply. The act also permits voluntary entries in the lobbying register. LobbyRG requires the publication of general disclosures along with detailed information on the personnel and financial resources used for lobbying and the key content. DZ BANK is registered in the lobbying register under register number R001616, R+V under register number R001814, UMH under register number R001396, and BSH under register number R001691. The entities in the DZ BANK Group update their own entries on an ongoing basis and by the relevant deadlines. All of the disclosures are publicly available.

All register entries must be updated at least once a year. A senior manager must check any updates or ad hoc changes to ensure that the disclosures are complete and accurate and must sign the approval form along with the consent form for data protection and the code of conduct. For DZ BANK, this is the responsibility of the Chief Executive Officer. By submitting their entry in the lobbying register, the entities confirm that no members of their administrative, management, or supervisory bodies have held an office, membership, or function in the German federal government, Bundestag, or federal public service in the past 5 years.

The procedural instruction on publications in accordance with LobbyRG at federal and regional level contains an overview of the legal requirements and the data that DZ BANK is required to enter in the register. It stipulates how the bank must comply with its registration obligations. The Legal division is responsible for and coordinates an annual survey in order to collect all of the up-to-date information that is required for the entries. DZ BANK's Board of Managing Directors approves the entries as well as any updates in accordance with the procedural instruction.

As part of its disclosure obligation, DZ BANK also compiles information on the financial resources used for lobbying and political contributions. Most of the group entities do not permit political contributions and have put in place internal donation and gift policies to exclude them. These policies provide employees with mandatory guidelines and are issued by the Board of Managing Directors, senior management, or relevant organizational unit, depending on the entity.

These policies are directly linked to the material topics of anti-competitive behavior and political engagement / lobbying, plus the related impacts, risks, and opportunities.

Actions relating to political engagement

DZ BANK carries out lobbying solely in the form of ad hoc and professional discussions, as defined in LobbyRG. These discussions are held between members of the Board of Managing Directors and the persons named in section 1 (1) and (2) LobbyRG and concern general topics relating to the financial sector.

At the level of the individual group entities, the approach to lobbying can vary due to their different business models and strategic focus. Key topics for UMH include regulation of European financial markets, personal

[illegible]

5 Annex

5.1 Template 0: Summary of KPIs to be disclosed by credit institutions under article 8 of the Taxonomy Regulation

SUMMARY OF KPIS TO BE DISCLOSED BY CREDIT INSTITUTIONS UNDER ARTICLE 8 OF THE TAXONOMY REGULATION (2024)

		Total environmentally sustainable assets	KPI ⁴	KPI ⁵ (over total assets) ³	% coverage (article 7 (2) and (3), and section 1.1.2 of annex V)	% of assets excluded from the numerator of the GAR (article 7 (2) and (3), and section 1.1.2 of annex V)	% of assets excluded from the denominator of the GAR (article 7 (1) and section 1.2.4 of annex V)
Main KPI	Green asset ratio (GAR) stock		0.50%	0.66%	32.17%	46.48%	21.35%
		Total environmentally sustainable assets	KPI ⁴	KPI ⁵ (over total assets) ³	% coverage (article 7 (2) and (3), and section 1.1.2 of annex V)	% of assets excluded from the numerator of the GAR (article 7 (2) and (3), and section 1.1.2 of annex V)	% of assets excluded from the denominator of the GAR (article 7 (1) and section 1.2.4 of annex V)
Additional KPIs	GAR (flow)		2.03%	2.93%	6.14%	72.51%	21.35%
	Trading book ¹		-	-	-	-	-
	Financial guarantees		5.90%	9.47%	-	-	-
	Assets under management		3.45%	5.89%	-	-	-
	Fee and commission income ²		-	-	-	-	-

¹ For credit institutions that do not meet the requirements of article 94 (1) or article 325a (1) of the Capital Requirements Regulation (CRR).

² Fee and commission income from services other than lending and AuM. Institutions shall disclose forward-looking information for this KPI, including information in terms of targets, together with relevant explanations on the methodology applied.

³ Percentage of assets covered by the KPI over banks' total assets.

⁴ Based on the revenue KPI of the counterparty.

⁵ Based on the CapEx KPI of the counterparty, except for lending activities; the revenue KPI is used for general lending.

5.2 Template 1: Assets for the calculation of GAR stock and GAR flow

5.2.1 Assets for the calculation of GAR stock (revenue-based)

ASSETS FOR THE CALCULATION OF GAR STOCK (REVENUE-BASED) (SECTIONS A–F)

	a	b	c	d	e	f
	Total [gross] carrying amount	Of which taxonomy -eligible	Of which taxonomy -aligned	Breakdown per environmental objective		
				Climate change mitigation (CCM)	Climate change adaptation (CCA)	Water and marine resources (WTR)
€ million						
1 GAR – covered assets in both numerator and denominator	193,865	86,265	5,975	5,925	26	1
2 Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation	193,865	86,265	5,975	5,925	26	1
3 Financial undertakings	66,853	15,234	894	867	26	-
4 Loans and advances	45,344	9,535	224	215	9	-
5 Debt securities, including UoP	21,398	5,672	669	651	18	-
6 Equity instruments	110	26	1	1	-	-
7 Non-financial undertakings	8,934	3,905	1,210	1,187	-	1
8 Loans and advances	7,452	2,651	838	815	-	1
9 Debt securities, including UoP	1,482	1,254	372	372	-	-
10 Equity instruments	-	-	-	-	-	-
11 Households	99,736	67,126	3,871	3,871	-	-
12 of which loans collateralized by residential immovable property	76,600	61,051	3,805	3,805	-	-
13 of which building renovation loans	13,146	12,810	61	61	-	-
14 of which motor vehicle loans	-	-	-	-	-	-
15 Local government financing	18,342	-	-	-	-	-
16 Housing financing	-	-	-	-	-	-
17 Other local government financing	18,342	-	-	-	-	-
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-
19 Exposures included on a voluntary basis³	-	-	-	-	-	-
20 Total GAR assets	193,865					
21 Assets not included in the calculation of GAR	349,764					
22 Central governments and supranational issuers	14,369					
23 Central bank exposures	77,125					
24 Trading book	16,627					
25 Undertakings and entities not subject to CSRD	203,151					
26 SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	182,852					
27 Loans and advances	170,963					
28 of which loans collateralized by commercial immovable property	31,125					
29 of which building renovation loans	1,311					
30 Debt securities	7,934					
31 Equity instruments	3,956					
32 Non-EU country counterparties not subject to CSRD disclosure obligations	20,299					
33 Loans and advances	13,959					
34 Debt securities	6,339					
35 Equity instruments	2					
36 Derivatives	14,095					
37 On demand interbank loans	10,443					
38 Cash and cash-related assets	394					
39 Other categories of assets (e.g. goodwill, commodities etc.)	13,560					
40 Total assets	543,628					
Off-balance-sheet exposures (stock) to undertakings subject to CSRD disclosure obligations and local governments						
41 Financial guarantees	2,369	327	116	104	4	-
42 Assets under management	75,405	23,919	8,272	7,607	57	71
43 of which debt securities	40,307	11,910	5,672	5,169	53	67
44 of which equity instruments	35,099	12,010	2,600	2,438	4	4

ASSETS FOR THE CALCULATION OF GAR STOCK (REVENUE-BASED) (SECTIONS G–L)

	g	h	i	j	k	l
	Breakdown per environmental objective			Of which use of proceeds	Of which transition al	Of which enabling
	Circular economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)			
€ million						
1 GAR – covered assets in both numerator and denominator	19	3	-	3,871	122	648
2 Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation	19	3	-	3,871	122	648
3 Financial undertakings	-	-	-	-	33	39
4 Loans and advances	-	-	-	-	7	12
5 Debt securities, including UoP	-	-	-	-	26	27
6 Equity instruments	-	-	-	-	-	-
7 Non-financial undertakings	19	2	-	-	88	609
8 Loans and advances	19	2	-	-	68	305
9 Debt securities, including UoP	-	-	-	-	21	303
10 Equity instruments	-	-	-	-	-	-
11 Households	-	-	-	3,871	-	-
12 of which loans collateralized by residential immovable property	-	-	-	3,805	-	-
13 of which building renovation loans	-	-	-	61	-	-
14 of which motor vehicle loans	-	-	-	-	-	-
15 Local government financing	-	-	-	-	-	-
16 Housing financing	-	-	-	-	-	-
17 Other local government financing	-	-	-	-	-	-
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-
19 Exposures included on a voluntary basis³	-	-	-	-	-	-
20 Total GAR assets						
21 Assets not included in the calculation of GAR						
22 Central governments and supranational issuers						
23 Central bank exposures						
24 Trading book						
25 Undertakings and entities not subject to CSRD						
26 SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations						
27 Loans and advances						
28 of which loans collateralized by commercial immovable property						
29 of which building renovation loans						
30 Debt securities						
31 Equity instruments						
32 Non-EU country counterparties not subject to CSRD disclosure obligations						
33 Loans and advances						
34 Debt securities						
35 Equity instruments						
36 Derivatives						
37 On demand interbank loans						
38 Cash and cash-related assets						
39 Other categories of assets (e.g. goodwill, commodities etc.)						
40 Total assets						
Off-balance-sheet exposures (stock) to undertakings subject to CSRD disclosure obligations and local governments						
41 Financial guarantees	7	-	-	-	2	51
42 Assets under management	362	119	55	2,020	504	3,321
43 of which debt securities	214	113	55	2,020	441	1,499
44 of which equity instruments	148	6	-	-	63	1,822

ASSETS FOR THE CALCULATION OF GAR STOCK (REVENUE-BASED) (SECTIONS M-P)

	m	n	o	P
	Non-assessed exposures	Of which financing non-material activities of counter-parties¹	Of which exposures financing counter-parties reporting in accordance with Article 7 (9)	Of which not assessed considered non-material by the credit institution²
€ million				
1 GAR – covered assets in both numerator and denominator	-	-	-	-
2 Loans and advances, debt securities, and equity instruments not Hft eligible for GAR calculation	-	-	-	-
3 Financial undertakings	-	-	-	-
4 Loans and advances	-	-	-	-
5 Debt securities, including UoP	-	-	-	-
6 Equity instruments	-	-	-	-
7 Non-financial undertakings	-	-		-
8 Loans and advances	-	-		-
9 Debt securities, including UoP	-	-		-
10 Equity instruments	-	-		-
11 Households	-	-		-
12 of which loans collateralized by residential immovable property	-	-		-
13 of which building renovation loans	-	-		-
14 of which motor vehicle loans	-	-		-
15 Local government financing	-	-		-
16 Housing financing	-	-		-
17 Other local government financing	-	-		-
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-		-
19 Exposures included on a voluntary basis³	-	-		-
20 Total GAR assets	-	-	-	-
21 Assets not included in the calculation of GAR				
22 Central governments and supranational issuers				
23 Central bank exposures				
24 Trading book				
25 Undertakings and entities not subject to CSRD				
26 SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations				
27 Loans and advances				
28 of which loans collateralized by commercial immovable property				
29 of which building renovation loans				
30 Debt securities				
31 Equity instruments				
32 Non-EU country counterparties not subject to CSRD disclosure obligations				
33 Loans and advances				
34 Debt securities				
35 Equity instruments				
36 Derivatives				
37 On demand interbank loans				
38 Cash and cash-related assets				
39 Other categories of assets (e.g. goodwill, commodities etc.)				
40 Total assets				
Off-balance-sheet exposures (stock) to undertakings subject to CSRD disclosure obligations and local governments				
41 Financial guarantees	-	-	-	-
42 Assets under management	-	-	-	-
43 of which debt securities	-	-	-	-
44 of which equity instruments	-	-	-	-

1 In accordance with Article 7 (8) letters a and b of this Regulation.

2 In accordance with Article 4 (1a) of this Regulation.

3 In accordance with Article 7 (3) of this Regulation.

Explanatory notes:

1. The following reporting categories for financial assets must be included: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, long-term equity investments in subsidiaries, joint ventures, and associates, financial assets measured at fair value through profit or loss, and financial assets not held for trading that must be measured at fair value through profit or loss, as well as real estate collateral that credit institutions acquire through repossession in exchange for canceling debts.
2. Credit institutions shall duplicate this template for reporting on stocks for the calculation of GAR stock and reporting on new assets for the calculation of GAR flow.
3. Credit institutions shall duplicate this template for revenue-based and CapEx-based disclosures.

5.2.2 Assets for the calculation of GAR flow (revenue-based)

ASSETS FOR THE CALCULATION OF GAR FLOW (REVENUE-BASED) (SECTIONS A–F)

	a	b	c	d	e	f
	Total [gross] carrying amount	Of which taxonomy -eligible	Of which taxonomy -aligned	Breakdown per environmental objective		
				Climate change mitigation (CCM)	Climate change adaptation (CCA)	Water and marine resources (WTR)
€ million						
1 GAR – covered assets in both numerator and denominator	37,143	10,610	720	711	1	-
2 Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation	37,143	10,610	720	711	1	-
3 Financial undertakings	18,619	3,086	243	242	1	-
4 Loans and advances	15,149	1,915	125	124	1	-
5 Debt securities, including UoP	3,469	1,171	118	118	-	-
6 Equity instruments	-	-	-	-	-	-
7 Non-financial undertakings	3,272	859	215	208	-	-
8 Loans and advances	2,982	608	184	177	-	-
9 Debt securities, including UoP	290	251	31	31	-	-
10 Equity instruments	-	-	-	-	-	-
11 Households	12,092	6,664	262	262	-	-
12 of which loans collateralized by residential immovable property	5,340	4,515	260	260	-	-
13 of which building renovation loans	2,716	2,716	25	25	-	-
14 of which motor vehicle loans	-	-	-	-	-	-
15 Local government financing	3,160	-	-	-	-	-
16 Housing financing	-	-	-	-	-	-
17 Other local government financing	3,160	-	-	-	-	-
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-
19 Exposures included on a voluntary basis³	-	-	-	-	-	-
20 Total GAR assets	37,143					
21 Assets not included in the calculation of GAR	-36,523					
22 Central governments and supranational issuers	1,398					
23 Central bank exposures	-11,345					
24 Trading book	2,129					
25 Undertakings and entities not subject to CSRD	-12,043					
26 SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	-8,321					
27 Loans and advances	-5,241					
28 of which loans collateralized by commercial immovable property	-798					
29 of which building renovation loans	-20					
30 Debt securities	-4,005					
31 Equity instruments	926					
32 Non-EU country counterparties not subject to CSRD disclosure obligations	-3,722					
33 Loans and advances	-117					
34 Debt securities	-3,602					
35 Equity instruments	-3					
36 Derivatives	-2,960					
37 On demand interbank loans	4,655					
38 Cash and cash-related assets	-52					
39 Other categories of assets (e.g. goodwill, commodities etc.)	-18,305					
40 Total assets	620					
Off-balance-sheet exposures (stock) to undertakings subject to CSRD disclosure obligations and local governments						
41 Financial guarantees	233	14	4	4	-	-
42 Assets under management	7,714	2,560	811	754	5	3
43 of which debt securities	5,388	1,778	636	589	5	3
44 of which equity instruments	2,326	781	175	166	1	-

ASSETS FOR THE CALCULATION OF GAR FLOW (REVENUE-BASED) (SECTIONS G-L)

	g	h	i	j	k	l
	Breakdown per environmental objective			Of which use of proceeds	Of which transitional	Of which enabling
	Circular economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)			
€ million						
1 GAR – covered assets in both numerator and denominator	7	-	-	262	39	111
2 Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation	7	-	-	262	39	111
3 Financial undertakings	-	-	-	-	9	8
4 Loans and advances	-	-	-	-	4	4
5 Debt securities, including UoP	-	-	-	-	5	3
6 Equity instruments	-	-	-	-	-	-
7 Non-financial undertakings	7	-	-	-	30	103
8 Loans and advances	7	-	-	-	29	74
9 Debt securities, including UoP	-	-	-	-	1	29
10 Equity instruments	-	-	-	-	-	-
11 Households	-	-	-	262	-	-
12 of which loans collateralized by residential immovable property	-	-	-	260	-	-
13 of which building renovation loans	-	-	-	25	-	-
14 of which motor vehicle loans	-	-	-	-	-	-
15 Local government financing	-	-	-	-	-	-
16 Housing financing	-	-	-	-	-	-
17 Other local government financing	-	-	-	-	-	-
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-
19 Exposures included on a voluntary basis³	-	-	-	-	-	-
20 Total GAR assets						
21 Assets not included in the calculation of GAR						
22 Central governments and supranational issuers						
23 Central bank exposures						
24 Trading book						
25 Undertakings and entities not subject to CSRD						
26 SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations						
27 Loans and advances						
28 of which loans collateralized by commercial immovable property						
29 of which building renovation loans						
30 Debt securities						
31 Equity instruments						
32 Non-EU country counterparties not subject to CSRD disclosure obligations						
33 Loans and advances						
34 Debt securities						
35 Equity instruments						
36 Derivatives						
37 On demand interbank loans						
38 Cash and cash-related assets						
39 Other categories of assets (e.g. goodwill, commodities etc.)						
40 Total assets						
Off-balance-sheet exposures (stock) to undertakings subject to CSRD disclosure obligations and local governments						
41 Financial guarantees	-	-	-	-	-	3
42 Assets under management	41	7	1	171	64	320
43 of which debt securities	33	6	1	171	58	199
44 of which equity instruments	8	1	-	-	6	121

ASSETS FOR THE CALCULATION OF GAR FLOW (REVENUE-BASED) (SECTIONS M–P)

	m	n	o	P
	Non-assessed exposures	Of which financing non-material activities of counter-parties ¹	Of which exposures financing counter-parties reporting in accordance with Article 7 (9)	Of which not assessed considered non-material by the credit institution ²
€ million				
1 GAR – covered assets in both numerator and denominator	-	-	-	-
2 Loans and advances, debt securities, and equity instruments not Hft eligible for GAR calculation	-	-	-	-
3 Financial undertakings	-	-	-	-
4 Loans and advances	-	-	-	-
5 Debt securities, including UoP	-	-	-	-
6 Equity instruments	-	-	-	-
7 Non-financial undertakings	-	-		-
8 Loans and advances	-	-		-
9 Debt securities, including UoP	-	-		-
10 Equity instruments	-	-		-
11 Households	-	-		-
12 of which loans collateralized by residential immovable property	-	-		-
13 of which building renovation loans	-	-		-
14 of which motor vehicle loans	-	-		-
15 Local government financing	-	-		-
16 Housing financing	-	-		-
17 Other local government financing	-	-		-
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-		-
19 Exposures included on a voluntary basis³	-	-		-
20 Total GAR assets	-	-	-	-
21 Assets not included in the calculation of GAR				
22 Central governments and supranational issuers				
23 Central bank exposures				
24 Trading book				
25 Undertakings and entities not subject to CSRD				
26 SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations				
27 Loans and advances				
28 of which loans collateralized by commercial immovable property				
29 of which building renovation loans				
30 Debt securities				
31 Equity instruments				
32 Non-EU country counterparties not subject to CSRD disclosure obligations				
33 Loans and advances				
34 Debt securities				
35 Equity instruments				
36 Derivatives				
37 On demand interbank loans				
38 Cash and cash-related assets				
39 Other categories of assets (e.g. goodwill, commodities etc.)				
40 Total assets				
Off-balance-sheet exposures (stock) to undertakings subject to CSRD disclosure obligations and local governments				
41 Financial guarantees	-	-	-	-
42 Assets under management	-	-	-	-
43 of which debt securities	-	-	-	-
44 of which equity instruments	-	-	-	-

1 In accordance with Article 7 (8) letters a and b of this Regulation.

2 In accordance with Article 4 (1a) of this Regulation.

3 In accordance with Article 7 (3) of this Regulation.

Explanatory notes:

1. The following reporting categories for financial assets must be included: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, long-term equity investments in subsidiaries, joint ventures, and associates, financial assets measured at fair value through profit or loss, and financial assets not held for trading that must be measured at fair value through profit or loss, as well as real estate collateral that credit institutions acquire through repossession in exchange for canceling debts.
2. Credit institutions shall duplicate this template for reporting on stocks for the calculation of GAR stock and reporting on new assets for the calculation of GAR flow.
3. Credit institutions shall duplicate this template for revenue-based and CapEx-based disclosures.

5.2.3 Assets for the calculation of GAR stock (CapEx-based)

ASSETS FOR THE CALCULATION OF GAR STOCK (CAPEX-BASED) (SECTIONS A–F)

	a	b	c	d	e	f
	Total [gross] carrying amount	Of which taxonomy -eligible	Of which taxonomy -aligned	Breakdown per environmental objective		
				Climate change mitigation (CCM)	Climate change adaptation (CCA)	Water and marine resources (WTR)
€ million						
1 GAR – covered assets in both numerator and denominator	193,865	91,010	6,805	6,749	33	2
2 Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation	193,865	91,010	6,805	6,749	33	2
3 Financial undertakings	66,853	18,321	948	922	26	-
4 Loans and advances	45,344	12,525	256	247	8	-
5 Debt securities, including UoP	21,398	5,769	692	674	18	-
6 Equity instruments	110	27	1	1	-	-
7 Non-financial undertakings	8,934	5,563	1,986	1,957	7	2
8 Loans and advances	7,452	4,223	1,419	1,394	3	2
9 Debt securities, including UoP	1,482	1,341	567	563	4	-
10 Equity instruments	-	-	-	-	-	-
11 Households	99,736	67,126	3,871	3,871	-	-
12 of which loans collateralized by residential immovable property	76,600	61,051	3,805	3,805	-	-
13 of which building renovation loans	13,146	12,810	61	61	-	-
14 of which motor vehicle loans	-	-	-	-	-	-
15 Local government financing	18,342	-	-	-	-	-
16 Housing financing	-	-	-	-	-	-
17 Other local government financing	18,342	-	-	-	-	-
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-
19 Exposures included on a voluntary basis³	-	-	-	-	-	-
20 Total GAR assets	193,865					
21 Assets not included in the calculation of GAR	349,764					
22 Central governments and supranational issuers	14,369					
23 Central bank exposures	77,125					
24 Trading book	16,627					
25 Undertakings and entities not subject to CSRD	203,151					
26 SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	182,852					
27 Loans and advances	170,963					
28 of which loans collateralized by commercial immovable property	31,125					
29 of which building renovation loans	1,311					
30 Debt securities	7,934					
31 Equity instruments	3,956					
32 Non-EU country counterparties not subject to CSRD disclosure obligations	20,299					
33 Loans and advances	13,959					
34 Debt securities	6,339					
35 Equity instruments	2					
36 Derivatives	14,095					
37 On demand interbank loans	10,443					
38 Cash and cash-related assets	394					
39 Other categories of assets (e.g. goodwill, commodities etc.)	13,560					
40 Total assets	543,628					
Off-balance-sheet exposures (stock) to undertakings subject to CSRD disclosure obligations and local governments						
41 Financial guarantees	2,369	474	204	190	4	3
42 Assets under management	75,405	28,951	12,492	11,845	156	78
43 of which debt securities	40,307	14,487	7,879	7,353	105	76
44 of which equity instruments	35,099	14,464	4,613	4,492	51	2

ASSETS FOR THE CALCULATION OF GAR STOCK (CAPEX-BASED) (SECTIONS G–L)

	g	h	i	j	k	l
	Breakdown per environmental objective			Of which use of proceeds	Of which transitional	Of which enabling
	Circular economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)			
€ million						
1 GAR – covered assets in both numerator and denominator	16	4	-	3,976	163	1,077
2 Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation	16	4	-	3,976	163	1,077
3 Financial undertakings	-	-	-	-	32	58
4 Loans and advances	-	-	-	-	10	21
5 Debt securities, including UoP	-	-	-	-	22	37
6 Equity instruments	-	-	-	-	-	-
7 Non-financial undertakings	16	4	-	105	131	1,019
8 Loans and advances	16	4	-	105	99	527
9 Debt securities, including UoP	-	-	-	-	31	492
10 Equity instruments	-	-	-	-	-	-
11 Households	-	-	-	3,871	-	-
12 of which loans collateralized by residential immovable property	-	-	-	3,805	-	-
13 of which building renovation loans	-	-	-	61	-	-
14 of which motor vehicle loans	-	-	-	-	-	-
15 Local government financing	-	-	-	-	-	-
16 Housing financing	-	-	-	-	-	-
17 Other local government financing	-	-	-	-	-	-
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-
19 Exposures included on a voluntary basis³	-	-	-	-	-	-
20 Total GAR assets						
21 Assets not included in the calculation of GAR						
22 Central governments and supranational issuers						
23 Central bank exposures						
24 Trading book						
25 Undertakings and entities not subject to CSRD						
26 SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations						
27 Loans and advances						
28 of which loans collateralized by commercial immovable property						
29 of which building renovation loans						
30 Debt securities						
31 Equity instruments						
32 Non-EU country counterparties not subject to CSRD disclosure obligations						
33 Loans and advances						
34 Debt securities						
35 Equity instruments						
36 Derivatives						
37 On demand interbank loans						
38 Cash and cash-related assets						
39 Other categories of assets (e.g. goodwill, commodities etc.)						
40 Total assets						
Off-balance-sheet exposures (stock) to undertakings subject to CSRD disclosure obligations and local governments						
41 Financial guarantees	6	-	-	-	1	105
42 Assets under management	229	129	55	2,020	980	4,985
43 of which debt securities	168	123	55	2,020	657	2,269
44 of which equity instruments	61	7	-	-	323	2,717

ASSETS FOR THE CALCULATION OF GAR STOCK (CAPEX-BASED) (SECTIONS M–P)

	m	n	o	P
	Non-assessed exposures	Of which financing non-material activities of counter-parties¹	Of which exposures financing counter-parties reporting in accordance with Article 7 (9)	Of which not assessed considered non-material by the credit institution²
€ million				
1 GAR – covered assets in both numerator and denominator	-	-	-	-
2 Loans and advances, debt securities, and equity instruments not Hft eligible for GAR calculation	-	-	-	-
3 Financial undertakings	-	-	-	-
4 Loans and advances	-	-	-	-
5 Debt securities, including UoP	-	-	-	-
6 Equity instruments	-	-	-	-
7 Non-financial undertakings	-	-		-
8 Loans and advances	-	-		-
9 Debt securities, including UoP	-	-		-
10 Equity instruments	-	-		-
11 Households	-	-		-
12 of which loans collateralized by residential immovable property	-	-		-
13 of which building renovation loans	-	-		-
14 of which motor vehicle loans	-	-		-
15 Local government financing	-	-		-
16 Housing financing	-	-		-
17 Other local government financing	-	-		-
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-		-
19 Exposures included on a voluntary basis³	-	-		-
20 Total GAR assets	-	-	-	-
21 Assets not included in the calculation of GAR				
22 Central governments and supranational issuers				
23 Central bank exposures				
24 Trading book				
25 Undertakings and entities not subject to CSRD				
26 SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations				
27 Loans and advances				
28 of which loans collateralized by commercial immovable property				
29 of which building renovation loans				
30 Debt securities				
31 Equity instruments				
32 Non-EU country counterparties not subject to CSRD disclosure obligations				
33 Loans and advances				
34 Debt securities				
35 Equity instruments				
36 Derivatives				
37 On demand interbank loans				
38 Cash and cash-related assets				
39 Other categories of assets (e.g. goodwill, commodities etc.)				
40 Total assets				
Off-balance-sheet exposures (stock) to undertakings subject to CSRD disclosure obligations and local governments				
41 Financial guarantees	-	-	-	-
42 Assets under management	-	-	-	-
43 of which debt securities	-	-	-	-
44 of which equity instruments	-	-	-	-

1 In accordance with Article 7 (8) letters a and b of this Regulation.

2 In accordance with Article 4 (1a) of this Regulation.

3 In accordance with Article 7 (3) of this Regulation.

Explanatory notes:

1. The following reporting categories for financial assets must be included: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, long-term equity investments in subsidiaries, joint ventures, and associates, financial assets measured at fair value through profit or loss, and financial assets not held for trading that must be measured at fair value through profit or loss, as well as real estate collateral that credit institutions acquire through repossession in exchange for canceling debts.
2. Credit institutions shall duplicate this template for reporting on stocks for the calculation of GAR stock and reporting on new assets for the calculation of GAR flow.
3. Credit institutions shall duplicate this template for revenue-based and CapEx-based disclosures.

5.2.4 Assets for the calculation of GAR flow (CapEx-based)

ASSETS FOR THE CALCULATION OF GAR FLOW (CAPEX-BASED) (SECTIONS A–F)

	a	b	c	d	e	f
	Total [gross] carrying amount	Of which taxonomy -eligible	Of which taxonomy -aligned	Breakdown per environmental objective		
				Climate change mitigation (CCM)	Climate change adaptation (CCA)	Water and marine resources (WTR)
€ million						
1 GAR – covered assets in both numerator and denominator	37,143	14,180	1,082	1,072	2	-
2 Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation	37,143	14,180	1,082	1,072	2	-
3 Financial undertakings	18,619	5,728	279	278	1	-
4 Loans and advances	15,149	4,559	158	157	1	-
5 Debt securities, including UoP	3,469	1,169	121	121	-	-
6 Equity instruments	-	-	-	-	-	-
7 Non-financial undertakings	3,272	1,789	541	532	1	-
8 Loans and advances	2,982	1,516	463	454	1	-
9 Debt securities, including UoP	290	273	78	78	-	-
10 Equity instruments	-	-	-	-	-	-
11 Households	12,092	6,664	262	262	-	-
12 of which loans collateralized by residential immovable property	5,340	4,515	260	260	-	-
13 of which building renovation loans	2,716	2,716	25	25	-	-
14 of which motor vehicle loans	-	-	-	-	-	-
15 Local government financing	3,160	-	-	-	-	-
16 Housing financing	-	-	-	-	-	-
17 Other local government financing	3,160	-	-	-	-	-
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-
19 Exposures included on a voluntary basis³	-	-	-	-	-	-
20 Total GAR assets	37,143					
21 Assets not included in the calculation of GAR	-36,523					
22 Central governments and supranational issuers	1,398					
23 Central bank exposures	-11,345					
24 Trading book	2,129					
25 Undertakings and entities not subject to CSRD	-12,043					
26 SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	-8,321					
27 Loans and advances	-5,241					
28 of which loans collateralized by commercial immovable property	-798					
29 of which building renovation loans	-20					
30 Debt securities	-4,005					
31 Equity instruments	926					
32 Non-EU country counterparties not subject to CSRD disclosure obligations	-3,722					
33 Loans and advances	-117					
34 Debt securities	-3,602					
35 Equity instruments	-3					
36 Derivatives	-2,960					
37 On demand interbank loans	4,655					
38 Cash and cash-related assets	-52					
39 Other categories of assets (e.g. goodwill, commodities etc.)	-18,305					
40 Total assets	620					
Off-balance-sheet exposures (stock) to undertakings subject to CSRD disclosure obligations and local governments						
41 Financial guarantees	233	52	7	7	-	-
42 Assets under management	7,714	3,009	1,255	1,198	16	3
43 of which debt securities	5,388	2,126	953	903	14	3
44 of which equity instruments	2,326	883	302	296	2	-

ASSETS FOR THE CALCULATION OF GAR FLOW (CAPEX-BASED) (SECTIONS G–L)

	g	h	i	j	k	l
	Breakdown per environmental objective			Of which use of proceeds	Of which transitional	Of which enabling
	Circular economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)			
€ million						
1 GAR – covered assets in both numerator and denominator	9	-	-	262	52	267
2 Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation	9	-	-	262	52	267
3 Financial undertakings	-	-	-	-	10	13
4 Loans and advances	-	-	-	-	5	8
5 Debt securities, including UoP	-	-	-	-	5	5
6 Equity instruments	-	-	-	-	-	-
7 Non-financial undertakings	9	-	-	-	41	254
8 Loans and advances	9	-	-	-	33	188
9 Debt securities, including UoP	-	-	-	-	8	67
10 Equity instruments	-	-	-	-	-	-
11 Households	-	-	-	262	-	-
12 of which loans collateralized by residential immovable property	-	-	-	260	-	-
13 of which building renovation loans	-	-	-	25	-	-
14 of which motor vehicle loans	-	-	-	-	-	-
15 Local government financing	-	-	-	-	-	-
16 Housing financing	-	-	-	-	-	-
17 Other local government financing	-	-	-	-	-	-
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-
19 Exposures included on a voluntary basis³	-	-	-	-	-	-
20 Total GAR assets						
21 Assets not included in the calculation of GAR						
22 Central governments and supranational issuers						
23 Central bank exposures						
24 Trading book						
25 Undertakings and entities not subject to CSRD						
26 SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations						
27 Loans and advances						
28 of which loans collateralized by commercial immovable property						
29 of which building renovation loans						
30 Debt securities						
31 Equity instruments						
32 Non-EU country counterparties not subject to CSRD disclosure obligations						
33 Loans and advances						
34 Debt securities						
35 Equity instruments						
36 Derivatives						
37 On demand interbank loans						
38 Cash and cash-related assets						
39 Other categories of assets (e.g. goodwill, commodities etc.)						
40 Total assets						
Off-balance-sheet exposures (stock) to undertakings subject to CSRD disclosure obligations and local governments						
41 Financial guarantees	-	-	-	-	-	3
42 Assets under management	30	7	1	171	111	457
43 of which debt securities	26	7	1	171	91	291
44 of which equity instruments	4	1	-	-	21	166

ASSETS FOR THE CALCULATION OF GAR FLOW (CAPEX-BASED) (SECTIONS M-P)

	m	n	o	P
	Non-assessed exposures	Of which financing non-material activities of counter-parties ¹	Of which exposures financing counter-parties reporting in accordance with Article 7 (9)	Of which not assessed considered non-material by the credit institution ²
€ million				
1 GAR – covered assets in both numerator and denominator	-	-	-	-
2 Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation	-	-	-	-
3 Financial undertakings	-	-	-	-
4 Loans and advances	-	-	-	-
5 Debt securities, including UoP	-	-	-	-
6 Equity instruments	-	-	-	-
7 Non-financial undertakings	-	-		-
8 Loans and advances	-	-		-
9 Debt securities, including UoP	-	-		-
10 Equity instruments	-	-		-
11 Households	-	-		-
12 of which loans collateralized by residential immovable property	-	-		-
13 of which building renovation loans	-	-		-
14 of which motor vehicle loans	-	-		-
15 Local government financing	-	-		-
16 Housing financing	-	-		-
17 Other local government financing	-	-		-
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-		-
19 Exposures included on a voluntary basis³	-	-		-
20 Total GAR assets	-	-	-	-
21 Assets not included in the calculation of GAR				
22 Central governments and supranational issuers				
23 Central bank exposures				
24 Trading book				
25 Undertakings and entities not subject to CSRD				
26 SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations				
27 Loans and advances				
28 of which loans collateralized by commercial immovable property				
29 of which building renovation loans				
30 Debt securities				
31 Equity instruments				
32 Non-EU country counterparties not subject to CSRD disclosure obligations				
33 Loans and advances				
34 Debt securities				
35 Equity instruments				
36 Derivatives				
37 On demand interbank loans				
38 Cash and cash-related assets				
39 Other categories of assets (e.g. goodwill, commodities etc.)				
40 Total assets				
Off-balance-sheet exposures (stock) to undertakings subject to CSRD disclosure obligations and local governments				
41 Financial guarantees	-	-	-	-
42 Assets under management	-	-	-	-
43 of which debt securities	-	-	-	-
44 of which equity instruments	-	-	-	-

1 In accordance with Article 7 (8) letters a and b of this Regulation.

2 In accordance with Article 4 (1a) of this Regulation.

3 In accordance with Article 7 (3) of this Regulation.

Explanatory notes:

1. The following reporting categories for financial assets must be included: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, long-term equity investments in subsidiaries, joint ventures, and associates, financial assets measured at fair value through profit or loss, and financial assets not held for trading that must be measured at fair value through profit or loss, as well as real estate collateral that credit institutions acquire through repossession in exchange for canceling debts.
2. Credit institutions shall duplicate this template for reporting on stocks for the calculation of GAR stock and reporting on new assets for the calculation of GAR flow.
3. Credit institutions shall duplicate this template for revenue-based and CapEx-based disclosures.

5.3 Template 2: GAR sector information

5.3.1 GAR sector information (revenue-based)

GAR SECTOR INFORMATION (REVENUE-BASED) (SECTIONS A–D)

a	b	c	d
	Total [gross] carrying amount	Of which taxonomy- eligible	Of which taxonomy- aligned
Breakdown by sector – NACE 4-digit level (code and description)			
1 Manufacture of motor vehicles [29.10]	1,136	975	102
2 Production of electricity [35.11]	806	431	404
3 Reinsurance [65.20]	698	53	23
4 Wholesale of grain, unmanufactured tobacco, seeds and animal feeds [46.21]	365	26	20
5 Postal activities under universal service obligation [53.10]	325	260	72
6 Service activities incidental to air transportation [52.23]	318	89	14
7 Manufacture of industrial gases [20.11]	305	157	1
8 Real estate agencies [68.31]	250	243	59
9 Retail sale via mail order houses or via internet [47.91]	224	6	-
10 Renting and operating of own or leased real estate [68.20]	215	10	-
11 Nuclear activities ¹	10	10	8
12 Fossil gas activities ²	8	8	1
13 Of which non-assessed exposures ³	-		

GAR SECTOR INFORMATION (REVENUE-BASED) (SECTIONS E–J)

a	e	f	g	h	i	j
	Climate change mitigation (CCM)	Climate change adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)
Breakdown by sector – NACE 4-digit level (code and description)						
1 Manufacture of motor vehicles [29.10]	102	-	-	-	-	-
2 Production of electricity [35.11]	404	-	-	-	-	-
3 Reinsurance [65.20]	1	22	-	-	-	-
4 Wholesale of grain, unmanufactured tobacco, seeds and animal feeds [46.21]	20	-	-	-	-	-
5 Postal activities under universal service obligation [53.10]	72	-	-	-	-	-
6 Service activities incidental to air transportation [52.23]	14	-	-	-	-	-
7 Manufacture of industrial gases [20.11]	1	-	-	-	-	-
8 Real estate agencies [68.31]	59	-	-	-	-	-
9 Retail sale via mail order houses or via internet [47.91]	-	-	-	-	-	-
10 Renting and operating of own or leased real estate [68.20]	-	-	-	-	-	-
11 Nuclear activities ¹						
12 Fossil gas activities ²						
13 Of which non-assessed exposures ³						

¹ Relates to Annex I and Annex II, sections 4.26, 4.27, and 4.28 of Delegated Regulation (EU) 2021/2139.

² Relates to Annex I and Annex II, sections 4.29, 4.30, and 4.31 of Delegated Regulation (EU) 2021/2139.

³ In accordance with Article 7 (8) of this Regulation.

Explanatory notes:

1. In this template, credit institutions must disclose information on the top ten exposures in their banking book in the top ten sectors covered by the taxonomy (NACE sectors, four levels of detail), using the relevant NACE codes on the basis of the principal activity of the counterparty.
2. The sector classification of a counterparty shall be based solely on the immediate counterparty. For exposures entered into jointly by several debtors, the classification is based on the characteristics of the debtor the institution regarded as more decisive or more significant when granting the exposures. The classification of joint exposures according to NACE codes is based on the characteristics of the more relevant or more decisive debtor. Institutions shall disclose the NACE code information broken down according to the level demanded in the template.
3. Credit institutions shall duplicate this template for revenue-based and CapEx-based disclosures.

5.3.2 GAR sector information (CapEx-based)

GAR SECTOR INFORMATION (CAPEX-BASED) (SECTIONS A–D)

a	b	c	d
	Total [gross] carrying amount	Of which taxonomy- eligible	Of which taxonomy- aligned
Breakdown by sector – NACE 4-digit level (code and description)			
1 Manufacture of motor vehicles [29.10]	1,136	1,132	297
2 Production of electricity [35.11]	806	762	492
3 Reinsurance [65.20]	698	53	23
4 Wholesale of grain, unmanufactured tobacco, seeds and animal feeds [46.21]	365	169	153
5 Postal activities under universal service obligation [53.10]	325	288	116
6 Service activities incidental to air transportation [52.23]	318	275	31
7 Manufacture of industrial gases [20.11]	305	131	4
8 Real estate agencies [68.31]	250	241	116
9 Retail sale via mail order houses or via internet [47.91]	224	36	-
10 Renting and operating of own or leased real estate [68.20]	215	10	-
11 Nuclear activities ¹	7	7	7
12 Fossil gas activities ²	8	8	1
13 Of which non-assessed exposures ³	-		

GAR SECTOR INFORMATION (CAPEX-BASED) – CAPEX (SECTIONS E–J)

a	e	f	g	h	i	j
	Climate change mitigation (CCM)	Climate change adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)
Breakdown by sector – NACE 4-digit level (code and description)						
1 Manufacture of motor vehicles [29.10]	297	-	-	-	-	-
2 Production of electricity [35.11]	491	1	-	-	-	-
3 Reinsurance [65.20]	2	22	-	-	-	-
4 Wholesale of grain, unmanufactured tobacco, seeds and animal feeds [46.21]	153	-	-	-	-	-
5 Postal activities under universal service obligation [53.10]	111	4	-	-	-	-
6 Service activities incidental to air transportation [52.23]	31	-	-	-	-	-
7 Manufacture of industrial gases [20.11]	4	-	-	-	-	-
8 Real estate agencies [68.31]	116	-	-	-	-	-
9 Retail sale via mail order houses or via internet [47.91]	-	-	-	-	-	-
10 Renting and operating of own or leased real estate [68.20]	-	-	-	-	-	-
11 Nuclear activities ¹						
12 Fossil gas activities ²						
13 Of which non-assessed exposures ³						

¹ Relates to Annex I and Annex II, sections 4.26, 4.27, and 4.28 of Delegated Regulation (EU) 2021/2139.

² Relates to Annex I and Annex II, sections 4.29, 4.30, and 4.31 of Delegated Regulation (EU) 2021/2139.

³ In accordance with Article 7 (8) of this Regulation.

Explanatory notes:

1. In this template, credit institutions must disclose information on the top ten exposures in their banking book in the top ten sectors covered by the taxonomy (NACE sectors, four levels of detail), using the relevant NACE codes on the basis of the principal activity of the counterparty.
2. The sector classification of a counterparty shall be based solely on the immediate counterparty. For exposures entered into jointly by several debtors, the classification is based on the characteristics of the debtor the institution regarded as more decisive or more significant when granting the exposures. The classification of joint exposures according to NACE codes is based on the characteristics of the more relevant or more decisive debtor. Institutions shall disclose the NACE code information broken down according to the level demanded in the template.
3. Credit institutions shall duplicate this template for revenue-based and CapEx-based disclosures.

5.4 Template 3: GAR KPI stock

5.4.1 GAR KPI stock (revenue-based)

GAR KPI STOCK (REVENUE-BASED) (SECTIONS A–B)

	a	b
	Taxonomy-eligible	Taxonomy-aligned
% (compared to corresponding total covered assets in the denominator)		
1 GAR – covered assets in both numerator and denominator	44.50%	3.08%
2 Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation	44.50%	3.08%
3 Financial undertakings	7.86%	0.46%
4 Loans and advances	4.92%	0.12%
5 Debt securities, including UoP	2.93%	0.35%
6 Equity instruments	0.01%	-
7 Non-financial undertakings	2.01%	0.62%
8 Loans and advances	1.37%	0.43%
9 Debt securities, including UoP	0.65%	0.19%
10 Equity instruments	-	-
11 Households	34.63%	2.00%
12 of which loans collateralized by residential immovable property	31.49%	1.96%
13 of which building renovation loans	6.61%	0.03%
14 of which motor vehicle loans	-	-
15 Local government financing	-	-
16 Housing financing	-	-
17 Other local government financing	-	-
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-
19 Exposures included on a voluntary basis²	-	-
20 Total GAR assets	44.50%	3.08%

GAR KPI STOCK (REVENUE-BASED) (SECTIONS C–H)

	c	d	e	f	g	h
	Breakdown per environmental objective					
	Climate change mitigation (CCM)	Climate change adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)
% (compared to corresponding total covered assets in the denominator)						
1 GAR – covered assets in both numerator and denominator	3.06%	0.01%	-	0.01%	-	-
2 Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation	3.06%	0.01%	-	0.01%	-	-
3 Financial undertakings	0.45%	0.01%	-	-	-	-
4 Loans and advances	0.11%	-	-	-	-	-
5 Debt securities, including UoP	0.34%	0.01%	-	-	-	-
6 Equity instruments	-	-	-	-	-	-
7 Non-financial undertakings	0.61%	-	-	0.01%	-	-
8 Loans and advances	0.42%	-	-	0.01%	-	-
9 Debt securities, including UoP	0.19%	-	-	-	-	-
10 Equity instruments	-	-	-	-	-	-
11 Households	2.00%	-		-		
12 of which loans collateralized by residential immovable property	1.96%	-		-		
13 of which building renovation loans	0.03%	-		-		
14 of which motor vehicle loans	-					
15 Local government financing	-	-	-	-	-	-
16 Housing financing	-	-		-		
17 Other local government financing	-	-	-	-	-	-
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-		-		
19 Exposures included on a voluntary basis²	-	-		-		
20 Total GAR assets	3.06%	0.01%	-	0.01%	-	-

GAR KPI STOCK (REVENUE-BASED) (SECTIONS I–M)

	i	j	k	l	m
	Of which use of proceeds	Of which transitional	Of which enabling	Proportion of taxonomy- aligned in taxonomy- eligible	Non- assessed exposures ¹
% (compared to corresponding total covered assets in the denominator)					
1 GAR – covered assets in both numerator and denominator	2.00%	0.06%	0.33%	6.93%	-
2 Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation	2.00%	0.06%	0.33%	6.93%	-
3 Financial undertakings	-	0.02%	0.02%	5.87%	-
4 Loans and advances	-	-	0.01%	2.35%	-
5 Debt securities, including UoP	-	0.01%	0.01%	11.79%	-
6 Equity instruments	-	-	-	3.26%	-
7 Non-financial undertakings	-	0.05%	0.31%	30.98%	-
8 Loans and advances	-	0.03%	0.16%	31.61%	-
9 Debt securities, including UoP	-	0.01%	0.16%	29.67%	-
10 Equity instruments	-	-	-	-	-
11 Households	2.00%	-	-	5.77%	-
12 of which loans collateralized by residential immovable property	1.96%	-	-	6.23%	-
13 of which building renovation loans	0.03%	-	-	0.48%	-
14 of which motor vehicle loans	-	-	-	-	-
15 Local government financing	-	-	-	-	-
16 Housing financing	-	-	-	-	-
17 Other local government financing	-	-	-	-	-
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-
19 Exposures included on a voluntary basis²	-	-	-	-	-
20 Total GAR assets	2.00%	0.06%	0.33%	6.93%	-

¹ In accordance with Article 7 (8) of this Regulation.

² In accordance with Article 7 (3) of this Regulation.

Explanatory notes:

1. In this template, the institution shall disclose the GAR KPIs relating to the stock of exposures, calculated for the covered assets on the basis of the data disclosed in template 1.
2. Credit institutions shall duplicate this template for revenue-based and CapEx-based disclosures.

5.4.2 GAR KPI stock (CapEx-based)

GAR KPI STOCK (CAPEX-BASED) (SECTIONS A–B)

	a	b
	Taxonomy-eligible	Taxonomy-aligned
% (compared to corresponding total covered assets in the denominator)		
1 GAR – covered assets in both numerator and denominator	46.95%	3.51%
2 Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation	46.95%	3.51%
3 Financial undertakings	9.45%	0.49%
4 Loans and advances	6.46%	0.13%
5 Debt securities, including UoP	2.98%	0.36%
6 Equity instruments	0.01%	-
7 Non-financial undertakings	2.87%	1.02%
8 Loans and advances	2.18%	0.73%
9 Debt securities, including UoP	0.69%	0.29%
10 Equity instruments	-	-
11 Households	34.63%	2.00%
12 of which loans collateralized by residential immovable property	31.49%	1.96%
13 of which building renovation loans	6.61%	0.03%
14 of which motor vehicle loans	-	-
15 Local government financing	-	-
16 Housing financing	-	-
17 Other local government financing	-	-
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-
19 Exposures included on a voluntary basis²	-	-
20 Total GAR assets	46.95%	3.51%

GAR KPI STOCK (CAPEX-BASED) (SECTIONS C-H)

	c	d	e	f	g	h
	Breakdown per environmental objective					
% (compared to corresponding total covered assets in the denominator)	Climate change mitigation (CCM)	Climate change adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)
1 GAR – covered assets in both numerator and denominator	3.48%	0.02%	-	0.01%	-	-
2 Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation	3.48%	0.02%	-	0.01%	-	-
3 Financial undertakings	0.48%	0.01%	-	-	-	-
4 Loans and advances	0.13%	-	-	-	-	-
5 Debt securities, including UoP	0.35%	0.01%	-	-	-	-
6 Equity instruments	-	-	-	-	-	-
7 Non-financial undertakings	1.01%	-	-	0.01%	-	-
8 Loans and advances	0.72%	-	-	0.01%	-	-
9 Debt securities, including UoP	0.29%	-	-	-	-	-
10 Equity instruments	-	-	-	-	-	-
11 Households	2.00%	-		-		
12 of which loans collateralized by residential immovable property	1.96%	-		-		
13 of which building renovation loans	0.03%	-		-		
14 of which motor vehicle loans	-					
15 Local government financing	-	-	-	-	-	-
16 Housing financing	-	-		-		
17 Other local government financing	-	-	-	-	-	-
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-		-		
19 Exposures included on a voluntary basis²	-	-		-		
20 Total GAR assets	3.48%	0.02%	-	0.01%	-	-

GAR KPI STOCK (CAPEX-BASED) (SECTIONS I–M)

	i	j	k	l	m
	Of which use of proceeds	Of which transitional	Of which enabling	Proportion of taxonomy- aligned in taxonomy- eligible	Non- assessed exposures ¹
% (compared to corresponding total covered assets in the denominator)					
1 GAR – covered assets in both numerator and denominator	2.05%	0.08%	0.56%	7.48%	-
2 Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation	2.05%	0.08%	0.56%	7.48%	-
3 Financial undertakings	-	0.02%	0.03%	5.18%	-
4 Loans and advances	-	-	0.01%	2.04%	-
5 Debt securities, including UoP	-	0.01%	0.02%	11.99%	-
6 Equity instruments	-	-	-	4.03%	-
7 Non-financial undertakings	0.05%	0.07%	0.53%	35.70%	-
8 Loans and advances	0.05%	0.05%	0.27%	33.60%	-
9 Debt securities, including UoP	-	0.02%	0.25%	42.30%	-
10 Equity instruments	-	-	-	-	-
11 Households	2.00%	-	-	5.77%	-
12 of which loans collateralized by residential immovable property	1.96%	-	-	6.23%	-
13 of which building renovation loans	0.03%	-	-	0.48%	-
14 of which motor vehicle loans	-	-	-	-	-
15 Local government financing	-	-	-	-	-
16 Housing financing	-	-	-	-	-
17 Other local government financing	-	-	-	-	-
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-
19 Exposures included on a voluntary basis²	-	-	-	-	-
20 Total GAR assets	2.05%	0.08%	0.56%	7.48%	-

¹ In accordance with Article 7 (8) of this Regulation.

² In accordance with Article 7 (3) of this Regulation.

Explanatory notes:

1. In this template, the institution shall disclose the GAR KPIs relating to the stock of exposures, calculated for the covered assets on the basis of the data disclosed in template 1.
2. Credit institutions shall duplicate this template for revenue-based and CapEx-based disclosures.

5.5 Template 4: GAR KPI flow

5.5.1 GAR KPI flow (revenue-based)

GAR KPI FLOW (REVENUE-BASED) (SECTIONS A–B)

	a	b
	Taxonomy-eligible	Taxonomy-aligned
% (compared to corresponding total covered assets in the denominator)		
1 GAR – covered assets in both numerator and denominator	28.56%	1.94%
2 Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation	28.56%	1.94%
3 Financial undertakings	8.31%	0.65%
4 Loans and advances	5.16%	0.34%
5 Debt securities, including UoP	3.15%	0.32%
6 Equity instruments	-	-
7 Non-financial undertakings	2.31%	0.58%
8 Loans and advances	1.64%	0.50%
9 Debt securities, including UoP	0.68%	0.08%
10 Equity instruments	-	-
11 Households	17.94%	0.70%
12 of which loans collateralized by residential immovable property	12.16%	0.70%
13 of which building renovation loans	7.31%	0.07%
14 of which motor vehicle loans	-	-
15 Local government financing	-	-
16 Housing financing	-	-
17 Other local government financing	-	-
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-
19 Exposures included on a voluntary basis²	-	-
20 Total GAR assets	28.56%	1.94%

GAR KPI FLOW (REVENUE-BASED) (SECTIONS C-H)

	c	d	e	f	g	h
	Breakdown per environmental objective					
	Climate change mitigation (CCM)	Climate change adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)
% (compared to corresponding total covered assets in the denominator)						
1 GAR – covered assets in both numerator and denominator	1.91%	-	-	0.02%	-	-
2 Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation	1.91%	-	-	0.02%	-	-
3 Financial undertakings	0.65%	-	-	-	-	-
4 Loans and advances	0.33%	-	-	-	-	-
5 Debt securities, including UoP	0.32%	-	-	-	-	-
6 Equity instruments	-	-	-	-	-	-
7 Non-financial undertakings	0.56%	-	-	0.02%	-	-
8 Loans and advances	0.48%	-	-	0.02%	-	-
9 Debt securities, including UoP	0.08%	-	-	-	-	-
10 Equity instruments	-	-	-	-	-	-
11 Households	0.70%	-		-		
12 of which loans collateralized by residential immovable property	0.70%	-		-		
13 of which building renovation loans	0.07%	-		-		
14 of which motor vehicle loans	-					
15 Local government financing	-	-	-	-	-	-
16 Housing financing	-	-		-		
17 Other local government financing	-	-	-	-	-	-
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-		-		
19 Exposures included on a voluntary basis²	-	-		-		
20 Total GAR assets	1.91%	-	-	0.02%	-	-

GAR KPI FLOW (REVENUE-BASED) (SECTIONS I–M)

	i	j	k	l	m
	Of which use of proceeds	Of which transitional	Of which enabling	Proportion of taxonomy- aligned in taxonomy- eligible	Non- assessed exposures ¹
% (compared to corresponding total covered assets in the denominator)					
1 GAR – covered assets in both numerator and denominator	0.70%	0.10%	0.30%	6.78%	-
2 Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation	0.70%	0.10%	0.30%	6.78%	-
3 Financial undertakings	-	0.02%	0.02%	7.87%	-
4 Loans and advances	-	0.01%	0.01%	6.51%	-
5 Debt securities, including UoP	-	0.01%	0.01%	10.08%	-
6 Equity instruments	-	-	-	-	-
7 Non-financial undertakings	-	0.08%	0.28%	25.06%	-
8 Loans and advances	-	0.08%	0.20%	30.29%	-
9 Debt securities, including UoP	-	-	0.08%	12.37%	-
10 Equity instruments	-	-	-	-	-
11 Households	0.70%	-	-	3.93%	-
12 of which loans collateralized by residential immovable property	0.70%	-	-	5.77%	-
13 of which building renovation loans	0.07%	-	-	0.90%	-
14 of which motor vehicle loans	-	-	-	-	-
15 Local government financing	-	-	-	-	-
16 Housing financing	-	-	-	-	-
17 Other local government financing	-	-	-	-	-
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-
19 Exposures included on a voluntary basis²	-	-	-	-	-
20 Total GAR assets	0.70%	0.10%	0.30%	6.78%	-

¹ In accordance with Article 7 (8) of this Regulation.

² In accordance with Article 7 (3) of this Regulation.

Explanatory notes:

1. In this template, institutions shall disclose the GAR KPIs relating to the inflow of new loans and advances, debt securities, equity instruments, and repossessed collateral during the financial year prior to the disclosure reference date, calculated for the covered assets on the basis of the data disclosed in template 1.
2. Credit institutions shall duplicate this template for revenue-based and CapEx-based disclosures.

5.5.2 GAR KPI flow (CapEx-based)

GAR KPI FLOW (CAPEX-BASED) (SECTIONS A–B)

	a	b
	Taxonomy-eligible	Taxonomy-aligned
% (compared to corresponding total covered assets in the denominator)		
1 GAR – covered assets in both numerator and denominator	38.18%	2.91%
2 Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation	38.18%	2.91%
3 Financial undertakings	15.42%	0.75%
4 Loans and advances	12.27%	0.42%
5 Debt securities, including UoP	3.15%	0.33%
6 Equity instruments	-	-
7 Non-financial undertakings	4.82%	1.46%
8 Loans and advances	4.08%	1.25%
9 Debt securities, including UoP	0.73%	0.21%
10 Equity instruments	-	-
11 Households	17.94%	0.70%
12 of which loans collateralized by residential immovable property	12.16%	0.70%
13 of which building renovation loans	7.31%	0.07%
14 of which motor vehicle loans	-	-
15 Local government financing	-	-
16 Housing financing	-	-
17 Other local government financing	-	-
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-
19 Exposures included on a voluntary basis²	-	-
20 Total GAR assets	38.18%	2.91%

GAR KPI FLOW (CAPEX-BASED) (SECTIONS C–H)

	c	d	e	f	g	h
	Breakdown per environmental objective					
	Climate change mitigation (CCM)	Climate change adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)
% (compared to corresponding total covered assets in the denominator)						
1 GAR – covered assets in both numerator and denominator	2.88%	0.01%	-	0.02%	-	-
2 Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation	2.88%	0.01%	-	0.02%	-	-
3 Financial undertakings	0.75%	-	-	-	-	-
4 Loans and advances	0.42%	-	-	-	-	-
5 Debt securities, including UoP	0.33%	-	-	-	-	-
6 Equity instruments	-	-	-	-	-	-
7 Non-financial undertakings	1.43%	-	-	0.02%	-	-
8 Loans and advances	1.22%	-	-	0.02%	-	-
9 Debt securities, including UoP	0.21%	-	-	-	-	-
10 Equity instruments	-	-	-	-	-	-
11 Households	0.70%	-	-	-	-	-
12 of which loans collateralized by residential immovable property	0.70%	-	-	-	-	-
13 of which building renovation loans	0.07%	-	-	-	-	-
14 of which motor vehicle loans	-	-	-	-	-	-
15 Local government financing	-	-	-	-	-	-
16 Housing financing	-	-	-	-	-	-
17 Other local government financing	-	-	-	-	-	-
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-
19 Exposures included on a voluntary basis²	-	-	-	-	-	-
20 Total GAR assets	2.88%	0.01%	-	0.02%	-	-

GAR KPI FLOW (CAPEX-BASED) (SECTIONS I–M)

	i	j	k	l	m
	Of which use of proceeds	Of which transitional	Of which enabling	Proportion of taxonomy- aligned in taxonomy- eligible	Non- assessed exposures ¹
% (compared to corresponding total covered assets in the denominator)					
1 GAR – covered assets in both numerator and denominator	0.70%	0.14%	0.72%	7.63%	-
2 Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation	0.70%	0.14%	0.72%	7.63%	-
3 Financial undertakings	-	0.03%	0.04%	4.87%	-
4 Loans and advances	-	0.01%	0.02%	3.46%	-
5 Debt securities, including UoP	-	0.01%	0.01%	10.39%	-
6 Equity instruments	-	-	-	-	-
7 Non-financial undertakings	-	0.11%	0.68%	30.26%	-
8 Loans and advances	-	0.09%	0.51%	30.54%	-
9 Debt securities, including UoP	-	0.02%	0.18%	28.71%	-
10 Equity instruments	-	-	-	-	-
11 Households	0.70%	-	-	3.93%	-
12 of which loans collateralized by residential immovable property	0.70%	-	-	5.77%	-
13 of which building renovation loans	0.07%	-	-	0.90%	-
14 of which motor vehicle loans	-	-	-	-	-
15 Local government financing	-	-	-	-	-
16 Housing financing	-	-	-	-	-
17 Other local government financing	-	-	-	-	-
18 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-
19 Exposures included on a voluntary basis²	-	-	-	-	-
20 Total GAR assets	0.70%	0.14%	0.72%	7.63%	-

¹ In accordance with Article 7 (8) of this Regulation.

² In accordance with Article 7 (3) of this Regulation.

Explanatory notes:

1. In this template, institutions shall disclose the GAR KPIs relating to the inflow of new loans and advances, debt securities, equity instruments, and repossessed collateral during the financial year prior to the disclosure reference date, calculated for the covered assets on the basis of the data disclosed in template 1.
2. Credit institutions shall duplicate this template for revenue-based and CapEx-based disclosures.

5.6 Template 5: KPI off-balance-sheet exposures – stock and flow

5.6.1 KPI stock off-balance-sheet exposures (revenue-based)

KPI STOCK OFF-BALANCE-SHEET EXPOSURES (REVENUE-BASED) (SECTIONS A–F)

	a	b	c	d	e	f
	Taxonomy-eligible	Taxonomy-aligned	Breakdown per environmental objective			
			Climate change mitigation (CCM)	Climate change adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)
% (compared to corresponding total off-balance-sheet assets)						
1 Financial guarantees (FinGuar KPI)	13.79%	4.90%	4.39%	0.17%	0.02%	0.31%
2 Assets under management (AuM KPI)	31.72%	10.97%	10.09%	0.08%	0.09%	0.48%

KPI STOCK OFF-BALANCE-SHEET EXPOSURES (REVENUE-BASED) (SECTIONS G–L)

	g	h	i	j	k	l
	Breakdown per environmental objective		Of which use of proceeds	Of which transitional	Of which enabling	Non-assessed exposures ¹
	Pollution (PPC)	Biodiversity and ecosystems (BIO)				
% (compared to corresponding total off-balance-sheet assets)						
1 Financial guarantees (FinGuar KPI)	0.01%	-	-	0.07%	2.17%	-
2 Assets under management (AuM KPI)	0.16%	0.07%	2.68%	0.67%	4.40%	-

¹ In accordance with Article 7 (8) of this Regulation.

Explanatory notes:

1. In this template, the institution shall disclose the KPIs relating to off-balance-sheet exposures (financial guarantees and AuM), calculated for the covered assets on the basis of the data disclosed in template 1.
2. The institutions will duplicate this template to disclose the stock and the flow KPIs for off-balance-sheet exposures.
3. Credit institutions shall duplicate this template for revenue-based and CapEx-based disclosures.

5.6.2 KPI flow off-balance-sheet exposures (revenue-based)

KPI FLOW OFF-BALANCE-SHEET EXPOSURES (REVENUE-BASED) (SECTIONS A–F)

	a	b	c	d	e	f
	Taxonomy-eligible	Taxonomy-aligned	Breakdown per environmental objective			
			Climate change mitigation (CCM)	Climate change adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)
% (compared to corresponding total off-balance-sheet assets)						
1 Financial guarantees (FinGuar KPI)	5.92%	1.60%	1.58%	0.01%	-	0.01%
2 Assets under management (AuM KPI)	33.18%	10.52%	9.78%	0.07%	0.04%	0.53%

KPI FLOW OFF-BALANCE-SHEET EXPOSURES (REVENUE-BASED) (SECTIONS G–L)

	g	h	i	j	k	l
	Breakdown per environmental objective		Of which use of proceeds	Of which transitional	Of which enabling	Non-assessed exposures ¹
	Pollution (PPC)	Biodiversity and ecosystems (BIO)				
% (compared to corresponding total off-balance-sheet assets)						
1 Financial guarantees (FinGuar KPI)	-	-	-	-	1.33%	-
2 Assets under management (AuM KPI)	0.09%	0.01%	2.21%	0.84%	4.15%	-

¹ In accordance with Article 7 (8) of this Regulation.

Explanatory notes:

1. In this template, the institution shall disclose the KPIs relating to off-balance-sheet exposures (financial guarantees and AuM), calculated for the covered assets on the basis of the data disclosed in template 1.
2. The institutions will duplicate this template to disclose the stock and the flow KPIs for off-balance-sheet exposures.
3. Credit institutions shall duplicate this template for revenue-based and CapEx-based disclosures.

5.6.3 KPI stock off-balance-sheet exposures (CapEx-based)

KPI STOCK OFF-BALANCE-SHEET EXPOSURES (CAPEX-BASED) (SECTIONS A–F)

	a	b	c	d	e	f
	Taxonomy-eligible	Taxonomy-aligned	Breakdown per environmental objective			
			Climate change mitigation (CCM)	Climate change adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)
% (compared to corresponding total off-balance-sheet assets)						
1 Financial guarantees (FinGuar KPI)	20.02%	8.59%	8.03%	0.15%	0.13%	0.27%
2 Assets under management (AuM KPI)	38.39%	16.57%	15.71%	0.21%	0.10%	0.30%

KPI STOCK OFF-BALANCE-SHEET EXPOSURES (CAPEX-BASED) (SECTIONS G–L)

	g	h	i	j	k	l
	Breakdown per environmental objective		Of which use of proceeds	Of which transitional	Of which enabling	Non-assessed exposures ¹
	Pollution (PPC)	Biodiversity and ecosystems (BIO)				
% (compared to corresponding total off-balance-sheet assets)						
1 Financial guarantees (FinGuar KPI)	0.01%	-	-	0.05%	4.43%	-
2 Assets under management (AuM KPI)	0.17%	0.07%	2.68%	1.30%	6.61%	-

¹ In accordance with Article 7 (8) of this Regulation.

Explanatory notes:

1. In this template, the institution shall disclose the KPIs relating to off-balance-sheet exposures (financial guarantees and AuM), calculated for the covered assets on the basis of the data disclosed in template 1.
2. The institutions will duplicate this template to disclose the stock and the flow KPIs for off-balance-sheet exposures.
3. Credit institutions shall duplicate this template for revenue-based and CapEx-based disclosures.

5.6.4 KPI flow off-balance-sheet exposures (CapEx-based)

KPI FLOW OFF-BALANCE-SHEET EXPOSURES (CAPEX-BASED) (SECTIONS A–F)

	a	b	c	d	e	f
	Taxonomy-eligible	Taxonomy-aligned	Breakdown per environmental objective			
			Climate change mitigation (CCM)	Climate change adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)
% (compared to corresponding total off-balance-sheet assets)						
1 Financial guarantees (FinGuar KPI)	22.24%	3.08%	3.07%	0.01%	-	0.01%
2 Assets under management (AuM KPI)	39.01%	16.27%	15.53%	0.20%	0.05%	0.38%

KPI FLOW OFF-BALANCE-SHEET EXPOSURES (CAPEX-BASED) (SECTIONS G–L)

	g	h	i	j	k	l
	Breakdown per environmental objective		Of which use of proceeds	Of which transitional	Of which enabling	Non-assessed exposures ¹
	Pollution (PPC)	Biodiversity and ecosystems (BIO)				
% (compared to corresponding total off-balance-sheet assets)						
1 Financial guarantees (FinGuar KPI)	-	-	-	-	1.26%	-
2 Assets under management (AuM KPI)	0.09%	0.01%	2.21%	1.44%	5.93%	-

¹ In accordance with Article 7 (8) of this Regulation.

Explanatory notes:

1. In this template, the institution shall disclose the KPIs relating to off-balance-sheet exposures (financial guarantees and AuM), calculated for the covered assets on the basis of the data disclosed in template 1.
2. The institutions will duplicate this template to disclose the stock and the flow KPIs for off-balance-sheet exposures.
3. Credit institutions shall duplicate this template for revenue-based and CapEx-based disclosures.

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Income statement for the period January 1 to December 31, 2025

€ million	(Note)	2025	2024
Net interest income	(33)	3,839	4,670
Interest income		13,832	15,716
Interest income calculated using the effective interest method		12,220	15,533
Interest income not calculated using the effective interest method		1,612	183
Current income and expense		133	127
Interest expense		-10,127	-11,173
Net fee and commission income	(34)	3,370	3,191
Fee and commission income		6,129	5,767
Fee and commission expenses		-2,759	-2,575
Gains and losses on trading activities	(35)	281	-842
Gains and losses on investments	(36)	105	65
Other gains and losses on valuation of financial instruments	(37)	-127	229
Gains and losses from the derecognition of financial assets measured at amortized cost	(38)	28	40
Insurance service result		2,604	1,400
Insurance revenue	(87)	12,970	12,165
Insurance service expenses	(89)	-10,101	-10,548
Net income/expenses from reinsurance contracts held	(89)	-264	-217
Gains and losses on investments held by insurance companies and other insurance company gains and losses	(39)	2,272	5,094
of which interest income calculated using the effective interest method		2,037	1,936
Insurance finance income or expenses	(40)	-2,853	-5,351
Gains and losses from the derecognition of financial assets measured at amortized cost in the insurance business	(41)	-	4
Loss allowances	(42)	-653	-845
Administrative expenses	(43)	-4,804	-4,552
Other net operating income	(44)	219	200
Profit before taxes		4,282	3,303
Income taxes	(45)	-1,402	-913
Net profit		2,880	2,390
Attributable to:			
Shareholders of DZ BANK		2,637	2,221
Non-controlling interests		243	169

Statement of comprehensive income for the period January 1 to December 31, 2025

€ million	(Note)	2025	2024
Net profit		2,880	2,390
Other comprehensive income/loss		406	-16
Items that may be reclassified to the income statement		-345	97
Gains and losses on debt instruments measured at fair value through other comprehensive income	(46)	-1,133	886
Exchange differences on currency translation of foreign operations	(46)	-74	50
Gains and losses on hedges of net investments in foreign operations	(46)	2	-
Insurance finance income or expenses included in other comprehensive income	(46)	966	-829
Share of other comprehensive income/loss of joint ventures and associates accounted for using the equity method	(46)	-11	5
Income taxes	(47)	-94	-16
Items that will not be reclassified to the income statement		751	-112
Gains and losses on equity instruments for which the fair value OCI option has been exercised		719	189
Gains and losses in relation to financial liabilities for which the fair value option has been exercised, attributable to changes in own credit risk		35	-513
Gains and losses arising from remeasurement of defined benefit plans		176	82
Income taxes	(47)	-180	129
Total comprehensive income/loss		3,286	2,374
Attributable to:			
Shareholders of DZ BANK		3,015	2,167
Non-controlling interests		271	208

Balance sheet as at December 31, 2025

ASSETS

€ million	(Note)	Dec. 31, 2025	Dec. 31, 2024
Cash and cash equivalents	(14, 48)	73,978	81,790
Loans and advances to banks	(15, 49)	150,288	143,532
Loans and advances to customers	(15, 50)	210,224	208,688
Hedging instruments (positive fair values)	(16, 51)	875	796
Financial assets held for trading	(17, 52)	29,631	30,441
Investments	(18, 53)	62,885	62,049
Investments held by insurance companies	(54, 59)	125,690	122,625
Property, plant and equipment, investment property, and right-of-use assets	(19, 55, 59)	1,741	1,828
Income tax assets	(20, 56)	4,307	4,899
Other assets	(21, 57, 59)	6,190	7,077
Loss allowances	(22, 58)	-2,874	-2,843
Non-current assets and disposal groups classified as held for sale	(23, 60)	49	68
Fair value changes of the hedged items in portfolio hedges of interest-rate risk		-1,559	-1,310
Total assets		661,425	659,638

EQUITY AND LIABILITIES

€ million	(Note)	Dec. 31, 2025	Dec. 31, 2024
Deposits from banks	(24, 61)	189,844	187,526
Deposits from customers	(24, 62)	148,398	154,103
Debt certificates issued including bonds	(25, 63)	111,452	109,810
Hedging instruments (negative fair values)	(16, 64)	518	659
Financial liabilities held for trading	(17, 65)	41,148	42,234
Provisions	(26, 66)	2,751	2,854
Insurance contract liabilities	(11, 67)	113,616	111,340
Income tax liabilities	(20, 56)	4,790	4,844
Other liabilities	(21, 68)	9,178	9,443
Subordinated capital	(27, 69)	4,827	4,420
Fair value changes of the hedged items in portfolio hedges of interest-rate risk		-293	-171
Equity	(70)	35,196	32,578
Shareholders' equity		32,900	30,542
Subscribed capital		4,926	4,926
Capital reserve		5,551	5,551
Retained earnings		19,918	17,673
Reserve from other comprehensive income		-789	-902
Additional equity components		3,293	3,293
Non-controlling interests		2,296	2,036
Total equity and liabilities		661,425	659,638

Statement of changes in equity

	Sub- scribed capital	Capital reserve	Retained earnings	Reserve from other compre- hensive income	Addi- tional equity compo- nents	Share- holders' equity	Non- control- ling interests	Total equity
€ million								
Equity as at Jan. 1, 2024	4,926	5,551	15,977	-642	3,293	29,106	1,963	31,069
Net profit	-	-	2,221	-	-	2,221	169	2,390
Other comprehensive income/loss	-	-	77	-131	-	-55	39	-16
Total comprehensive income/loss	-	-	2,298	-131	-	2,167	208	2,374
Changes in scope of consolidation	-	-	2	-	-	2	-97	-95
Acquisition/disposal of non-controlling interests	-	-	-61	-6	-	-67	-11	-78
Reclassifications within equity	-	-	123	-123	-	-	-	-
Dividends paid	-	-	-448	-	-	-448	-28	-476
Distribution of dividend on additional equity components	-	-	-217	-	-	-217	-	-217
Equity as at Dec. 31, 2024	4,926	5,551	17,673	-902	3,293	30,542	2,036	32,578
Net profit	-	-	2,637	-	-	2,637	243	2,880
Other comprehensive income/loss	-	-	88	289	-	378	28	406
Total comprehensive income/loss	-	-	2,726	289	-	3,015	271	3,286
Capital increase/capital repaid	-	-	-	-	-	-	3	3
Changes in scope of consolidation	-	-	-	-	-	-	41	41
Acquisition/disposal of non-controlling interests	-	-	-4	-	-	-4	-10	-15
Reclassifications within equity	-	-	176	-176	-	-	-	-
Dividends paid	-	-	-448	-	-	-448	-45	-493
Distribution of dividend on additional equity components	-	-	-204	-	-	-204	-	-204
Equity as at Dec. 31, 2025	4,926	5,551	19,918	-789	3,293	32,900	2,296	35,196

Further information on equity is presented in note 70.

Statement of cash flows

€ million	2025	2024
Net profit	2,880	2,390
Non-cash items included in net profit and reconciliation to cash flows from operating activities		
Depreciation, amortization, impairment losses, reversals of impairment losses on assets, and other non-cash changes in financial assets and liabilities	1,579	-1,912
Non-cash changes in provisions	309	94
Non-cash changes in insurance contract liabilities	-257	3,673
Other non-cash income and expenses	1,716	566
Gains and losses on the disposal of assets and liabilities	-3,954	-3,303
Other adjustments (net)	-2,383	-3,032
Subtotal	-110	-1,524
Cash changes in assets and liabilities arising from operating activities		
Loans and advances to banks	-6,860	-14,647
Loans and advances to customers	-2,071	-3,932
Other assets from operating activities	1,116	-1,221
Hedging instruments (positive and negative fair values)	62	-600
Financial assets and financial liabilities held for trading	-704	-970
Deposits from banks	2,350	10,913
Deposits from customers	-5,415	-3,629
Debt certificates issued including bonds	1,587	5,580
Other liabilities from operating activities	2,918	2,019
Interest and dividends received	13,696	15,463
Interest paid	-10,904	-12,264
Income taxes paid	-976	-762
Cash flows from operating activities	-5,311	-5,574
Proceeds from the sale of investments	33,260	16,207
Proceeds from the sale of investments held by insurance companies	24,489	23,279
Proceeds from the sale of property, plant and equipment, and investment property	-	2
Proceeds from the sale of intangible non-current assets	1	1
Payments for the acquisition of investments	-34,157	-29,489
Payments for the acquisition of investments held by insurance companies	-25,848	-23,630
Payments for the acquisition of property, plant and equipment, and investment property	-51	-69
Payments for the acquisition of intangible non-current assets	-118	-138
Changes in scope of consolidation	2	-23
of which proceeds from the sale of investments in consolidated subsidiaries net of cash divested	-	-35
of which cash inflow generated from first-time consolidation	2	12
Cash flows from investing activities	-2,422	-13,860
Proceeds from capital increases by non-controlling interests	3	-
Dividends paid to shareholders of DZ BANK	-448	-448
Dividends paid to non-controlling interests	-45	-28
Distribution of dividend on additional equity components	-204	-217
Net change in cash and cash equivalents from other financing activities (including subordinated capital)	615	-37
Cash flows from financing activities	-79	-730

€ million	2025	2024
Cash and cash equivalents as at January 1	81,790	101,954
Cash flows from operating activities	-5,311	-5,574
Cash flows from investing activities	-2,422	-13,860
Cash flows from financing activities	-79	-730
Cash and cash equivalents as at December 31	73,978	81,790

Statements of cash flows provide banks with limited useful information, which is why the DZ BANK Group's statement of cash flows is not material to the group. The group does not use the statement of cash flows for liquidity and financial planning, nor as a management tool.

The statement of cash flows shows the changes in cash and cash equivalents during the financial year. Cash and cash equivalents consist of cash on hand and balances with central banks. The cash and cash equivalents

do not include any financial investments with maturities of more than 3 months at the date of acquisition. Changes in cash and cash equivalents are broken down into operating, investing, and financing activities.

Cash flows from operating activities comprise cash flows mainly arising in connection with the revenue-producing activities of the group and other activities that cannot be classified as investing or financing activities. Cash flows related to the acquisition and disposal of non-current assets are allocated to investing activities. Cash flows from financing activities include cash flows arising from transactions with equity owners and from other borrowing to finance business activities, in particular from subordinated capital.

Cash payments from lessees in repayment of lease liabilities, which are included in cash flows from financing activities, amounted to €123 million (2024: €113 million).

There were no cash outflows as a result of the deconsolidation of subsidiaries (2024: cash outflow of €149 million).

Notes

A General disclosures

» 01 Basis of preparation

Pursuant to *Regulation (EC) 1606/2002 of the European Parliament and of the Council of July 19, 2002*, the consolidated financial statements of DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Germany, (DZ BANK) for the 2025 financial year have been prepared in accordance with the provisions of the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU).

The provisions specified in section 315e (1) of the German Commercial Code (HGB) for companies whose securities are admitted to trading on a regulated market in the EU have also been applied in the consolidated financial statements of DZ BANK. In addition, further standards adopted by Deutsches Rechnungslegungs Standards Committee e.V. [German Accounting Standards Committee] have generally been taken into account where such standards have been published in the German Federal Gazette by the Bundesministerium der Justiz [Federal Ministry of Justice] pursuant to section 342q (2) HGB.

DZ BANK is entered in the commercial register at the Frankfurt am Main local court under the number HRB 45651.

The DZ BANK Group's financial year is the same as the calendar year. In the interest of clarity, some items on the income statement, the statement of comprehensive income, and the balance sheet – primarily items relating to insurance contracts – have been aggregated and are explained by additional disclosures in the notes. Unless stated otherwise, all amounts are shown in millions of euros (€ million). This may result in very small discrepancies in the calculation of totals and percentages.

The consolidated financial statements of DZ BANK have been released for publication by the Board of Managing Directors following approval by the Supervisory Board on March 26, 2026.

» 02 Accounting policies and estimates

Changes in accounting policies

First-time application in 2025 of changes in IFRS

The listed amendments to IFRS are applied for the first time in DZ BANK's consolidated financial statements for the 2025 financial year:

– *Lack of Exchangeability* (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)

The amendments to IAS 21 set out when a currency is exchangeable into another currency and when it is not. They also indicate how an entity determines the exchange rate to apply when a currency is not exchangeable and, where this is the case, what information an entity must disclose.

The amendments to IAS 21 must be applied to financial years beginning on or after January 1, 2025. These amendments have no impact on the consolidated financial statements.

Changes in IFRS endorsed by the EU but not adopted early

The DZ BANK Group has decided against voluntary early adoption of the following new IFRS accounting standard, amendments to IFRS, and clarifications of IFRS accounting standards:

- IFRS 18 *Presentation and Disclosure in Financial Statements*
- *Amendments to the Classification and Measurement of Financial Instruments* (Amendments to IFRS 9 and IFRS 7)
- *Contracts Referencing Nature-dependent Electricity* (Amendments to IFRS 9 and IFRS 7)
- *Annual Improvements to IFRS Accounting Standards – Volume 11*

The European Commission adopted the new standard IFRS 18 *Presentation and Disclosure in Financial Statements* as European law on February 16, 2026. The main changes introduced by the standard are the restructuring of the income statement, enhanced requirements regarding the aggregation and disaggregation of information within the primary financial statements, and disclosures on management-defined performance measures.

The rules come into effect for reporting periods beginning on or after January 1, 2027. Based on current knowledge, the initial application of IFRS 18 is not expected to have any material impact on the consolidated financial statements.

The published *Amendments to the Classification and Measurement of Financial Instruments* (Amendments to IFRS 9 and IFRS 7) requires financial liabilities to be derecognized on the settlement date as a rule. A new exemption exists that permits earlier derecognition where electronic payment systems are used, provided that certain conditions are met. In addition, the guidance on assessing the cash flow criterion have been expanded, especially in relation to cash flows that are influenced by contingent events, such as ESG-linked interest rates. A new checking method has been introduced to help entities to assess such situations. There are also new disclosure requirements aimed at increasing transparency with regard to instruments whose cash flows may change as a result of contingent events and with regard to equity instruments recognized in other comprehensive income.

These amendments must be applied to financial years beginning on or after January 1, 2026 and must be applied retrospectively; early adoption is permitted. It is not necessary to restate comparative information. These amendments have no material impact on the consolidated financial statements.

Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) relates to application of the own-use exception in IFRS 9.2.4. This is also applicable to electricity supply contracts in which the actual quantity delivered can vary due to nature-related factors, resulting in partial sales that are triggered by this nature-related uncertainty and are unavoidable for market-related reasons. The amendments affect the use of hedge accounting and require additional disclosures in accordance with IFRS 7 in order to make the impact of such contracts on the entity's earnings and future cash flows transparent.

These amendments must be applied to financial years beginning on or after January 1, 2026; early adoption is permitted. These amendments have no impact on the consolidated financial statements.

The annual improvements to IFRS accounting standards, affecting IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7, eliminate inconsistencies and adjust some of the terminology and the cross-references with other standards. The insertion of a missing cross-reference, for example, means that gains on the derecognition of lease liabilities are now fully accounted for under IFRS 9.

These amendments must be applied to financial years beginning on or after January 1, 2026; early adoption is permitted. It is not necessary to restate comparative information. These clarifications have no impact on the consolidated financial statements.

Changes in IFRS that have not yet been endorsed by the EU

The following new IFRS accounting standard and amendments to IFRS accounting standards have not yet been endorsed by the EU:

- IFRS 19 *Subsidiaries without Public Accountability: Disclosures*
- Amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures*
- *Translation to a Hyperinflationary Presentation Currency* (Amendments to IAS 21)

The potential impact of the aforementioned new IFRS accounting standard and amendments to existing IFRS accounting standards on the consolidated financial statements are being examined on an ongoing basis. IFRS 19 and the additions to IAS 21 are currently not regarded as relevant to the group.

Changes in presentation

In accordance with the provisions of IAS 8.41 et seq., the assignment of operating income to geographical areas has been retrospectively adjusted in note 32 (segment information), specifically in the DZ BANK Group-wide disclosures.

In accordance with the provisions of IAS 8.41 et seq., currency translation gains and losses on financial instruments not measured at fair value through profit or loss have been retrospectively adjusted in note 39 (gains and losses on investments held by insurance companies and other insurance company gains and losses).

In note 84 (nature and extent of risks arising from financial instruments), specifically in the disclosures on loss allowances and gross carrying amounts, the receivables repayable on demand in cash and cash equivalents are no longer shown in the presentation of gross carrying amounts from the 2025 reporting year onward due to the immaterial level of loss allowances. The aim of this change is to provide reliable and more relevant information. The adjustment has been made retrospectively.

In note 84 (nature and extent of risks arising from financial instruments), specifically in the disclosures on loss allowances and gross carrying amounts, additions to and derecognitions from loss allowances are shown as net additions/reversals in the presentation of gross carrying amounts from the 2025 reporting year onward, while increases in loan drawdowns and repayments are shown as changes in loan drawdowns. The presentation of the comparative disclosures has been changed accordingly. Furthermore, the aforementioned presentation change results in related adjustments to the associated comparative disclosures in note 39 (gains and losses on investments held by insurance companies and other insurance company gains and losses), note 42 (loss allowances), note 58 (loss allowances), note 66 (provisions) – specifically in the disclosures on other provisions, and note 70 (equity) – specifically in the disclosures on the breakdown of changes in equity by component of other comprehensive income.

Sources of estimation uncertainty

It is sometimes necessary to make assumptions and estimates in accordance with the relevant financial reporting standards in order to determine the carrying amounts of assets, liabilities, income, and expenses recognized in the consolidated financial statements. These assumptions and estimates are based on historical experience, planning, and expectations or forecasts regarding future events.

Assumptions and estimates are used primarily in determining the fair value of financial assets and financial liabilities and in identifying any impairment of financial assets. Estimates also have a material impact on determining the impairment of goodwill or intangible assets acquired as part of business combinations. Furthermore, assumptions and estimates affect the measurement of right-of-use assets, insurance contract liabilities, other assets held by insurance companies, provisions for employee benefits, provisions for share-based payment transactions, provisions relating to building society operations, and other provisions as well as the recognition and measurement of income tax assets and income tax liabilities.

Fair values of financial assets and financial liabilities

If there are no prices available for certain financial instruments in active markets, the fair values of such financial assets and financial liabilities have to be determined on the basis of estimates, resulting in some uncertainty. Uncertainties associated with estimates arise primarily if fair values are determined using valuation techniques involving significant valuation parameters that are not observable in the market. This affects both financial instruments measured at fair value and financial instruments measured at amortized cost whose fair values are disclosed in the notes. The valuation parameter assumptions and valuation methods used to determine fair values are described in the financial instruments disclosures in notes 74 and 75.

Impairment of financial assets

When an impairment test (as described in note 05) is carried out for financial assets that constitute debt instruments or for loan commitments and financial guarantee contracts, it is necessary to determine estimated future cash flows from interest payments and the repayment of principal as well as from any recovery of collateral. This requires assessments and assumptions regarding the amount and timing of future cash flows, in turn giving rise to some uncertainty. The factors influencing impairment that are defined on the basis of judgments include economic conditions, the financial performance of the counterparty, and the value of the collateral held. When an impairment test for portfolios is carried out, parameters such as probability of default, which are calculated with the help of statistical models, are used in the assessments and assumptions.

Goodwill and intangible assets

The recognition of goodwill is largely based on estimated future income, synergies, and non-recognizable intangible assets generated by business combinations or acquired as part of business combinations. The recoverability of the carrying amount is verified by means of budget accounts that are largely based on estimates. Identifiable intangible assets acquired as part of business combinations are recognized on the basis of their future economic benefits. These benefits are assessed by management using reasonable, well-founded assumptions. The estimates applied in the case of business combinations are described in note 99.

Right-of-use assets

The measurement of right-of-use assets in connection with leases (as described in note 12) involves the use of estimates and assumptions, especially in relation to estimated future cash flows, term, and discount rate. Estimates also have a material impact on determining the impairment of right-of-use assets.

Insurance contract liabilities and other assets held by insurance companies

The measurement of insurance contract liabilities and other assets held by insurance companies involves the exercise of judgment, estimates, and assumptions, especially in relation to mortality, claims, rates of return on investment, lapse, and costs. Actuarial calculation methods, statistical estimates, blanket estimates, and measurements based on past experience are used. The basic approaches used in the measurement of insurance contract liabilities are described in the insurance business disclosures in note 11.

Provisions for employee benefits, provisions for share-based payment transactions, and other provisions

Uncertainty associated with estimates in connection with provisions for employee benefits arises primarily from the measurement of defined benefit obligations, on which actuarial assumptions have a material effect. Actuarial assumptions are based on a large number of long-term, forward-looking factors, such as salary increases, annuity trends, and average life expectancy.

In the case of provisions for share-based payment transactions, estimation uncertainty arises from the way in which fair value is determined. This fair value is based on assumptions regarding the payout amount, which in turn depends on the performance of the variables specified in the underlying agreements.

In order to measure provisions relating to building society operations, building society simulations (collective simulations) that forecast home savings customers' future behavior are used that are available for evaluation of the options. These options available to home savings customers include, for example, drawing down the home savings loan, waiving the loan after allocation, or continuing with the home savings contract. Uncertainty in connection with the measurement of the provisions may arise depending on the extent to which the assumptions about future customer behavior – taking account of various interest-rate scenarios and management measures – that were forecast using collective simulation actually materialize in the future. Building society simulations are used to determine the present value of the collective building society operations. The main inputs for the collective simulations are presented in note 26.

Actual cash outflows in the future related to items for which other provisions have been recognized may differ from the forecast utilization of the provisions.

The basis for measurement and the assumptions and estimates underlying the calculation of provisions are described in note 26.

Income tax assets and liabilities

The deferred tax assets and liabilities described in note 56 are calculated on the basis of estimates of future taxable income in taxable entities and tax periods. In particular, these estimates have an effect on any assessment of the extent to which it will be possible to make use of deferred tax assets in the future. In addition, the calculation of current tax assets and liabilities for the purposes of preparing financial statements involves assessing details relevant to income tax.

Climate-related matters

Climate-related matters impact on the familiar assumptions and estimates. No additional types of estimation uncertainty have arisen with regard to the calculation of the carrying amounts of assets and liabilities and the calculation of income and expenses. Estimation uncertainty and the related judgments in respect of climate-related matters primarily arise when determining the fair value of financial assets and financial liabilities, identifying any impairment of financial assets, and measuring insurance contract liabilities. Climate-related matters did not result in any explicit adjustments being made in the determination of the fair value of financial assets and financial liabilities in the reporting period. To some extent, however, climate-related matters are factored into the pertinent models implicitly. The consideration of climate-related matters when identifying impairment of financial assets during the reporting period is explained in note 84, specifically in the information on the impact of macroeconomic conditions. When measuring insurance contract liabilities, climate-related matters are taken into account by making prudent additions to the liability for incurred claims and maintaining an extensive reinsurance program that comes into effect when a defined claims threshold is exceeded and thus limits financial risk.

» 03 Scope of consolidation

In addition to DZ BANK as the parent, the consolidated financial statements for the year ended December 31, 2025 include 12 subsidiaries (December 31, 2024: 14) and 5 subgroups (December 31, 2024: 5) comprising a total of 81 subsidiaries (December 31, 2024: 83).

The scope of consolidation changed in 2025, largely due to the first-time consolidation of BCC Assicurazioni S.p.A., Milan, Italy, (BCC Assicurazioni) in the R+V subgroup and to the deconsolidation of DVB Transport Finance Limited i.L., London, United Kingdom. In addition, Beteiligungsgesellschaft Westend 1 mbH & Co. KG, Frankfurt am Main, was merged into DZ BANK AG.

The consolidated financial statements include 7 joint arrangements in the form of joint ventures with at least one other entity outside the group (December 31, 2024: 7) and 22 associates (December 31, 2024: 24) over which DZ BANK has significant influence. These entities are accounted for using the equity method. There are currently no joint arrangements classified as joint operations.

The shareholdings of the DZ BANK Group are listed in full in note 114.

» 04 Procedures of consolidation

Financial information in the consolidated financial statements contains data from the parent company, which incorporates data from its consolidated subsidiaries. The parent company and the consolidated subsidiaries are presented as a single economic entity.

An investee is included in the scope of consolidation as a subsidiary from the date on which DZ BANK obtains control over it. DZ BANK controls an investee when DZ BANK directly or indirectly has power over the investee, is therefore exposed to significant variable returns from its involvement with the investee, and has the ability to affect the variable returns from the investee through this power. Unless otherwise contractually agreed, DZ BANK controls an entity if it holds more than half of the voting rights, either directly or indirectly. The assessment of whether control exists also takes account of potential voting rights, provided they are considered substantial.

DZ BANK also considers itself to have control over an entity in cases where it does not hold the majority of the voting rights but does have the ability to unilaterally direct the relevant activities of the entity concerned. It is sometimes necessary to make judgments, taking all of the relevant facts and circumstances into consideration, when making such a determination. This is particularly applicable to principal/agent relationships, which require an assessment of whether DZ BANK or other parties with decision-making rights are acting as principal or as an agent. With regard to principal/agent relationships, considerable judgments have to be made in order to assess the appropriateness of contractually agreed remuneration and of the level of the variable returns received.

A review is carried out at least once every six months to decide which subsidiaries are to be consolidated.

The financial statements of the entities consolidated in the DZ BANK Group have been prepared using uniform accounting policies. When preparing the consolidated financial statements, uniform accounting policies are used for like transactions.

The consolidated subsidiaries prepared their financial statements on the basis of a financial year ended December 31, 2025. With 18 (December 31, 2024: 20) exceptions, the separate financial statements of the entities accounted for using the equity method are prepared to the same balance sheet date as that of the parent company. There is no resulting material impact in respect of the subsidiaries and associates concerned, and therefore no interim financial statements have been prepared.

Intragroup assets and liabilities, as well as intragroup income and expenses, are eliminated in full. Intragroup profits or losses resulting from transactions within the group are also eliminated in full.

When a subsidiary is consolidated, the carrying amount of the investment in the subsidiary is offset against the proportionate equity of the subsidiary. Any share of a subsidiary's equity not attributable to the parent company is reported under equity as non-controlling interests.

Where an entity is controlled without there being an investment in the equity of the controlled entity, the subsidiary's entire equity is recognized as non-controlling interests under equity. If the subsidiary's equity does not qualify as equity pursuant to IAS 32, it is recognized under liabilities.

Goodwill resulting from offsetting the acquisition cost of a subsidiary against the equity remeasured at fair value on the acquisition date is recognized as goodwill when the acquisition method is applied. It is recognized under other assets. Goodwill is tested for impairment at least once a year. Any negative goodwill is recognized in profit or loss on the acquisition date.

If DZ BANK loses control over a subsidiary, the assets and liabilities of this former subsidiary, together with the carrying amount of any non-controlling interests in the former subsidiary, are derecognized when control is lost. The fair value of any consideration received is recognized at the same time. The gain or loss arising in connection with the loss of control is recognized in profit or loss.

Entities under joint control with at least one other entity outside the group are accounted for as joint ventures in the consolidated financial statements. DZ BANK has joint control over an arrangement when there is a contractual agreement in place that requires decisions about the arrangement's relevant activities to be reached with the unanimous consent of all the parties sharing control.

DZ BANK has a significant influence over an investee if it can participate in the financial and operating policy decisions of the investee without having control or joint control over it. Unless it can be proved otherwise, this is assumed to be the case where between 20 and 50 percent of the voting shares are held.

Investments in joint ventures and associates are accounted for using the equity method and reported on the balance sheet under investments or investments held by insurance companies.

Under the equity method, the DZ BANK Group's investments in associates and joint ventures are initially recognized at cost. Subsequently, the carrying amount is increased or decreased to recognize the group's share of the profit/loss or other changes to the net assets of the associate or joint venture after the acquisition.

If significant influence over an associate or joint venture is lost, the gain or loss arising from the disposal of the investment accounted for under the equity method is recognized in profit or loss.

» 05 Financial instruments

Categories of financial instruments

Financial assets measured at fair value through profit or loss (fair value PL)

Financial assets that are not measured at amortized cost or at fair value through other comprehensive income are classified as 'financial assets measured at fair value through profit or loss'. This category is broken down into the following subcategories:

Financial assets mandatorily measured at fair value through profit or loss

The subcategory 'financial assets mandatorily measured at fair value through profit or loss' covers financial assets that do not meet the IFRS 9 SPPI criterion and financial assets that were acquired for the purpose of selling them in the near term. This subcategory also includes financial assets that are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives that are not designated as hedging instruments are included in this subcategory too.

In the category 'financial assets mandatorily measured at fair value through profit or loss', all changes in fair value are recognized in profit or loss.

Contingent considerations in a business combination

This subcategory covers contingent considerations that the acquirer has classified as financial assets in the context of a business combination.

In the subcategory 'contingent considerations in a business combination', all changes in fair value are recognized in profit or loss.

Financial assets designated as at fair value through profit or loss (fair value option)

Financial assets may be assigned to the subcategory 'financial assets designated as at fair value through profit or loss' by exercising the fair value option, provided that the application of this option eliminates or significantly reduces measurement or recognition inconsistencies (accounting mismatches). The fair value option is applied to eliminate or significantly reduce accounting mismatches that arise if non-derivative financial instruments and related derivatives used to hedge such instruments are measured differently. Derivatives are measured at fair value through profit or loss, whereas non-derivative financial instruments are measured at amortized cost or changes in fair value may be recognized in other comprehensive income. If no hedge accounting takes place, this gives rise to accounting mismatches that can be significantly reduced by applying the fair value option. The fair value option is used in the context of financial assets to prevent accounting mismatches that could arise in connection with loans and advances to banks and customers and bearer bonds.

In the subcategory 'financial assets designated as at fair value through profit or loss', all changes in fair value are recognized in profit or loss.

Financial assets measured at fair value through other comprehensive income (fair value OCI)

This category is broken down into the following subcategories:

Financial assets mandatorily measured at fair value through other comprehensive income

A financial asset is assigned to this subcategory if it is held in accordance with a business model aimed both at collecting contractual cash flows and at selling financial assets. Moreover, the contractual terms of the financial asset must give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI criterion).

Because of the SPPI criterion, these financial assets only comprise debt instruments. They are measured at fair value. Interest income, loss allowances, and currency translation effects must be recognized in profit or loss. Any differences between the amortized cost and the fair value that do not result from loss allowances or currency translation are recognized in other comprehensive income. The amounts recognized in other comprehensive income must be recycled to the income statement upon derecognition.

Financial assets designated as at fair value through other comprehensive income (fair value OCI option)

There is an irrevocable option to designate equity instruments as 'financial assets designated as at fair value through other comprehensive income' (fair value OCI option) upon initial recognition. Changes in fair value are recognized in other comprehensive income, except in the case of dividends that do not constitute repayment of capital. The cumulative other comprehensive income is not subsequently recycled to the income statement, e.g. due to derecognition of the instrument. After derecognition of these equity instruments, the cumulative other comprehensive income is reclassified to retained earnings. The fair value OCI option can generally only be exercised for equity instruments that are not held for trading and do not constitute contingent consideration recognized by the acquirer in a business combination pursuant to IFRS 3.

Financial assets measured at amortized cost (AC)

A financial asset is assigned to this category if it is held in accordance with a business model aimed at holding financial assets for the purpose of collecting contractual cash flows. The contractual terms of the financial asset must give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Because of the SPPI criterion, financial assets in this category only comprise debt instruments. They are measured at amortized cost using the effective interest method. Interest income (using the effective interest method), loss allowances, and currency translation effects are recognized in profit or loss.

Financial liabilities measured at fair value through profit or loss (fair value PL)

Financial liabilities that are not measured at amortized cost are classified as 'financial liabilities measured at fair value through profit or loss'. This category is broken down into the following subcategories:

Financial liabilities mandatorily measured at fair value through profit or loss

The subcategory 'financial liabilities mandatorily measured at fair value through profit or loss' covers financial liabilities that are issued with the intention of repaying them in the near term and financial liabilities that are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives that are not designated as hedging instruments are included in this subcategory too.

In the subcategory 'financial liabilities mandatorily measured at fair value through profit or loss', all changes in fair value are recognized in profit or loss.

Contingent considerations in a business combination

This subcategory covers contingent considerations that the acquirer has classified as financial liabilities in the context of a business combination.

In the subcategory 'contingent considerations in a business combination', all changes in fair value are recognized in profit or loss.

Financial liabilities designated as at fair value through profit or loss (fair value option)

Financial liabilities may be assigned to the 'financial liabilities designated as at fair value through profit or loss' subcategory by exercising the fair value option, provided that the application of this option eliminates or significantly reduces measurement or recognition inconsistencies (accounting mismatches), the financial liabilities are managed as a portfolio on a fair value basis, or they include one or more embedded derivatives required to be separated from the host contract.

In the case of financial liabilities, the fair value option is exercised to eliminate or significantly reduce accounting mismatches for deposits from banks and customers, debt certificates issued including bonds, and subordinated liabilities. Some of these are structured financial instruments containing derivatives for which bifurcation is not required. The derivative components of these instruments are subject to economic hedging that does not meet the criteria for the application of hedge accounting.

The fair value option is also applied to structured financial liabilities containing embedded derivatives requiring bifurcation, provided that the embedded derivatives cannot be measured separately and the financial liabilities are not designated as held for trading.

As regards financial liabilities designated as at fair value through profit or loss, any gains/losses resulting from a change in the fair value of a financial liability that is attributable to a change in the liability's credit risk must be recognized in other comprehensive income. The rest of the change in the fair value of this liability is recognized in profit or loss. The amounts recognized in other comprehensive income are reclassified to retained earnings on derecognition of the relevant financial liability.

Financial liabilities measured at amortized cost (AC)

For measurement subsequent to initial recognition, financial liabilities are generally categorized as 'financial liabilities measured at amortized cost'.

The following are not included in this category: Financial liabilities measured at fair value through profit or loss, financial liabilities that arise when a transfer of a financial asset does not satisfy the condition for derecognition or accounting treatment is based on a continuing involvement, financial guarantee contracts, loan commitments with an interest rate below the market interest rate, and contingent considerations recognized by the acquirer in a business combination pursuant to IFRS 3.

In accordance with IAS 32, shares in partnerships are normally categorized as debt instruments. Given their subordinated status compared with the liabilities of the partnerships concerned, non-controlling interests in partnerships are reported as subordinated capital. Profit attributable to non-controlling interests in partnerships that has not yet been distributed is recognized under other liabilities, provided that the resulting liability is not of a subordinated nature. The capital and profit of partnerships attributable to non-controlling interests in partnerships are classified as 'share capital repayable on demand' under subordinated capital and other liabilities and are assigned to the 'financial liabilities measured at amortized cost' category.

This category also includes liabilities under compensation payment obligations owed to non-controlling interests in consolidated subsidiaries. These liabilities arise if DZ BANK or an entity controlled by DZ BANK has concluded a profit transfer agreement with a subsidiary in accordance with section 291 (1) of the German Stock Corporation Act (AktG) under which there are non-controlling interests. Liabilities under compensation payment obligations are recognized at the amount of the discounted obligation.

In addition, this category includes liabilities from investment contracts that are not designated as unit-linked insurance products. There is no significant transfer of insurance risk in these investment contracts and they do not therefore satisfy the criteria for an insurance contract under IFRS 17. As a consequence, they need to be treated as financial instruments in accordance with IFRS 9.

Interest expense (using the effective interest method) and currency translation effects are recognized in profit or loss.

Other financial instruments

Hedging instruments

The designation of derivative and non-derivative financial assets and liabilities as hedging instruments is governed by IFRS 9. The recognition and measurement of these hedging instruments is described in note 16.

Liabilities from financial guarantee contracts

Liabilities from financial guarantee contracts measured in accordance with IFRS 9 must be recognized as a liability at fair value by the issuer of the guarantee at the date of issue. At the date of issue, the fair value is normally equivalent to the present value of the consideration received for issuing the financial guarantee contract. In any subsequent measurement, the obligation must be measured at the higher of the amount determined in accordance with the impairment model and the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the principles of IFRS 15. In the presentation of financial guarantee contracts, the guarantee commission receivables due from the beneficiary to the DZ BANK Group as the issuer of the guarantee are offset against guarantee obligations (net method).

Finance lease receivables and lease liabilities

Finance lease receivables and lease liabilities fall within the scope of IFRS 16.

Financial assets and financial liabilities specific to insurance business

In addition to financial instruments that fall within the scope of IFRS 9, other assets and liabilities are held in the context of the insurance business.

Deposits with ceding insurers are recognized at their nominal amounts. Receivables arising out of direct insurance operations and receivables arising out of reinsurance operations are recognized at their nominal amounts net of payments made. Impairment losses on receivables arising out of direct insurance operations and on receivables arising out of reinsurance operations are recognized directly in the carrying amounts. Assets related to unit-linked contracts are measured at fair value through profit or loss on the basis of the underlying investments.

Deposits received from reinsurers, payables arising out of direct insurance operations, and payables arising out of reinsurance operations are recognized at their nominal amounts.

Deposits with ceding insurers as well as assets related to unit-linked contracts are reported on the balance sheet under investments held by insurance companies. Deposits received from reinsurers, receivables and payables arising out of direct insurance operations, and receivables and payables arising out of reinsurance operations are recognized under other assets or other liabilities.

Initial recognition and derecognition of financial assets and financial liabilities

Derivatives are initially recognized and derecognized on the trade date. Regular way purchases and sales of non-derivative financial assets and liabilities are generally recognized and derecognized using settlement date accounting. Consolidated investment funds are recognized on the trade date. Changes in fair value between the trade date and settlement date are recognized in accordance with the categorization of the financial assets and financial liabilities.

All financial instruments are generally measured at fair value on initial recognition. In the case of financial assets or financial liabilities not subsequently measured at fair value through profit or loss, transaction costs

directly attributable to the acquisition of the financial asset or issue of the financial liability concerned are added or deducted on initial recognition.

Differences between transaction prices and fair values are recognized in profit or loss on initial recognition if the fair values correspond to the price quoted in an active market for an identical asset or identical liability or are based on a valuation technique that only uses data from observable markets. If, however, the calculation of the fair value is not substantiated by a price quoted in an active market for an identical asset or identical liability or if the calculation is not based on a valuation technique that only uses data from observable markets, they are initially recognized at fair value on the balance sheet, plus the unrecognized day-one profit or loss. Any differences not recognized in profit or loss at the time of initial recognition are amortized to profit or loss over the maturity period or at the time that all inputs factored into the valuation models are observable.

Financial assets are derecognized if the contractual rights to the cash flows from the financial assets have expired or these rights have been transferred to third parties, and substantially no risks or rewards of ownership in the financial assets remain. If only some of the risks and rewards are transferred and control is partly retained, the financial asset is derecognized only up to the amount of the continuing involvement. If the criteria for derecognizing financial assets are not satisfied, the transfer to third parties is recognized as a secured loan. Financial liabilities are derecognized when the contractual obligations have been settled, extinguished or have expired.

Gains and losses from the derecognition of financial assets measured at amortized cost are reported as a separate line item in the income statement.

Loss allowances for financial assets

Under IFRS 9, loss allowances are recognized for those financial assets that constitute debt instruments and for loan commitments and financial guarantee contracts. Derivatives and equity instruments do not fall within the scope of the IFRS 9 impairment model. Loss allowances are recognized in respect of the following financial assets:

- Financial assets in the IFRS 9 category ‘financial assets measured at amortized cost’
- Financial assets (only debt instruments) in the IFRS 9 category ‘financial assets measured at fair value through other comprehensive income’
- Finance lease receivables that fall within the scope of IFRS 16, and
- Trade receivables and contract assets that fall within the scope of IFRS 15

and for:

- Loan commitments where there is a current legal obligation to grant credit (irrevocable loan commitments), provided they are not measured at fair value through profit or loss, and
- Financial guarantee contracts, provided they are not measured at fair value through profit or loss

All financial assets are, as a rule, assigned to stage 1 upon initial recognition. Loss allowances for assets in stage 1 must be recognized in an amount equal to the 12-month expected credit loss. An exception to this stage 1 assignment rule are financial assets that fall into the category of ‘purchased or originated credit-impaired assets’ (POCI assets). Other exceptions are trade receivables and contract assets that fall within the scope of IFRS 15, which are allocated directly to stage 2 (simplified approach).

Financial assets subject to the IFRS 9 impairment rules must be reviewed at every balance sheet date to ascertain whether one or more events have occurred, or are still occurring, with an adverse impact on the estimated future cash flows of these financial assets.

At each balance sheet date, assets are assigned to stage 2 if their credit risk has significantly increased since initial recognition but there is no objective evidence of impairment, which would require their assignment to stage 3. For these assets, the loss allowances are measured at the amount of the lifetime expected credit losses.

To simplify matters, it can be assumed that the credit risk of a financial instrument has not increased significantly since initial recognition if – for example, on the basis of investment-grade credit ratings – the financial instrument has a low credit risk at the balance sheet date (low credit risk exemption). The low credit risk exemption is applied to securities.

Financial assets deemed to be impaired on the basis of objective evidence are assigned to stage 3. For these assets, the loss allowances are measured at the amount of the lifetime expected credit losses.

Financial assets that are purchased or originated credit-impaired assets (POCI assets) are initially recognized at their carrying amount less the lifetime expected credit losses and amortized using a risk-adjusted effective interest rate. At the balance sheet date, only the cumulative changes to the lifetime expected credit losses since initial recognition are recognized as a loss allowance. Stage allocation is not required for these assets. Please refer to notes 11, 22, and 26 and note 84 for more detailed information on loss allowances for financial assets.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative financial instrument (host contract), with the effect that some of the cash flows of the combined financial instrument vary in a way similar to those of a standalone derivative. A derivative that is attached to a financial instrument but is contractually transferable independently of that instrument, or has a different counterparty, is not an embedded derivative, but a separate financial instrument.

If a hybrid contract contains a host contract that is a financial asset within the scope of IFRS 9, the categorization rules for financial assets are applied to the entire hybrid contract.

If a hybrid contract contains a host contract that is not a financial asset within the scope of IFRS 9, an embedded derivative is separated from the host contract and accounted for separately if:

- the economic characteristics and risks of the derivative are not closely related to the economic characteristics and risks of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the hybrid contract is not measured at fair value through profit or loss.

If the embedded derivative does not meet all of these conditions, it may not be separated from the host contract. When an embedded derivative is separated, the host contract is accounted for separately in accordance with the pertinent rules.

If a contract includes one or more embedded derivatives and the host contract is not a financial asset within the scope of IFRS 9, the entire hybrid contract can be categorized as measured at fair value through profit or loss. This does not apply in cases where embedded derivatives only have an insignificant impact on the contractually specified cash flows or in cases where, upon initial comparison with a similar hybrid instrument, it is evident without – or with only minor – analysis that separation of the embedded derivative is not permitted.

Classes of financial instruments

For the purposes of the disclosures on the importance of financial instruments to financial position and financial performance, financial instruments falling within the scope of IFRS 7 are classified using the 7 classes of financial instruments described below.

Classes of financial assets

Financial assets measured at fair value

The class of financial assets measured at fair value comprises the following categories defined by IFRS 9:

- ‘Financial assets measured at fair value through profit or loss’ with the subcategories ‘financial assets mandatorily measured at fair value through profit or loss’, ‘contingent considerations in a business combination’ (‘contingent considerations’), and ‘financial assets designated as at fair value through profit or loss’ (fair value option)
- ‘Financial assets measured at fair value through other comprehensive income’ with the subcategories ‘financial assets mandatorily measured at fair value through other comprehensive income’ and ‘financial assets designated as at fair value through other comprehensive income’ (fair value OCI option)

In addition to the financial assets in the categories specified above, this class of financial assets measured at fair value includes derivatives used for hedging (positive fair values).

Financial assets measured at amortized cost

The ‘financial assets measured at amortized cost’ class includes, in particular, cash and cash equivalents measured at amortized cost, loans and advances to banks and customers measured at amortized cost, and investments measured at amortized cost.

Finance leases

The ‘finance leases’ class comprises solely finance lease receivables.

Classes of financial liabilities

Financial liabilities measured at fair value

The ‘financial liabilities measured at fair value’ class comprises financial liabilities in the category ‘financial liabilities measured at fair value through profit or loss’ with the subcategories ‘financial liabilities mandatorily measured at fair value through profit or loss’, ‘contingent considerations in a business combination’ (‘contingent considerations’), ‘financial liabilities designated as at fair value through profit or loss’ (fair value option), and derivatives used for hedging (negative fair values).

Financial liabilities measured at amortized cost

The class known as ‘financial liabilities measured at amortized cost’ is identical to the category of financial liabilities of the same name.

Leases

The ‘leases’ class comprises solely lease liabilities.

Financial guarantee contracts and loan commitments

Provisions for financial guarantee contracts and provisions for loan commitments within the scope of IAS 37 are aggregated in the class 'financial guarantee contracts and loan commitments'.

» 06 Hedge accounting

General information on hedge accounting

As an integral part of its risk management strategy, the DZ BANK Group hedges against risks arising in connection with financial instruments.

If the hedging of risk in connection with financial instruments gives rise to accounting mismatches between the hedged item and the hedging instrument used, the DZ BANK Group designates the hedging transaction as a hedge in accordance with the hedge accounting requirements of IFRS 9 in order to eliminate or reduce such mismatches. In exercise of the option available under IFRS 9.6.1.3, the DZ BANK Group continues to account for portfolio hedges in application of the rules under IAS 39.

Fair value hedges

A fair value hedge is intended to ensure that changes in the fair value of the hedged item are offset by countervailing changes in the fair value of the hedging instrument. Changes in the fair value of the hedged item attributable to the hedged risk and changes in the fair value of the hedging instrument are recognized in profit or loss. Where equity instruments are hedged whose changes in fair value are recognized in other comprehensive income, the changes in the fair value of the hedging instruments are also recognized in other comprehensive income. Risks may be hedged by designating hedges either on an individual basis in accordance with IFRS 9 or on a portfolio basis in accordance with IAS 39.

Hedged items categorized as 'financial assets measured at amortized cost' or 'financial liabilities measured at amortized cost' are measured in accordance with the general measurement principles for these financial instruments. The values are adjusted for the change in fair value attributable to the hedged risk. Hedged items categorized as 'financial assets measured at fair value through other comprehensive income' are measured at fair value, although only changes not attributable to the hedged changes in fair value are recognized in other comprehensive income. Interest income and interest expense arising from hedged items or hedging instruments are recognized under net interest income.

If the fair value is hedged against interest-rate risks on a portfolio basis, the cumulative changes in fair value attributable to the hedged risk are reported on the balance sheet under fair value changes of the hedged items in portfolio hedges of interest-rate risk, either under assets or liabilities depending on whether the portfolio comprises financial assets or financial liabilities.

In fully effective hedges, the changes in fair value (attributable to the hedged risk) recognized in profit or loss over the lifetime of the hedge completely cancel each other out. Any changes in fair value recognized in the carrying amount of the hedged items are amortized through profit or loss by the time the hedge has been terminated.

Cash flow hedges

The purpose of cash flow hedges is to ensure that changes in uncertain future cash flows from hedged items are offset by changes in cash flows from hedging instruments.

Hedging instruments are measured at fair value. Changes in fair value attributable to the effective portion of the hedge are recognized in other comprehensive income. Changes in fair value attributable to the ineffective portion of the hedge are recognized in profit or loss. Hedged items are recognized and measured in accordance with the general principles for the relevant measurement category. At the end of a hedging relationship, any changes in fair value recognized in other comprehensive income must be reclassified to profit or loss on the date on which the hedged items or transactions are also recognized in profit or loss.

Hedges of net investments in foreign operations

The purpose of hedges of net investments in foreign operations is to offset exchange differences resulting from net investments denominated in foreign currency.

Hedges of net investments in foreign operations are accounted for in the same way as cash flow hedges.

» 07 Currency translation

All monetary assets and liabilities, together with unsettled spot transactions, are translated at the closing rate into the relevant functional currency of the entities in the DZ BANK Group. Cash in foreign currency is translated using the buying rate for cash on the balance sheet date. The translation of non-monetary assets and liabilities depends on the way in which these assets and liabilities are measured. If non-monetary assets are measured at amortized cost, they are translated using the historical exchange rate. Non-monetary assets measured at fair value are translated at the closing rate. Income, expenses, gains, and losses are translated on the date they are recognized either in profit or loss or in other comprehensive income.

If the functional currency of subsidiaries consolidated in the DZ BANK Group is different from the group's reporting currency (euros), all assets and liabilities are translated at the closing rate. Equity (with the exception of the revaluation reserve) is translated at the historical rate. Income and expenses are translated at the spot rate on the transaction date or, in a simplified procedure, at the average rate. The closing rate can also be used if there is no material impact compared with the use of average rates. Any differences arising from currency translation are reported in the currency translation reserve. In most cases, the functional currency of the entities included in the consolidated financial statements is the euro, i.e. the group reporting currency.

» 08 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and reported as a net amount on the balance sheet if the group currently has a legally enforceable right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The legal right of set-off cannot be contingent on a future event and must be exercisable in the normal course of business, in the event of default, and in the event of insolvency of the entity or any of the counterparties.

» 09 Sale and repurchase agreements, securities lending

Sale and repurchase agreements (repos) are transactions in which the parties agree the sale and subsequent repurchase of securities at a fixed price and time. The risks and rewards of ownership of the sold securities remain in full with the original seller, provided that the buyer is under an obligation to sell back the securities. If the DZ BANK Group enters into repos as the original seller, the securities sold continue to be recognized on the balance sheet because the derecognition criteria in IFRS 9.3 et seq. are not satisfied. A liability corresponding to the amount of the purchase price received is recognized. If the group enters into reverse repos as a buyer, the securities purchased must not be recognized on the balance sheet. A receivable corresponding to the amount of the purchase price paid is recognized.

Securities lending transactions are transactions in which the lender provides the borrower with securities for use over a defined period of time. Securities lent as part of securities lending transactions remain on the balance sheet. Where collateral is received in this regard, and this collateral is in cash, a liability is recognized. Borrowed securities do not meet the recognition criteria set out in IFRS 9.1 et seq. and must therefore not be recognized on the balance sheet. Any cash collateral furnished in connection with borrowed securities is reported as a receivable.

Sale and repurchase agreements and securities lending transactions result in transfers in which the transferred assets remain on the balance sheet in their entirety. The DZ BANK Group is not involved in any transfers in which the transferred assets are recognized according to the extent of continuing involvement or transfers of financial assets with a continuing involvement that are fully derecognized.

» 10 Collateral

Receivables are recognized for assets pledged as collateral in the form of cash deposits. Other assets pledged as collateral continue to be reported on the balance sheet unchanged. Where collateral is received, and this collateral is in cash, a liability for a corresponding amount is recognized. Other financial or non-financial assets received as collateral are not recognized on the balance sheet unless the assets are obtained in connection with the recovery of collateral or a purchase of real estate that was previously held as collateral.

» 11 Insurance business

General information on the accounting treatment of insurance business

The insurance business comprises insurance contracts, investment contracts, and service contracts. It also includes financial guarantee contracts with policyholders.

Under an insurance contract, the issuer accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if an uncertain future event adversely affects the policyholder. Insurance contracts are recognized in accordance with the requirements of IFRS 17. Investment contracts are mainly pension fund contracts based on defined benefit plans or contracts to protect semi-retirement employment models. Investment contracts are classified as financial instruments within the scope of IFRS 9. Service contracts comprise, in particular, separable components of insurance contracts that contain services other than services pursuant to IFRS 17. Such service contracts are subject to the revenue recognition requirements specified in IFRS 15. Any financial guarantee contracts in connection with insurance business are recognized in accordance with the accounting requirements applicable to insurance contracts.

The insurance business is reported under specific insurance items in the income statement and on the balance sheet. Material components of the specific insurance items are described below.

Financial assets and financial liabilities

Financial assets and financial liabilities held or acquired as part of insurance business are accounted for in accordance with the accounting policies for financial instruments described in note 05. These financial assets and financial liabilities are reported under investments held by insurance companies, other assets held by insurance companies, and other liabilities of insurance companies. Any loss allowances related to financial assets reported under investments held by insurance companies or other assets held by insurance companies are recognized for the categories 'financial assets measured at amortized cost' and 'financial assets measured at fair value through other comprehensive income' and are applied as a deduction within the relevant line item on the assets side of the balance sheet or are reported in the reserve from other comprehensive income. Loss allowances are presented on a net basis for investments held by insurance companies measured at amortized cost and for other assets held by insurance companies. However, in the notes on these balance sheet items, the loss allowances are presented on a gross basis.

Other liabilities of insurance companies include the performance obligations under investment contracts for which no material insurance risk is assumed when the policy is concluded. These are reported under liabilities from investment contracts within payables and residual other liabilities. The underlying financial instruments in these contracts are reported as part of assets related to unit-linked contracts under investments held by insurance companies.

Investment property

The investment property included in the investments held by insurance companies is measured at amortized cost in accordance with the cost model. On subsequent measurement, straight-line depreciation is applied over the asset's useful life on the basis of cost.

Any expenditure that increases value and extends the useful life of real estate or results in a significant improvement in the fabric of a building is capitalized. Maintenance and repair costs are expensed as incurred.

Recoverable amounts are determined for real estate so that this information can be used in impairment tests and provided in the disclosures required in the notes to the financial statements in accordance with the provisions of IFRS 13. For this purpose, standard valuation methods are generally used that are based on the requirements of the German Real Estate Valuation Guidelines (WertR 2006) and the German Building Code (BauGB). Accordingly, the current value of real estate is determined by using the sales comparison approach, income approach, or cost approach and taking into account the provisions of any relevant contracts.

Advantages gained from low-interest, non-interest-bearing, or forgivable loans, including development loans, are recognized in the same way as government grants. The amount of financial assistance or any government grant is deducted when the carrying amount of the asset is identified and is then recognized in profit or loss over the period covered by the assistance or grant by means of a reduced depreciation charge.

General measurement methods

IFRS 17 includes 3 measurement methods, the main one being the general measurement model. The second approach is the premium allocation approach (PAA). This simplified approach is used if no material differences in the measurement of the liability for remaining coverage are expected compared with the general

measurement model. It is also used for short-term business of a maximum of one year. The third approach is the variable fee approach for insurance contracts with direct participation features. All of the measurement models are used. However, the degree to which the measurement models are used in the individual business segments varies due to the differences in the nature of the aggregated business segments.

General measurement model

For the general measurement model, IFRS 17 specifies that the liability for remaining coverage for a group of insurance contracts (GIC) at initial recognition is calculated as the sum of the fulfillment cash flows and the contractual service margin (CSM). The fulfillment cash flows comprise the probability-weighted estimate of future cash flows, adjusted for the time value of money and for financial and non-financial risk. All relevant uncertainties arising from financial risk are factored into the estimate of the cash flows. An adjustment for non-financial risk is also made. The CSM is the unearned profit that will be recognized in the future during the coverage period. It is recognized in profit or loss in accordance with an amortization pattern. In the general measurement model, measurement is based on GICs instead of individual contracts. To form the GICs, portfolios are defined that comprise contracts that are subject to similar risks and managed together. These portfolios are divided into GICs based on profitability, measurement approach, and annual cohorts.

On subsequent measurement, the carrying amount of a GIC at the end of each reporting period is the sum of the liability for future coverage and the liability for incurred claims. On subsequent measurement of the liability for remaining coverage, each GIC is remeasured using current assumptions and parameters. As a result, the CSM incorporates changes to non-financial estimates regarding future coverage and new business margins and is updated in line with the provision of services. The liability for remaining coverage is calculated at each balance sheet date from the sum of the present value of the estimated cash outflows, the risk adjustment for non-financial risk, and the CSM.

The general measurement model is used for inward reinsurance and for reinsurance contracts held (with the exception of the fire, property, and hail portfolios in inward reinsurance), the risk part of the casualty insurance with premium refund business in non-life insurance, and credit insurance as part of the personal insurance business.

Premium allocation approach

The measurement of a GIC may be simplified using the premium allocation approach, provided that certain criteria are met. This simplification can be applied upon initial recognition of a GIC if an entity reasonably expects that use of the premium allocation approach will result in a measurement of the liability for future coverage that is not materially different from its measurement under the general measurement model or if the coverage period of each contract in the GIC is one year or less. When comparing the different possible measurements, the impact of the time value of money and the different amortization patterns of the liability for remaining coverage on profit or loss is taken into account. In view of the nature of the underlying business, no significant variability in the fulfillment cash flows before claims are incurred is expected.

At initial recognition of each group of insurance contracts measured using the premium allocation approach, the carrying amount of the liability for remaining coverage is measured on the basis of the premiums received at initial recognition less any insurance acquisition cash flows that have been allocated to the GIC. The carrying amount is also adjusted for any amounts arising from the derecognition of any assets or liabilities that were previously recognized for cash flows related to the GIC, including any assets for insurance acquisition cash flows.

Reinsurance contracts held are measured on the same basis as the underlying insurance contracts. If a loss is recognized at initial recognition of a group of onerous underlying insurance contracts or if further onerous

underlying insurance contracts are added to a GIC, a loss recovery component is calculated, provided that corresponding reinsurance is in place. It is calculated by multiplying the loss recognized for the underlying contracts by the percentage of claims from the reinsurance contracts held.

On subsequent measurement, the carrying amount of the liability for remaining coverage is increased by premiums received and by the amortization of the insurance acquisition cash flows, which are recognized as an expense, and is reduced by the amount recognized as insurance revenue for services provided and by all additional insurance acquisition cash flows allocated after initial recognition. The same applies to subsequent measurement of reinsurance contracts held, with the exception of insurance acquisition cash flows recognized that are not available for these contracts.

The premium allocation approach is used for the non-life insurance business (except for casualty insurance with premium refund), for the fire, property, and hail portfolios in inward reinsurance, for international travel healthcare insurance in personal insurance, and for reinsurance contracts held.

Variable fee approach

Insurance contracts with direct participation features are measured in accordance with the rules of the variable fee approach. Initial measurement is the same as under the general measurement model, whereas subsequent measurement – particularly regarding the updating of the CSM – takes policyholder participation features into account.

The annual cohort rule under IFRS 17.22 as endorsed by the EU is optional; this option is exercised. The European Commission permits users in the EU to choose whether to apply the requirement under IFRS 17.22 for certain contracts or not. This decision affects the portfolios pursuant to article 2 letter a) of Regulation (EU) 2023/1803. These comprise GICs with direct participation features, groups of investment contracts with discretionary participation features, and insurance contracts with cash flows that affect or are affected by other insurance contracts in accordance with IFRS 17.B67 and IFRS 17.B68 (mutualization). This mutualization takes place across annual cohorts. In the personal insurance business involving contracts with direct participation features and with mutualization, and in casualty insurance business with premium refund involving endowment life insurance, annual cohorts are generally not formed.

On subsequent measurement of a GIC with direct participation features, the fulfillment cash flows for the entirety of the changes to the obligation to pay policyholders are adjusted by an amount corresponding to the change in the fair value of the underlying items. These changes do not relate to future services and are therefore recognized in profit or loss. The CSM is then adjusted by the changes to the entity's share of the fair value of the underlying items that relate to future services.

The variable fee approach is used for the personal insurance business (except for credit insurance and international travel healthcare insurance) and for the savings component in casualty insurance with premium refund in the non-life insurance business.

Insurance contract assets and liabilities

Liability for remaining coverage

Fulfillment cash flows

For the non-life portfolios, cash flows – calculated using the general measurement model – for estimated future claims and the associated premiums and costs are needed to be able to determine the liability for

remaining coverage. The estimated future cash flows are determined using estimated ratios, realization patterns, estimated premiums written, and estimated premiums earned.

The following ratios are modeled:

- Estimated ultimate claims rates in order to model the future claims expenses for compensation payments, recourse, excess proceeds, and loss sharing agreements as well as external claim settlement costs
- Expected ratios for internal claim settlement costs, insurance acquisition cash flows, administration costs, fire protection taxes, premium refunds, and lapse

Various realization patterns are modeled for settlement purposes. The payment pattern for future compensation payments, recourse, excess proceeds, loss sharing agreements and claim settlement costs is derived from the settlement pattern used in the recognition of claims provisions. In addition, various payment patterns for the insurance acquisition cash flows, administration costs, fire protection taxes, and premium refunds are modeled.

In the personal insurance business, the fulfillment cash flows are based on a projection of future cash flows within the contract boundaries. This takes account of all cash inflows and outflows that are needed to settle the insurance liabilities during their term to maturity. These comprise premium payments and related cash flows, all payments to policyholders and beneficiaries (including future policyholder participation), and all expenses incurred in order to fulfill the insurance obligations, where these can be allocated directly.

Premiums, guaranteed benefits, and costs are projected for the main portfolios on an individual contract basis until expiry. The stochastic measurement is primarily based on these deterministic cash flows, with other factors such as dynamic policyholder behavior also taken into account. Business that is not modeled on an individual contract basis is taken into account using an appropriate scaling approach.

In addition to the product and portfolio data at the start of the projection, assumptions about changes in the portfolio over the course of the projection are also incorporated. These are assumptions about biometrics and policyholder behavior, such as second-order mortality probabilities, probabilities for lump-sum payments, and lapse probabilities. Inflation assumptions are taken into account in the cost projection.

To measure the policyholder participation payments, the policyholder participation is allocated for each year of the projection depending on the funds available from the provision for premium refunds under HGB. The HGB provision for premium refunds is updated in accordance with the German Minimum Allocation Regulation (MindZV).

The value of the options and guarantees is determined using stochastic simulation.

In inward reinsurance, the fulfillment cash flows – both for the liability for remaining coverage and for the liability for incurred claims – are measured using estimates of future cash flows determined in accordance with IFRS 17.33-35 and taking account of IFRS 17.B65, B66, and B66(a). A distinction is made in the modeling between cash flows related to premiums, cash flows related to benefits, and cash flows related to costs. The costs modeled are the administration costs that can be allocated and other insurance-related costs. IFRS 17.59(a) applies only if insurance acquisition cash flows within the meaning of IFRS 17 exist.

The estimates of future cash flows are determined for each GIC, broken down into items relating to premiums, claims, and costs, using a multi-stage model as a best estimate on the basis of past data and future forecasts. The future cash flows of the outstanding payments are generated using actuarial payment flow patterns. Changes to estimates of future cash flows are predominantly based on information from previous insurers and on historic and current data. Changes to estimates that are based on the exercise of judgment are documented separately. The modeling of the estimated cash flows is based on the 5 biggest currencies in terms of volume (euro, US dollar, pound sterling, Japanese yen, and South African rand).

The outstanding cash flows are then divided into those for coverage already provided (liability for incurred claims) and those for coverage still outstanding (liability for remaining coverage). The future cash flows are determined on an underwriting year basis, although forecasts of future claims and the settlement of claims incurred are combined. It is therefore necessary to allocate the remaining claims provision to future coverage and past coverage. The basis for this distribution draws on the breakdown of the total estimate of premiums at each balance sheet date. Analysis of the settlement year enables the premium payments to be allocated to the actual coverage provided by the previous insurer.

Risk adjustment for non-financial risks

A confidence level technique is used to determine the risk adjustment for non-financial risk. A confidence level of 75 percent has been set for the Group. The option to not split the change in the risk adjustment into an insurance service component and an insurance finance component is not exercised. When determining the risk adjustment for each GIC, no risk compensation effects are taken into account that go beyond the level of the individual legal entity.

Discount rates

All cash flows are discounted with a risk-free yield curve that has been adjusted to reflect the liquidity characteristics of the insurance contracts. The liquidity of an insurance contract is determined by the predictability of its cash flows. The amount of the liquidity premium is derived from the liquidity of the reference market. Uncertainties in determining the discount rates and, in particular, the differences between different insurance contracts are taken into account in the measurement of the fulfillment cash flows at another point and are thus not taken into account by adjusting the yield curve. The relevant uncertainties arising from financial risk are factored into the estimate of the cash flows as part of a stochastic measurement that is based on up-to-date market prices of relevant hedging instruments. Non-financial uncertainties are reflected in the risk adjustment for non-financial risks. No further differentiation in terms of liquidity is therefore made in the measurement yield curve. The yield curve is determined for each currency using a bottom-up approach. In a two-step process, the risk-free and liquid basic yield curve is determined and then adjusted for an illiquidity premium.

The risk-free, liquid basic yield curve is determined using the risk-free, liquid swap rates based on 6M Euribor, which are derived from observable market prices and which are extrapolated for maturities for which no observable market prices can be determined. The Nelson Siegel method is used for the extrapolation. If no suitable discount rates are observable in the market, they have to be estimated in accordance with IFRS 17.B78. Market data that is fundamentally observable but cannot be obtained from liquid markets with sufficient transaction volumes is not regarded as reliable. In this case, judgment has to be exercised in order to assess the degree of similarity between the features of the insurance contracts to be measured and the observable market prices.

To reflect the liquidity characteristics of the insurance contracts, the risk-free, liquid basic yield curve is adjusted for an illiquidity premium. As the complete illiquidity of a cash flow is, by definition, not observable in the market, it is determined only approximately from observable market data. This process of determination results in a lower-end barrier for the complete illiquidity premium and thus in an abstract, risk-free, and completely illiquid yield curve pursuant to IFRS 17.B84. Higher illiquidity premiums cannot be established due to a lack of available data and are thus not estimated on the basis of reliable data. To determine the illiquidity premium from market data, the yield differential between German Pfandbriefe and German government securities with 1, 5, and 10-year maturities as at the reporting date are used, with interpolation between these maturities. Estimation uncertainties are also taken into account for longer yield differentials.

In inward reinsurance, there are transactions in foreign currencies for which yield curves for discounting are also provided in the following main currencies: US dollar, pound sterling, Japanese yen, and South African rand. The foreign currency curves are determined using a methodology that involves determining the

difference between the risk-free interest rates and the risk-free euro yield curve and adjusting the euro IFRS 17 discount curve by the individual maturity-related interest-rate differentials.

Investment component

The investment component of a contract is determined by calculating the amount that has to be repaid to the policyholder in all scenarios that have commercial substance, irrespective of the occurrence of an insured event. Investment component payments are not recognized as part of insurance revenue or insurance service expenses.

In personal insurance, the investment component is calculated as the cash surrender value defined in the contract terms and conditions less any fees due. Policyholder participation in the form of the interest-bearing accumulated amount or unit-linked policyholder participation also constitutes an investment component.

In inward reinsurance, the amount of the guaranteed payment to the ceding insurer and thus the investment component is calculated as the minimum of the benefit and the contractual agreements if no claim is made. Owing to the nature of the reinsurance business, it is assumed that the guaranteed benefit if no claim is made is smaller than the benefits in a loss event. As the contractual terms and conditions are clearly defined, the amount of the investment component can be unequivocally determined when the contract is signed.

Contractual service margin

At initial measurement, the CSM of a GIC essentially represents the unearned profit that will be recognized as the entity provides services under the insurance contracts in the group.

In the case of insurance contracts without direct participation features, the CSM is calculated at each reporting date from the carrying amount at the end of the preceding reporting period, adjusted by the following:

- The CSM for all new contracts added to the GIC over the course of the year
- The interest accreted on the carrying amount of the CSM during the reporting period
- The changes to the fulfillment cash flows relating to future services
- The effect of any currency exchange differences on the CSM
- The amount recognized as insurance revenue on the basis of the services performed during the year

In the case of insurance contracts with direct participation features, the CSM is calculated at each reporting date from the carrying amount at the end of the preceding reporting period, adjusted by the following:

- The CSM for all new contracts added to the GIC over the course of the year
- The change in the amount of the entity's share of the fair value of the underlying items
- The changes to the fulfillment cash flows relating to future services
- The effect of any currency exchange differences on the CSM
- The amount recognized as insurance revenue on the basis of the services performed during the year

In each period, a share of the CSM of a GIC is recognized in profit or loss in order to reflect the services provided on the basis of the number of coverage units provided in the year. The coverage units are regularly reviewed and updated for each contract, taking account of the scope of the services provided and the expected coverage period.

The projected risk result, which can be applied consistently across all life insurance product types, is used as a measure of the benefits provided by insurance coverage in life insurance. In health insurance, the total value – calculated for each rate scale – of the profile of benefit drawdown normalized to a single age is used. Both the projected risk result and the rate-scale-specific benefit drawdown constitute an adequate approximation

for the rate-scale-specific insurance benefit payment. For investment-related services, the amounts invested in the capital markets are used. The projected benefit reserve under HGB is an equivalent value derived from the setting of insurance rates and HGB accounting principles.

In the case of biometric products, the relative weighting between the benefits provided by insurance coverage and the investment-related service is significantly different from that for savings-focused products. This difference reflects the character of the service being provided. Biometric protection predominates in the case of biometric products. By contrast, the investment-related service is a more important aspect in the case of savings-focused products, although biometric protection is not to be regarded as immaterial.

In the personal insurance business, policyholders of insurance contracts with direct participation features share in both the risk result and the gains and losses on investments. This participation can be structured as a variable fee paid to the entity for the services to be provided. The insurance coverage protection is weighted using the projected risk result, with the weighting determined in line with MindZV. The weighting of the investment-based service is based on the range determined for shareholders' historical share of gains and losses on investments held by insurance companies from the projected HGB benefit reserve. Finally, the weighting factors are used to determine the ratio of the fees for the benefits provided by insurance coverage to the fees for the investment-related service.

In inward reinsurance, the settlement pattern for premiums earned is used to measure the coverage units and amortize the CSM. Due to the contract-specific, complex structure of reinsurance products, there is not a more objective method of quantifying the insurance benefit payment that could be used to compare and contrast the individual contracts. Using premiums earned rather than premiums written ensures that amounts are accrued and recognized accordingly.

Liability for incurred claims

In non-life insurance, the liability for incurred claims in respect of a GIC is recognized in the amount of the fulfillment cash flows related to claims incurred. The future cash flows are discounted at current discount rates.

To calculate the liability for incurred claims, the following 3 components must be measured:

Claims provision

Claims provisions are provisions for known claims and claims incurred but not reported. The final amount of the claims and the timing of payment are not known. Claims provisions contain compensation payments, annuities that have not been accepted, external claim settlement costs, internal claim settlement costs, recourse, excess proceeds, and loss sharing agreements.

Claims provisions are mainly calculated using the chain ladder method or other actuarial loss reserving technique. The chain ladder method is an actuarial method of calculating claims provisions on the basis of claim payments and claims expenses. This multiplicative reserving technique is the market standard in non-life insurance. It is based on the assumption that historical claim settlement patterns are indicative of future claim settlement patterns. It is also assumed that the individual years in which claims are incurred are independent of each other. Settlement for a particular year is based on a settlement pattern that is identical for all years. This settlement pattern is then used to estimate the expected future cash flows.

The very short period for the settlement of claims in the personal insurance business means that the claims provision in this business is calculated in the amount of the nominal values of the expected payments for claims incurred. In the life insurance business, benefits paid due to occupational incapacity or total unfitness for work are part of the liability for remaining coverage.

For calculation of the claims provision in inward reinsurance, please refer to the section on the liability for remaining coverage and the information on the difference between the liability for remaining coverage and the liability for incurred claims.

Provision for accepted annuities

Provisions for accepted annuities cover obligations from claims that previously had to be recognized in the claims provisions and were annuitized. Annuities can arise in the liability insurance, casualty insurance, and motor vehicle liability insurance businesses. These annuities are measured in the same way as in the life insurance business.

Risk adjustment

A confidence level technique is used to determine the risk adjustment. A confidence level of 75 percent has been set for the Group. The necessary distribution assumptions are determined on the basis of stochastic simulations and using market-standard distributions, particularly log-normal distribution. The parameters used include the expected values and the forecasting errors in the recognition of claims provisions.

Recognition of onerous business on the balance sheet

If, for contracts not measured using the premium allocation approach, the increase in the fulfillment cash flows resulting from changes in estimates relating to remaining coverage exceeds the amount of the CSM, a loss is recognized in profit or loss in the amount of this difference. The loss component is recognized as part of the liability for remaining coverage and reduced to zero on a systematic basis over the coverage period. If, for contracts measured using the premium allocation approach, facts and circumstances indicate at any time during the coverage period that a GIC is onerous, the loss is recognized in profit or loss. The liability for remaining coverage is increased by the amount by which the current estimates of the fulfillment cash flows relating to remaining coverage exceed the carrying amount of the liability for remaining coverage. This difference is also reduced to zero on a systematic basis over the coverage period.

The change in the liability for remaining coverage due to onerous contracts also results in a pro rata change in the loss recovery component from reinsurance contracts held.

Option of recognition in other comprehensive income

The accounting policy choice to disaggregate and recognize the total insurance finance income or expenses in profit or loss and in other comprehensive income is exercised ('option of recognition in other comprehensive income'). For insurance contracts with direct participation features, insurance finance income or expenses is disaggregated in such a way that this amount combined with the income and expenses recognized in profit or loss for the underlying items gives a balance of nil for the items presented separately in profit or loss. Exercising the option of recognition in other comprehensive income in accordance with IFRS 17.88(b) for insurance contracts without direct participation features, the amount recognized in other comprehensive income in accordance with IFRS 17.C19(b)(i) is calculated on the basis of the discount rates determined at initial recognition of a GIC. On subsequent measurement, insurance finance income or expenses is disaggregated in such a way that the cumulative amount recognized in other comprehensive income always corresponds to the difference between the carrying amount of the GIC applying the yield curve valid as at the reporting date and the carrying amount of the GIC applying the yield curve valid at the time of initial recognition of the GIC (locked-in yield curve). The locked-in yield curve to be used for the claims provision for insurance contracts under the premium allocation approach is determined on the basis of when the claim is incurred.

» 12 Leases

DZ BANK Group as lessor

A lease is classified as a finance lease if substantially all the risks and rewards incidental to the ownership of an asset are transferred to the lessee. If the risks and rewards remain substantially with the lessor, the lease is an operating lease.

If a lease is classified as a finance lease, a receivable due from the lessee must be recognized. The receivable is measured at an amount equal to the net investment in the lease at the inception of the lease. Lease payments must be apportioned into a payment of interest and a repayment of principal. The interest portion based on the lessor's internal discount rate for a constant periodic rate of return is recognized as interest income, whereas the repayment of principal reduces the carrying amount of the receivable.

If a lease is classified as an operating lease, the entities in the DZ BANK Group retain beneficial ownership of the leased asset. These leased assets are reported as assets. The leased assets are measured at cost less depreciation and any impairment losses. Unless another systematic basis is more representative of the pattern of income over time, the lease payments received are recognized in profit or loss on a straight-line basis over the term of the lease and reported under other net operating income.

DZ BANK Group as lessee

For every lease, the lessee recognizes a right-of-use asset for a leased asset as well as a corresponding lease liability. The only exceptions are short-term leases (term of less than one year from the commencement date) and leases for low-value assets (cost of new purchase of up to €5,000 net); in these cases, the lease payments are recognized as an expense.

The amount of the right-of-use asset initially corresponds to the amount of the lease liability. In subsequent periods, the right-of-use asset is measured at amortized cost. Depreciation is recognized on a straight-line basis over the entire lease term and reported as an administrative expense.

The lease liability is measured as the present value of the future lease payments and is shown under other liabilities. Lease payments must be apportioned into a payment of interest and a repayment of principal. The interest portion based on the internal discount rate or the incremental borrowing rate of interest is recognized as interest expense, whereas the repayment of principal reduces the liability.

The DZ BANK Group uses the practical expedient that enables a lessee to elect not to separate non-lease components from lease components and instead account for all components as a lease.

» 13 Income

Interest and dividends received

Interest is recognized in the relevant period. If the effective interest method is used to calculate interest income, such income is reported under interest income calculated using the effective interest method.

The cash flows used to calculate the effective interest rate take into account contractual agreements in connection with the financial assets and financial liabilities concerned.

Premiums and discounts are allocated over the expected life of financial instruments using the effective interest method. Any additional costs incurred that are directly connected with the acquisition or sale of a financial asset or financial liability, and thus can be directly assigned to the transaction, are factored into the calculation of the effective interest rate. Such costs include sales charges directly associated with the origination of home savings contracts and commitment fees for loans.

Dividends are recognized as soon as a legal entitlement to the payment of such a dividend is established.

Interest income and interest expense arising in connection with derivatives used for purposes other than trading are reported under net interest income. Interest income and interest expense arising in connection with derivatives held for trading purposes are reported under gains and losses on trading activities.

Recognition of gains and losses when exercising the fair value option

If, to avoid accounting mismatches, hedged items are allocated to the category 'financial assets designated as at fair value through profit or loss' (FVO hedged items), both the fair value gains and losses and the realized gains and losses are reported under other gains and losses on financial instruments.

The gains and losses on derivatives assigned to FVO hedged items are recognized in gains and losses on derivatives used for purposes other than trading within other gains and losses on valuation of financial instruments.

Revenue from contracts with customers

Revenue from contracts with customers is recognized when the underlying services have been performed, it is probable that the economic benefits will flow to the group, and the amount of the revenue can be reliably measured.

In the DZ BANK Group, revenue from contracts with customers primarily consists of fee and commission income. Revenue from contracts with customers is also included in gains and losses on investments held by insurance companies and other insurance company gains and losses as well as in other net operating income.

The main components of fee and commission income are fee and commission income from securities business, fee and commission income from payments processing (including card processing), fee and commission income from lending and trust activities, and fee and commission income from asset management.

Fee and commission income from securities business is generated from funds business and brokerage, and also includes custody charges. The income is generally recognized as soon as the service has been performed. Fee and commission income from payments processing (including card processing) and fee and commission income from lending and trust activities is recognized immediately after the service has been provided.

Fees and commissions earned over the period in which a service is performed include certain types of fees for administration and safe custody as part of the securities business and asset management, and fees in connection with the furnishing of financial guarantees. In the case of performance-related management fees, income is recognized when the contractually agreed performance criteria have been satisfied. This is either when the service is contracted (brokering of life insurance or fund contracts, or brokering of home savings loans) or when the service is performed (fee and commission income from building society operations).

Fees and charges that form an integral part of the effective interest rate do not fall within the scope of IFRS 15 and are accounted for in accordance with IFRS 9 regardless of whether the financial assets are measured at fair value or at amortized cost.

The DZ BANK Group applies the following practical expedients as permitted by IFRS 15: it applies the standard to a portfolio of contracts, does not adjust the promised amount of consideration for the effects of a significant financing component, recognizes the incremental costs of obtaining a contract as an expense when incurred, and does not disclose certain information for some performance obligations.

Insurance service result

The insurance service result comprises insurance revenue and insurance service expenses from insurance contracts issued, plus net income/expenses from reinsurance contracts held. The insurance service result recognized in profit or loss does not contain any investment components.

Insurance revenue from insurance contracts issued is the amount recognized to depict the provision of services relating to the GIC in an amount that reflects the consideration to which the entity expects to be entitled in exchange for these services. In the case of contracts not measured using the PAA, this amount comprises the reversal of expected incurred claims and other insurance service expenses, the release of the risk adjustment for non-financial risks of non-onerous contracts, the amortization of the contractual service margin, and experience adjustments for premiums that are allocated to current and past periods. For contracts measured using the PAA, insurance revenue equates to the premium income allocated to a period on the basis of the passage of time.

The insurance service expenses from insurance contracts issued comprise incurred claims, changes in fulfillment cash flows relating to the liability for incurred claims, the amortization of insurance acquisition cash flows, and changes that relate to future service under onerous contracts.

Net income/expenses from reinsurance contracts held comprises amounts recovered from the reinsurer and premiums paid.

Insurance finance income or expenses

Insurance finance income or expenses from insurance contracts issued and reinsurance contracts held comprises the changes in the carrying amount of the GIC arising from the effect of, and changes in, the time value of money and from the effect of, and changes in, financial risk. It does not include any changes in GICs with direct participation features that would adjust the contractual service margin. Changes in the fulfillment cash flows in business involving contracts with direct participation features resulting from changes in the fair value – recognized in other comprehensive income – of the underlying items are recognized in the reserve from other comprehensive income within other comprehensive income.

» 14 Cash and cash equivalents

Cash and cash equivalents are cash on hand and balances with central banks.

Cash on hand comprises euros and foreign currencies. Cash in euros is measured at nominal value; foreign currency cash is translated at the buying rate. Balances with central banks are allocated to the 'financial assets measured at amortized cost' category. Interest income on cash and cash equivalents is recognized as interest income from lending and money market business.

» 15 Loans and advances to banks and customers

All receivables attributable to registered debtors (banks and customers) that are categorized as 'financial assets measured at amortized cost', 'financial assets measured at fair value through profit or loss', or 'financial assets measured at fair value through other comprehensive income' are recognized as loans and advances to banks and customers. To eliminate or significantly reduce accounting mismatches, certain loans and advances are designated as at fair value through profit or loss. In addition to fixed-term receivables and receivables payable on demand in connection with lending business, building society operations, lease business, and money market business, loans and advances to banks and customers include promissory notes and registered bonds.

Loans and advances to banks and customers are measured predominantly at amortized cost using the effective interest method. In fair value hedges, the carrying amounts of hedged receivables are adjusted for the change in fair value attributable to the hedged risk. The resulting hedge adjustments are recognized within other gains and losses on valuation of financial instruments under gains and losses arising on hedging transactions. Finance lease receivables are recognized and measured in accordance with the requirements for the accounting treatment of leases.

Loss allowances for loans and advances to banks and customers are determined on the basis of the IFRS 9 requirements applicable to the relevant category of financial assets. Depending on these requirements, the loss allowances are reported as a separate line item that is applied as a deduction on the assets side of the balance sheet or are reported in the reserve from other comprehensive income. Finance lease receivables are also subject to the IFRS 9 impairment requirements.

Interest income on loans and advances to banks and customers is recognized as interest income from lending and money market business. This also includes the amortization of hedge adjustments to carrying amounts due to fair value hedges. Realized gains and losses on loans and advances to banks and customers that are categorized as financial assets measured at amortized cost are included in the gains and losses from the derecognition of financial assets measured at amortized cost.

» 16 Hedging instruments (positive and negative fair values)

The carrying amounts of financial instruments designated as hedging instruments in effective and documented hedging relationships are reported under either hedging instruments (positive fair values) or hedging instruments (negative fair values).

These financial instruments are measured at fair value. Changes in the fair value of hedging instruments in the categories 'financial assets measured at fair value through profit or loss' and 'financial liabilities measured at fair value through profit or loss' used in fair value hedges are recognized in the income statement as an element of other gains and losses on valuation of financial instruments under gains and losses from hedge accounting. If the hedged item is an equity instrument in which changes in fair value are recognized in other comprehensive income, the changes in the fair value of the hedging instruments are also recognized in other comprehensive income.

In the case of financial instruments used for cash flow hedges or hedges of net investments in foreign operations, changes in fair value attributable to the effective portion of the hedges are recognized in other comprehensive income. The cumulative amounts are recognized in the reserve from other comprehensive income as part of equity. Changes in fair value attributable to the ineffective portion of hedges are included in other gains and losses on valuation of financial instruments under gains and losses from hedge accounting.

» 17 Financial assets and financial liabilities held for trading

Financial assets and financial liabilities held for trading comprise financial assets and financial liabilities that are held for trading purposes.

Derivatives with positive fair values are classified as financial assets held for trading if they were entered into for trading purposes or, despite being intended to be used as hedges, do not meet the requirements for an accounting treatment as hedging instruments. Financial assets held for trading also include bonds and other fixed-income securities, shares and other variable-yield securities, and receivables held for trading purposes.

Financial liabilities held for trading include short positions, bonds and other debt certificates issued, and other liabilities held for trading purposes. The procedure for classifying derivatives with negative fair values as financial liabilities held for trading is the same as that used for financial assets held for trading.

Financial instruments reported as financial assets or financial liabilities held for trading are always measured at fair value through profit or loss. Gains and losses on valuation, interest income and expense, and dividends arising from financial assets and financial liabilities held for trading are recognized under gains and losses on trading activities, provided that there is an actual intent to trade the instruments concerned. If there is no actual intent to trade the instruments concerned, gains and losses on valuation are recognized under other gains and losses on valuation of financial instruments.

» 18 Investments

The following are recognized as investments: bearer bonds and other fixed-income securities, shares and other variable-yield securities, investment fund units, and other bearer or registered shareholdings in entities in which the DZ BANK Group has no significant influence, provided that these securities or shares are not held for trading purposes. Investments also include investments in non-material subsidiaries and investments in joint ventures and associates.

Investments are initially recognized at fair value. Investments in joint ventures and associates that are accounted for using the equity method are initially recognized at cost. These investments are subsequently measured in accordance with the principles applicable to the relevant measurement category. In the case of investments in joint ventures and associates, the equity method is used for subsequent measurement.

Impairment losses on investments are determined on the basis of the IFRS 9 requirements applicable to the relevant category of financial assets or on the basis of accounting standards relevant to the financial assets concerned. They are generally reported as a separate line item that is applied as a deduction on the assets side of the balance sheet or are reported in the reserve from other comprehensive income.

Interest and any investment premiums or discounts amortized over the maturity of the investment using the effective interest method are recognized under net interest income. Dividends derived from equity instruments are recognized as current income under net interest income. Current income and expense arising from use of the equity method is also reported under net interest income.

Gains and losses realized on the sale of investments that are not categorized as financial assets measured at amortized cost, as well as impairment losses and reversals thereof on investments in associates and joint ventures that are accounted for using the equity method, are reported under gains and losses on investments.

Realized gains and losses on investments that are categorized as financial assets measured at amortized cost are included in the gains and losses from the derecognition of financial assets measured at amortized cost.

Fair value gains and losses on investments that are mandatorily measured at fair value through profit or loss are reported under other gains and losses on valuation of financial instruments.

» 19 Property, plant and equipment, investment property, and right-of-use assets

Property, plant and equipment, investment property, and right-of-use assets comprises land and buildings as well as office furniture and equipment with an estimated useful life of more than one year used by the entities in the DZ BANK Group. This item also includes right-of-use assets arising from leases. Investment property is real estate held for the purposes of generating rental income or capital appreciation.

Property, plant and equipment, and investment property is measured at cost and subsequently at cost less cumulative depreciation and cumulative impairment losses. Depreciation is largely recognized on a straight-line basis over the useful life of the asset. As a rule, external valuations are used to measure recoverability.

Right-of-use assets arising from leases are measured in accordance with the lease accounting provisions and subsequently reduced by cumulative depreciation and cumulative impairment losses. Depreciation is largely recognized on a straight-line basis over the useful life of the asset.

If facts or circumstances give rise to indications that property, plant and equipment, investment property, or right-of-use assets might be impaired, the recoverable amount is determined. An impairment loss is recognized if the recoverable amount is lower than the asset's carrying amount. The recoverable amount is the higher of fair value less costs to sell and value in use.

Borrowing costs directly assignable to property, plant and equipment, and investment property are capitalized as part of the asset cost, provided that the asset concerned is a qualifying asset.

Depreciation on property, plant and equipment, investment property, and right-of-use assets is reported as an administrative expense. Impairment losses and reversals of impairment losses are reported under other net operating income.

» 20 Income tax assets and liabilities

Current and deferred tax assets are shown under the income tax assets balance sheet item; current and deferred tax liabilities are reported under income tax liabilities. Current income tax assets and liabilities are recognized in the amount of any expected refund or future payment.

Deferred tax assets and liabilities are recognized for temporary differences between the IFRS carrying amounts of the assets or liabilities and their carrying amounts for tax purposes. Deferred tax assets are also recognized in respect of as yet unused tax loss carryforwards, provided that utilization of these loss carryforwards is sufficiently probable. Deferred tax assets are measured using the national and entity-specific tax rates expected to apply at the time of recovery. A uniform tax rate is applied in the case of group companies forming a tax group with DZ BANK.

Deferred tax assets and liabilities are not discounted. Where temporary differences arise in relation to items recognized in other comprehensive income, the resulting deferred tax assets and liabilities are also recognized in other comprehensive income. Current and deferred tax income and expense to be recognized through profit or loss are reported under income taxes in the income statement.

» 21 Other assets and other liabilities

The other assets and other liabilities line items are used to report assets and liabilities that cannot be allocated to any of the other asset or liability line items.

Other assets held by insurance companies, intangible assets, and contract assets are reported under other assets. Intangible assets are recognized at cost. In the subsequent measurement of software, acquired customer relationships, and other intangible assets with a finite useful life, carrying amounts are reduced by cumulative amortization and cumulative impairment losses. Goodwill and other intangible assets with an indefinite useful life are not amortized but are subject to an impairment test at least once during the financial year.

If the group has satisfied its performance obligation in respect of a customer, but the customer has not yet paid the consideration and payment of the consideration still depends on a condition other than simply a due date, then the group recognizes a contract asset on the balance sheet in place of a receivable. As soon as an unconditional right to the consideration arises, the contract asset is reclassified as a receivable. Contract assets are not amortized, but are included in the calculation of the loss allowances in accordance with IFRS 9.

Other liabilities include other liabilities of insurance companies, accrued expenses, and lease liabilities.

» 22 Loss allowances

Loss allowances for cash and cash equivalents, loans and advances to banks and customers, investments, and other assets that are measured at amortized cost or designated as finance leases are reported as a separate line item on the assets side of the balance sheet. Additions to loss allowances for these balance sheet items, and any reversals of such allowances, are recognized under loss allowances in the income statement.

Loss allowances for investments held by insurance companies and other assets held by insurance companies measured at amortized cost are netted with the carrying amounts of these assets within the investments held by insurance companies and other assets held by insurance companies line items on the balance sheet. Additions to loss allowances for these balance sheet items, and any reversals of such allowances, are recognized under gains and losses on investments held by insurance companies and other insurance company gains and losses in the income statement.

Loss allowances for loans and advances to banks and customers, for investments, and for investments held by insurance companies that are measured at fair value through other comprehensive income are not applied as a deduction on the assets side of the balance sheet but instead are reported in the reserve from other comprehensive income. Additions to loss allowances for these balance sheet items are recognized under loss allowances in the income statement; any reversals of such allowances are recognized under gains and losses on investments held by insurance companies and other insurance company gains and losses in the income statement.

Any additions to, or reversals of, provisions for loan commitments and financial guarantee contracts and other provisions for loans and advances are also recognized in profit or loss under loss allowances.

» 23 Non-current assets and disposal groups classified as held for sale

The carrying amount of non-current assets or disposal groups for which a sale is planned is recovered principally through a sale transaction rather than through their continuing use. These assets and disposal groups therefore need to be classified as held for sale if the criteria set out below are satisfied.

To be classified as held for sale, the assets or disposal groups must be available for immediate sale in their present condition subject only to terms that are usual and customary for sales of such assets or disposal groups, and it must be highly probable that a sale will take place. A sale is deemed to be highly probable if there is a commitment to a plan to sell the asset or disposal group and an active program to locate a buyer and complete the plan has been initiated. In addition, the asset or disposal group must be actively marketed for sale at a price that is reasonable in relation to the current fair value. A sale must be expected to be completed within one year of the date on which the asset or disposal group is classified as held for sale.

Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. The assets are no longer depreciated from the date on which they are classified as held for sale.

Assets and disposal groups classified as held for sale are shown separately on the balance sheet under non-current assets and disposal groups classified as held for sale and liabilities included in disposal groups classified as held for sale. Gains and losses arising on measurement as well as gains and losses on the sale of these assets or disposal groups that do not belong to a discontinued operation are recognized in the income statement under other net operating income. If the assets or disposal groups belong to discontinued operations, all gains and losses arising from these assets and disposal groups must be shown separately as 'profit/loss from discontinued operations, net of tax'.

» 24 Deposits from banks and customers

All liabilities attributable to registered creditors (banks and customers) are recognized as deposits from banks and customers.

In addition to fixed-maturity liabilities and liabilities repayable on demand arising from the deposit, home savings and loan, and money market businesses, these liabilities also include, in particular, registered bonds and promissory notes issued.

Deposits from banks and customers are measured at amortized cost using the effective interest method. Where deposits from banks and customers are designated as a hedged item in an effective fair value hedge, the carrying amount is adjusted for any change in the fair value attributable to the hedged risk. If, to eliminate or significantly reduce accounting mismatches, the fair value option is applied for deposits from banks and customers, the deposits are measured at fair value as at the balance sheet date. This is also the case for deposits from banks and customers that are classified as financial liabilities mandatorily measured at fair value through profit or loss.

Interest expense on deposits from banks and customers is recognized separately under net interest income. Interest expense also includes gains and losses on early redemptions and the amortization of hedge adjustments to carrying amounts due to fair value hedges. Hedge adjustments to the carrying amount due to fair value hedges are reported within other gains and losses on valuation of financial instruments under gains and losses from hedge accounting.

» 25 Debt certificates issued including bonds

Debt certificates issued including bonds cover 'Pfandbriefe', other bonds, and commercial paper for which transferable bearer certificates have been issued.

Debt certificates issued including bonds are measured in the same way as deposits from banks and customers.

» 26 Provisions

Provisions for employee benefits

Pension plans agreed with the employees of the entities in the DZ BANK Group are based on various types of pension schemes that depend on the legal, economic, and tax situation in each country and include both defined contribution plans and defined benefit plans.

Where a commitment is made to defined contribution plans, fixed contributions are paid to external pension providers. The amount of the contributions and the income earned from the pension assets determine the amount of future pension benefits. The risks arising from the obligation to pay such benefits in the future lie with the pension provider. No provisions are recognized for these defined contribution pension commitments. The contributions paid are recognized as pension and other post-employment benefit expenses under administrative expenses.

Under a defined benefit plan, the employer promises a specific benefit and bears all the risks arising from this promise. Defined benefit obligations are measured on the basis of the projected unit credit method. The measurement depends on various actuarial assumptions. These include, in particular, assumptions about long-term salary and annuity trends and average life expectancy. Assumptions about the salary trend are based on past trends and take into account expectations regarding future changes in the labor market. Assumptions about the annuity trend are based on expected changes in the inflation rate. The 2018 G mortality tables published by Professor Dr. Klaus Heubeck are used to estimate average life expectancy in Germany; outside Germany, the relevant country-specific mortality tables are used. The discount rate used to discount future payment obligations is an appropriate market interest rate for investment-grade fixed-income corporate bonds with a maturity equivalent to that of the defined benefit obligations. The discount rate depends on the obligation structure (duration) and is determined using a portfolio of high-quality corporate bonds that must satisfy certain quality criteria. One of the notable quality criteria is a credit rating of AA from at least one of the two rating agencies with the greatest coverage in the currency area in question. For the eurozone, these are Moody's Investors Service and Standard & Poor's, both New York. Bonds with existing call options in the form of embedded derivatives are not included in this process.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions regarding the defined benefit obligations, together with gains and losses arising from the remeasurement of plan assets and reimbursement rights, are recognized in other comprehensive income in the reporting period in which they occur.

In addition to the provisions for defined benefit pension plans, the provisions for employee benefits include provisions for other long-term employee benefits, provisions for termination benefits, and provisions for short-term employee benefits.

Provisions for other long-term employee benefits are recognized, in particular, to cover semi-retirement (Altersteilzeit) and long-service bonuses. Provisions for early retirement are included under the provisions for termination benefits.

Provisions for termination benefits linked with restructuring are reported separately from other restructuring provisions.

Provisions for employee benefits are generally recognized as a charge to administrative expenses, although reversals of such provisions are reported under other net operating income. As an exception to the rule, the expense for the recognition of provisions for restructuring is included in other net operating income.

Provisions for share-based payment transactions

The entities in the DZ BANK Group have entered into various agreements covering variable remuneration components to be paid to members of the Board of Managing Directors and certain other salaried employees. The amount and timing of such remuneration depends on a number of factors, not least the performance of the entity concerned. These agreements are classified as cash-settled share-based payment transactions.

Provisions for share-based payment transactions are recognized (at fair value) if it is sufficiently probable that the remuneration will be paid out in the future. Where payment transactions are linked to targets relating to a multi-year, retrospective performance period, the provision is recognized on the basis of the underlying performance period. The timing of initial recognition is therefore before the grant date and before any payout in subsequent years. This results in discrepancies compared with the nominal amounts disclosed in note 108 for share-based payments granted but not yet paid out.

Provisions for share-based payment transactions are also subsequently measured at fair value. Any changes in fair value are recognized in profit or loss under administrative expenses.

Other provisions

Provisions are liabilities in which the amounts or due dates are uncertain. Provisions are recognized for present obligations arising out of past events, in which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be reliably estimated.

The provisions are recognized and measured using the best estimate of the present value of their anticipated utilization. This estimate takes account of future events as well as the risks and uncertainties relating to the issue concerned. The underlying assumptions and estimates used include figures based on past experience as well as expectations and forecasts relating to future trends and developments.

Provisions for irrevocable loan commitments and provisions for financial guarantee contracts are recognized with the same model used for financial assets and in the amount of the expected credit losses.

Other provisions for loans and advances factor in the usual sector-specific level of uncertainty.

Subject to various criteria being met, the building society's terms and conditions provide for bonuses for home savings customers in the form of a reimbursement of some of the sales charge or in the form of interest bonuses on deposits. The bonuses constitute independent payment obligations and are measured and recognized in accordance with IAS 37. In line with the building society's terms and conditions, the granting of bonuses to home savings customers is tied to various conditions, such as the selection of the interest bonus option by the home savings customer, adherence to a lock-up period that, after the option has been selected, starts on the valuation date on which the target valuation and a certain minimum volume of home savings deposits are reached, the achievement of a minimum term for the home savings contract, or a decision not to draw down the allocated home savings loan. In order to measure provisions relating to building society operations, building society simulations (collective simulations) that forecast home savings customers' future behavior are used to evaluate these options. The parameters for collective simulation, including the probabilities of the options being exercised by home savings customers, are set using the exercise rate determined from customer behavior observed in the past and using current market interest rates. The collective simulations form the basis for cash flow projections that are used to measure the provisions relating to building society operations. These cash flow projections are carried out at portfolio level for a projection period of 50 years. Uncertainty in connection with the measurement of the provisions may arise depending on the extent to which the assumptions about future customer behavior – taking account of various interest-rate scenarios and management assessments – that were forecast using collective simulation actually materialize in

the future. Unconditional bonuses in the form of additional interest credit are recognized as part of the amortized cost of the home savings deposits in accordance with IFRS 9.5.3.1 in conjunction with IFRS 9.4.2.1.

Provisions that cover the possible resulting losses are recognized for risks arising from ongoing legal disputes and for pre-litigation risks, including in relation to tax matters. Such provisions are recognized when the reasons indicating that a legal dispute will result in a payment obligation for an entity in the DZ BANK Group are stronger than those indicating the opposite. Any concentration risk owing to similarities between individual cases is taken into consideration.

The amount in which provisions are recognized for risks arising from ongoing legal disputes and for pre-litigation risks is based on the information available at the time and is subject to assumptions and discretion in how a dispute is assessed. For example, this may be because the entity in the DZ BANK Group does not yet have at its disposal all the information required to make a final assessment of the legal dispute, particularly during the early stages of proceedings. Moreover, predictions made by entities in the DZ BANK Group in relation to changes to legal circumstances, changes to official interpretations, or – in the case of court cases – to procedural orders, decisions by the courts, or the arguments expected to be put forward by the opponent in the case may later turn out to be unfounded.

The expense incurred by the unwinding of the discount on provisions is recognized as interest expense under net interest income.

» 27 Subordinated capital

Subordinated capital comprises all registered or bearer debt instruments that, in the event of insolvency or liquidation, are repaid only after settlement of all unsubordinated liabilities but before distribution to shareholders of any proceeds from the insolvency or liquidation.

Subordinated liabilities largely comprise subordinated bearer bonds and promissory notes. Profit-sharing rights outstanding comprise registered and bearer profit-participation certificates in issue. Regulatory Tier 1 capital that does not meet IFRS equity criteria is recognized as other hybrid capital. Non-controlling interests in partnerships controlled by entities in the DZ BANK Group that must be classified as subordinated are recognized as share capital repayable on demand.

Subordinated capital is measured in the same way as deposits from banks and customers.

» 28 Contingent liabilities

Contingent liabilities are possible obligations arising from past events. The existence of these obligations will only be confirmed by future events outside the control of the entities in the DZ BANK Group. Present obligations arising out of past events but not recognized as provisions because of the improbability of an outflow of resources embodying economic benefits or because the amount cannot be measured with sufficient reliability also constitute contingent liabilities.

The amount of contingent liabilities is disclosed in the notes unless the probability of an outflow of resources embodying economic benefits is remote. Contingent liabilities are measured at the best estimate of possible future outflows of resources embodying economic benefits.

Contingent liabilities in respect of litigation risk are reported when the reasons indicating that there is no current obligation are stronger than those indicating the opposite, but there is still a likelihood that a legal dispute will result in a payment obligation for an entity in the DZ BANK Group. Risks arising from legal disputes are assessed according to how likely they are to occur.

B Disclosure of interests in other entities

» 29 Investments in subsidiaries

Proportion of the DZ BANK Group's activities and cash flow attributable to non-controlling interests

Within the DZ BANK Group, there are material non-controlling interests in the following subsidiaries and subgroups:

€ million	Dec. 31, 2025	Dec. 31, 2024
Bausparkasse Schwäbisch Hall subgroup	96	96
DZ PRIVATBANK	80	83
R+V Versicherung subgroup	1,796	1,554
Union Asset Management Holding subgroup	150	132
Other	173	170
Total	2,296	2,036

The aforementioned material subsidiaries and subgroups in the DZ BANK Group report the following shares of profit for the non-controlling interests:

€ million	Dec. 31, 2025	Dec. 31, 2024
Bausparkasse Schwäbisch Hall subgroup	2	2
DZ PRIVATBANK	6	7
R+V Versicherung subgroup	191	108
Union Asset Management Holding subgroup	37	36
Other	8	15
Total	243	169

Bausparkasse Schwäbisch Hall

Bausparkasse Schwäbisch Hall AG – Bausparkasse der Volksbanken und Raiffeisenbanken, Schwäbisch Hall, (BSH) is the parent company of the BSH subgroup. BSH is headquartered in Schwäbisch Hall. DZ BANK directly holds 97.61 percent of the shares in BSH (December 31, 2024: 97.60 percent). The share of voting rights is equal to the shareholding. Non-controlling interests account for 2.39 percent of the voting rights and shares (December 31, 2024: 2.40 percent). As was the case a year earlier, most of these non-controlling interests are held by local cooperative banks.

The net income for the year attributable to the non-controlling interests in the BSH subgroup was €1 million (2024: €2 million). The carrying amount of the non-controlling interests in the BSH subgroup was €1 million (December 31, 2024: €0 million). DZ BANK has entered into a profit-transfer agreement with BSH. This guarantees a cash settlement of €6.97 per non-par-value share (after corporation tax and ancillary taxes) for the outside shareholders of BSH until the end of the 2025 financial year. After the end of the 2025 financial year, the profit transfer agreement will be extended automatically by one year at a time until December 31, 2030 at the latest, unless the agreement is terminated by giving notice no later than 6 months before it is due to end. Guaranteed dividends of €1 million were paid to outside shareholders of BSH in 2025 (2024: €1 million).

Aggregated financial information for the BSH subgroup:

€ million	Dec. 31, 2025	Dec. 31, 2024
Assets	80,823	82,684
Liabilities	76,429	78,272

€ million	2025	2024
Interest income and fee and commission income	1,582	1,534
Net loss	-15	-38
Other comprehensive income/loss	-3	92
Total comprehensive income/loss	-18	53

DZ PRIVATBANK

DZ PRIVATBANK S.A., Strassen, Luxembourg, (DZ PRIVATBANK S.A.) (since January 2, 2026: DZ PRIVATBANK AG, Frankfurt am Main), headquartered in Luxembourg, together with its wholly owned subsidiaries DZ PRIVATBANK (Schweiz) AG, Zurich, Switzerland, (DZ PRIVATBANK Schweiz), IPConcept (Luxemburg) S.A., Strassen, Luxembourg, (IPC Luxemburg), and IPConcept (Schweiz) AG, Zurich, Switzerland, (IPC Schweiz) is the cooperative center of excellence for the private banking business of the local cooperative banks in Germany.

DZ BANK directly holds 92.70 percent (December 31, 2024: 91.84 percent) of the shares in DZ PRIVATBANK S.A. The share of voting rights is equal to the shareholding. Non-controlling interests account for 7.30 percent (December 31, 2024: 8.16 percent) and are held by local cooperative banks and investment companies in the cooperative sector.

The dividend distributed to the non-controlling interests came to €2 million in 2025 (2024: €1 million).

Aggregated financial information for DZ PRIVATBANK:

€ million	Dec. 31, 2025	Dec. 31, 2024
Assets	19,322	21,681
Liabilities	17,991	20,404

€ million	2025	2024
Interest income and fee and commission income	1,283	1,545
Net profit	86	93
Other comprehensive income/loss	13	-3
Total comprehensive income	98	90
Cash flow	-4,284	-5,414

R+V Versicherung

R+V Versicherung AG, Wiesbaden, (R+V) is the parent company of the R+V subgroup. R+V is headquartered in Wiesbaden. DZ BANK directly holds 92.35 percent of the shares in R+V (December 31, 2024: 92.32 percent). The share of voting rights is equal to the shareholding. Non-controlling interests account for 7.65 percent of the voting rights and shares (December 31, 2024: 7.68 percent). Within this figure, local

cooperative banks hold 5.89 percent (December 31, 2024: 5.92 percent). The other 1.75 percent (December 31, 2024: 1.75 percent) is held by other entities in the cooperative sector.

The net income for the year attributable to the non-controlling interests in the R+V subgroup was €94 million (2024: €38 million). The carrying amount of the non-controlling interests in the R+V subgroup was €955 million (December 31, 2024: €819 million). DZ BANK entered into a profit-transfer agreement with R+V in 2022. This guarantees an annual cash settlement of €7.32 per non-par-value share (after corporation tax and ancillary taxes) for the outside shareholders of R+V until the end of the 2026 financial year. After the end of the agreement, it can be extended by one year at a time until 2031. Guaranteed dividends of €8 million were paid to outside shareholders of R+V in 2025 (2024: €8 million). In the R+V subgroup, dividends of €19 million were paid to non-controlling interests (2024: €10 million).

Aggregated financial information for the R+V subgroup:

€ million	Dec. 31, 2025	Dec. 31, 2024
Assets	138,577	134,737
Liabilities	126,644	124,246

€ million	2025	2024
Insurance service result	2,597	1,371
Net profit	1,252	843
Other comprehensive income	165	318
Total comprehensive income	1,416	1,161

Union Asset Management Holding

Union Asset Management Holding AG, Frankfurt am Main, (UMH) is the parent company of the UMH subgroup. UMH is headquartered in Frankfurt am Main. Other major locations are Hamburg and Luxembourg. DZ BANK's aggregated shareholding in UMH is 96.61 percent (December 31, 2024: 96.60 percent). The share of voting rights is equal to the aggregated shareholding. Non-controlling interests account for 3.39 percent of the shares (December 31, 2024: 3.40 percent). Most of these non-controlling interests are held by local cooperative banks. The proportion held indirectly by DZ BANK is 95.85 percent (December 31, 2024: 95.83 percent) and serves as the basis for the carrying amount of the DZ BANK Group's controlling interests in UMH as shown in the table above.

The net income for the year attributable to the non-controlling interests in the UMH subgroup was €8 million (2024: €8 million). The carrying amount of the non-controlling interests in the UMH subgroup was €29 million (December 31, 2024: €30 million). The dividend distributed to the non-controlling interests totaled €17 million in 2025 (2024: €15 million). €8 million of this amount was paid as dividends to non-controlling interests in the UMH subgroup (2024: €8 million).

Aggregated financial information for the UMH subgroup:

€ million	Dec. 31, 2025	Dec. 31, 2024
Assets	6,502	5,935
Liabilities	2,460	2,336

€ million	2025	2024
Interest income and fee and commission income	4,162	3,988
Net profit	832	840
Other comprehensive income/loss	-6	26
Total comprehensive income	826	866

Nature and extent of significant restrictions

National regulatory requirements, contractual provisions, and provisions of company law restrict the DZ BANK Group's ability to transfer assets within the group. Where these restrictions can be specifically assigned to individual line items on the balance sheet, the assets and liabilities subject to restrictions on the balance sheet date are shown in the following table:

€ million	Dec. 31, 2025	Dec. 31, 2024
Assets	105,042	104,540
Loans and advances to banks	302	336
Loans and advances to customers	8,641	6,869
Investments	860	596
Investments held by insurance companies	94,685	96,240
Other assets	554	499
Liabilities	154,040	153,395
Deposits from banks	913	824
Deposits from customers	61,569	62,493
Provisions	799	833
Insurance contract liabilities	90,759	89,244

» 30 Interests in joint arrangements and associates

Nature, extent, and financial effects of interests in joint arrangements

Prvá stavebná sporiteľňa

Prvá stavebná sporiteľňa a.s., Bratislava, Slovakia, (PSS) is a joint venture between BSH and its partners Raiffeisen Bausparkassen Holding GmbH, Vienna, Austria, Slovenská sporiteľňa a.s., Bratislava, Slovakia, and Erste Group Bank AG, Vienna, Austria. PSS is headquartered in Bratislava, Slovakia. BSH's shareholding in PSS was 32.50 percent on the balance sheet date, as it had been at December 31, 2024. In the DZ BANK Group, the interests in PSS are accounted for using the equity method. PSS did not pay a dividend to BSH in 2025, as had also been the case in the previous year.

Aggregated financial information for PSS:

€ million	Dec. 31, 2025	Dec. 31, 2024
Current assets	91	115
of which cash and cash equivalents	1	5
Non-current assets	2,788	2,904
Current liabilities	621	714
of which financial liabilities	599	695
Non-current liabilities	1,923	1,980
of which financial liabilities	1,909	1,953

€ million	2025	2024
Interest income	107	103
Interest expense	-37	-43
Fee and commission income	12	14
Fee and commission expenses	-1	-1
Administrative expenses	-43	-42
Income taxes	-8	-5
Profit from continuing operations, net of tax	18	12
Total comprehensive income	17	13

Reconciliation from the aggregated financial information to the carrying amount of the interests in PSS:

€ million	Dec. 31, 2025	Dec. 31, 2024
Total net assets	336	324
Share of net assets	109	105
Cumulative impairment losses on the carrying amount of the investment	-35	-35
Carrying amount under the equity method	74	71

Zhong De Zuh Fang Chu Xu Yin Hang (Sino-German-Bausparkasse)

Zhong De Zuh Fang Chu Xu Yin Hang (Sino-German-Bausparkasse), Tianjin, China, (SGB) is a joint venture between BSH and China Construction Bank Corporation, Beijing, China. SGB is headquartered in Tianjin, China. BSH's shareholding in this Chinese building society was 24.90 percent on the balance sheet date, as it had been at December 31, 2024. In the DZ BANK Group, the interests in SGB are accounted for using the equity method. SGB did not pay a dividend to BSH in 2025, as had also been the case in the previous year.

Aggregated financial information for SGB:

€ million	Dec. 31, 2025	Dec. 31, 2024
Current assets	2,286	2,288
of which cash and cash equivalents	284	330
Non-current assets	3,152	3,169
Current liabilities	3,800	3,931
of which financial liabilities	3,754	3,877
Non-current liabilities	1,255	1,113
of which financial liabilities	1,255	1,113

€ million	2025	2024
Interest income	135	161
Interest expense	-84	-93
Fee and commission income	-	1
Fee and commission expenses	-8	-11
Administrative expenses	-38	-39
Income taxes	1	1
Profit from continuing operations, net of tax	1	11
Other comprehensive income/loss	-32	14
Total comprehensive income/loss	-31	25

Reconciliation from the aggregated financial information to the carrying amount of the interests in SGB:

€ million	Dec. 31, 2025	Dec. 31, 2024
Total net assets	383	413
Share of net assets	95	103
Cumulative impairment losses on the carrying amount of the investment	-75	-75
Carrying amount under the equity method	20	28

Deutsche WertpapierService Bank

Deutsche WertpapierService Bank AG, Frankfurt am Main, (dwpbank) is a joint venture of DZ BANK with Westfälisch-Lippische Sparkassen- und Giroverband, Münster, Rheinischer Sparkassen- und Giroverband, Düsseldorf, and 3 other banks in Germany and is accounted for in the DZ BANK Group's financial statements using the equity method. dwpbank is headquartered in Frankfurt am Main. Its capital is divided into 20,000,000 voting registered shares with transfer restrictions. DZ BANK holds a 50.00 percent stake in dwpbank, as it did at December 31, 2024. The equity method is applied to dwpbank on the basis of financial statements prepared in accordance with HGB because the difference compared with financial statements prepared in accordance with IFRS is not material.

The shares in dwpbank are not traded in an active market. dwpbank paid a dividend of €8 million to DZ BANK in 2025 (2024: no dividend).

Aggregated financial information for dwpbank:

€ million	Dec. 31, 2025	Dec. 31, 2024
Assets	917	904
Liabilities	488	514
of which financial liabilities	221	272

dwpbank only has a small amount of cash and cash equivalents.

€ million	2025	2024
Interest income	10	10
Interest expense	-4	-3
Fee and commission income	558	429
Fee and commission expenses	-195	-103
Administrative expenses	-308	-286
Income taxes	-26	-18
Profit from continuing operations, net of tax	54	55
Total comprehensive income	54	55

Reconciliation from the aggregated financial information to the carrying amount of the interests in dwpbank:

€ million	Dec. 31, 2025	Dec. 31, 2024
Total net assets	429	390
Share of net assets	214	195
Capitalization of goodwill	29	29
Carrying amount under the equity method	244	224

Other joint ventures

The carrying amount of the equity-accounted joint ventures that, individually, are not material totaled €54 million on the balance sheet date (December 31, 2024: €63 million).

Aggregated financial information for equity-accounted joint ventures that, individually, are not material:

€ million	2025	2024
Share of profit/loss from continuing operations, net of tax	1	-
Share of total comprehensive income/loss	1	-

Nature, extent, and financial effects of investments in associates

Other associates

The carrying amount of the equity-accounted associates that, individually, are not material totaled €148 million on the balance sheet date (December 31, 2024: €163 million).

Aggregated financial information for equity-accounted associates that, individually, are not material:

€ million	2025	2024
Share of profit/loss from continuing operations, net of tax	-9	-2
Share of total comprehensive income/loss	-9	-2

» 31 Interests in unconsolidated structured entities

Structured entities are entities that have been designed so that voting rights or similar rights are not the dominant factor in deciding who controls the entity. The DZ BANK Group distinguishes between the following types of interests in unconsolidated structured entities, based on their design and the related risks:

- Interests in investment funds issued by entities in the DZ BANK Group
- Interests in investment funds issued by third parties outside the DZ BANK Group
- Interests in securitization vehicles

Interests in investment funds issued by entities in the DZ BANK Group

The interests in the investment funds issued by entities in the DZ BANK Group largely comprise investment funds issued by entities in the UMH subgroup. These are structured in accordance with the contractual form model without voting rights and, to a lesser extent, as companies with a separate legal personality. The number of unit/share types and volume of investment funds issued and managed by entities in the UMH subgroup can be broken down as follows:

€ million	Dec. 31, 2025		Dec. 31, 2024	
	Volume	Number	Volume	Number
Mutual funds	288,249	332	273,887	342
of which guarantee funds	10	1	108	4
Special funds	168,977	500	161,053	507
Total	457,226	832	434,940	849

The maximum exposure of the investment funds issued and managed by entities in the DZ BANK Group is shown in the following tables as a gross value, excluding deduction of available collateral:

AS AT DECEMBER 31, 2025

€ million	Mutual funds	of which guarantee funds	Special funds	Total
Assets	3,880	-	122	4,002
Loans and advances to customers	1	-	17	18
Investments	3,491	-	36	3,526
Investments held by insurance companies	34	-	55	89
Property, plant and equipment, investment property, and right-of-use assets	87	-	-	87
Other assets	267	-	14	281
Liabilities	102	-	-	102
Other liabilities	101	-	-	101
Net exposure recognized on the balance sheet	3,779	-	122	3,900
Financial guarantee contracts, loan commitments and other obligations	9	9	-	9
Other obligations	9	9	-	9
Maximum exposure	3,788	9	122	3,909

AS AT DECEMBER 31, 2024

€ million	Mutual funds	of which guarantee funds	Special funds	Total
Assets	3,124	-	219	3,344
Loans and advances to customers	2	-	17	18
Investments	2,723	-	33	2,755
Investments held by insurance companies	33	-	154	187
Property, plant and equipment, investment property, and right-of-use assets	98	-	-	98
Other assets	249	-	16	265
Non-current assets and disposal groups classified as held for sale	21	-	-	21
Liabilities	116	4	-	116
Financial liabilities held for trading	4	4	-	4
Other liabilities	111	-	-	112
Net exposure recognized on the balance sheet	3,009	-4	219	3,228
Financial guarantee contracts, loan commitments and other obligations	109	109	-	109
Other obligations	109	109	-	109
Maximum exposure	3,118	105	219	3,337

The maximum exposure for market price guarantees for the guarantee funds does not represent the economic risk of this product type because the economic risk also has to reflect these guarantee funds' net assets on the reporting date and the management model used with these products to safeguard the minimum payment commitments. The benefit under a market price guarantee is triggered if the fair value of the affected units does not reach the specified guaranteed level on particular dates. As at the balance sheet date, the UMH subgroup managed guarantee funds with a volume of €10 million (net asset value) (December 31, 2024: €108 million) and a nominal amount of minimum payment commitments of €9 million (December 31, 2024: €109 million). The put options embedded in the guarantee funds were measured at €0 million as at the balance sheet date (December 31, 2024: €4 million).

In addition, there were investment funds issued by entities in the DZ BANK Group in connection with unit-linked life insurance amounting to €5,314 million (December 31, 2024: €5,668 million) that, however, do not result in a maximum exposure.

The earnings generated from interests in investment funds issued by entities in the DZ BANK Group were as follows:

2025

€ million	Mutual funds	of which guarantee funds	Special funds	Total
Interest income and current income and expense	75	-	1	76
Fee and commission income	3,469	-	276	3,745
Other gains and losses on valuation of financial instruments	16	-	-	16
Gains and losses on investments held by insurance companies and other insurance company gains and losses	1	-	2	3
Losses	-5	-	-	-5
Total	3,556	-	279	3,834

2024

€ million	Mutual funds	of which guarantee funds	Special funds	Total
Interest income and current income and expense	63	-	2	65
Fee and commission income	3,299	1	276	3,575
Gains and losses on investments	14	-	-	13
Other gains and losses on valuation of financial instruments	46	-2	1	46
Gains and losses on investments held by insurance companies and other insurance company gains and losses	3	-	4	7
Losses	-7	-3	-	-7
Total	3,418	-4	282	3,700

Distributions in 2025 relating to each investment fund were offset in the calculation of the losses incurred in respect of each fund.

Interests in investment funds issued by third parties outside the DZ BANK Group

The interests in the investment funds issued by third parties outside the DZ BANK Group above all comprise investment funds managed by entities in the UMH subgroup within the scope of their own decision-making powers that have been issued by entities outside the DZ BANK Group and parts of such investment funds. Their total volume amounted to €39,949 million (December 31, 2024: €39,900 million). The DZ BANK Group also extends loans to investment funds in order to generate interest income.

In addition, there were investment funds issued by entities outside the DZ BANK Group in connection with unit-linked life insurance amounting to €21,335 million (December 31, 2024: €19,091 million) that, however, do not result in a maximum exposure.

The maximum exposure arising from the investment funds issued by third parties outside the DZ BANK Group is shown as a gross value, excluding deduction of available collateral. The following assets and liabilities have been recognized on the DZ BANK Group's balance sheet in connection with interests in investment funds issued by third parties outside the DZ BANK Group:

€ million	Dec. 31, 2025	Dec. 31, 2024
Assets	10,333	10,030
Loans and advances to banks	-	1
Loans and advances to customers	7,925	7,719
Investments	40	-
Investments held by insurance companies	2,369	2,311
Net exposure recognized on the balance sheet	10,333	10,030
Financial guarantee contracts, loan commitments and other obligations	126	102
Financial guarantee contracts	40	41
Loan commitments	86	62
Maximum exposure	10,459	10,132

The earnings generated from interests in investment funds issued by third parties outside the DZ BANK Group were as follows:

€ million	2025	2024
Interest income and current income	180	170
Fee and commission income	68	70
Gains and losses on investments held by insurance companies and other insurance company gains and losses	208	197
Gains and losses from loss allowances	1	-1
Total	457	436

Interests in securitization vehicles

The interests in securitization vehicles are interests in vehicles where the DZ BANK Group's involvement goes beyond that of an investor. The assets and liabilities listed below have been recognized on the DZ BANK Group's balance sheet in connection with these interests. There is also an additional exposure from contingent liabilities and from financial guarantee contracts, loan commitments, and other obligations, which are shown at their nominal amounts. Only financial guarantee contracts, loan commitments, and other obligations for which no liability or contingent liability has been recognized are included. The maximum exposure is determined as a gross value, excluding deduction of available collateral.

€ million	Dec. 31, 2025	Dec. 31, 2024
Assets	3,784	3,671
Loans and advances to customers	2,371	2,463
Financial assets held for trading	216	67
Investments	114	128
Investments held by insurance companies	1,083	1,013
Liabilities	21	38
Financial liabilities held for trading	18	26
Provisions	3	11
Net exposure recognized on the balance sheet	3,763	3,633
Financial guarantee contracts, loan commitments and other obligations	4,412	4,729
Loan commitments	4,412	4,729
Maximum exposure	8,175	8,362

In 2025, interests in securitization vehicles resulted in income of €2 million that was recognized in other comprehensive income (2024: €22 million).

The earnings generated from interests in securitization vehicles were as follows:

€ million	2025	2024
Interest income	72	108
Fee and commission income	100	111
Gains and losses on trading activities	5	-7
Gains and losses on investments	3	4
Gains and losses on investments held by insurance companies and other insurance company gains and losses	44	65
Gains and losses from loss allowances	9	-9
Total	233	273

The material interests in securitization vehicles comprise DZ BANK's two multi-seller asset-backed commercial paper (ABCP) programs CORAL and AUTOBAHN as well as R+V's asset-backed securities (ABSs).

DZ BANK acts as sponsor and program agent for both ABCP programs. It is also the program administrator for the AUTOBAHN program. As sponsor, DZ BANK was involved in setting up the structured entities and provides various services for them. Under the CORAL program, customers of the bank sell assets to separate special-purpose entities. The assets purchased essentially consist of trade receivables, loans, and lease receivables. Under the AUTOBAHN program, assets of North American customers are sold to specially established special-purpose entities and funded through the issuing company by means of ABCP issues.

The special-purpose entities are unconsolidated structured entities. Owing to the cellular structure of the transactions, there are no investee companies to be assessed. DZ BANK does not have control over the individual silos because it acts as agent and not as principal.

The purchase of the assets is funded using liquidity lines and by issuing money market-linked ABCPs. DZ BANK is a liquidity agent for the program, which involves making liquidity facilities available.

In 2025, DZ BANK did not provide either of the programs with any non-contractual support. Moreover, it currently has no intention to provide financial or other support. Because the ABCP programs are fully supported programs, DZ BANK bears all the credit risk.

The current carrying amount of the ABSs held by R+V represents the maximum downside risk.

C Disclosures relating to the income statement and the statement of comprehensive income

» 32 Segment information

Information on operating segments

2025

	BSH	R+V	TeamBank	UMH
€ million				
Net interest income	684	-	514	99
Net fee and commission income	4	-	-38	2,377
Gains and losses on trading activities	-	-	-	-1
Gains and losses on investments	-29	-	-	1
Other gains and losses on valuation of financial instruments	-3	-	-	19
Gains and losses from the derecognition of financial assets measured at amortized cost	-42	-	-	-
Insurance service result	-	2,597	-	-
Gains and losses on investments held by insurance companies and other insurance company gains and losses	-	2,368	-	-
Insurance finance income or expenses	-	-2,853	-	-
Gains and losses from the derecognition of financial assets measured at amortized cost in the insurance business	-	-1	-	-
Loss allowances	-29	-	-233	-
Administrative expenses	-527	-	-279	-1,352
Other net operating income	63	33	6	41
Profit/loss before taxes	122	2,144	-29	1,185
Cost/income ratio (%)	77.8	-	57.9	53.3
Regulatory RORAC (%)	10.4	21.0	-5.5	>100.0
Average own funds/solvency requirement	1,168	10,218	532	1,029
Total assets/total equity and liabilities as at Dec. 31, 2025	80,823	138,577	10,473	6,502

	DZ BANK – CICB	DZ HYP	DZ PRIVAT- BANK	VR Smart Finanz	DZ BANK – holding function	Other/ Consolidation	Total
	1,487	819	140	151	-122	67	3,839
	691	6	246	-40	-	124	3,370
	452	1	24	-	-	-195	281
	30	-	-	-	-	103	105
	-37	-138	4	-	-	28	-127
	-7	-	-	-	-	77	28
	-	-	-	-	-	7	2,604
	-	-	-	-	-	-96	2,272
	-	-	-	-	-	-	-2,853
	-	-	-	-	-	1	-
	-241	-105	5	-51	-	1	-653
	-1,526	-256	-320	-82	-213	-249	-4,804
	15	11	8	-7	-	49	219
	864	338	106	-28	-335	-85	4,282
	58.0	36.6	75.8	78.8	-	-	49.3
	15.3	28.5	25.2	-16.2	-	-	21.0
	5,633	1,186	421	173	-	-	20,359
	387,467	85,726	19,322	3,659	24,137	-95,261	661,425

2024

	BSH	R+V	TeamBank	UMH
€ million				
Net interest income	537	-	534	101
Net fee and commission income	-14	-	-37	2,309
Gains and losses on trading activities	-	-	-	-
Gains and losses on investments	-	-	-	14
Other gains and losses on valuation of financial instruments	-4	-	-	85
Gains and losses from the derecognition of financial assets measured at amortized cost	-	-	-	-
Insurance service result	-	1,371	-	-
Gains and losses on investments held by insurance companies and other insurance company gains and losses	-	5,210	-	-
Insurance finance income or expenses	-	-5,351	-	-
Gains and losses from the derecognition of financial assets measured at amortized cost in the insurance business	-	1	-	-
Loss allowances	-24	-	-205	-
Administrative expenses	-491	-	-283	-1,263
Other net operating income	60	8	13	-6
Profit/loss before taxes	64	1,240	23	1,241
Cost/income ratio (%)	84.8	-	55.5	50.5
Regulatory RORAC (%)	5.1	13.0	4.4	>100.0
Average own funds/solvency requirement	1,260	9,575	529	670
Total assets/total equity and liabilities as at Dec. 31, 2024	82,684	134,737	10,857	5,935

	DZ BANK – CICB	DZ HYP	DZ PRIVAT- BANK	VR Smart Finanz	DZ BANK – holding function	Other/ Consolidation	Total
	1,552	795	176	141	-158	992	4,670
	632	6	235	-35	-	95	3,191
	7	-	23	-	-	-872	-842
	12	4	-	-	-	35	65
	134	-8	-24	-	-	46	229
	43	-	-3	-	-	-	40
	-	-	-	-	-	29	1,400
	-	-	-	-	-	-116	5,094
	-	-	-	-	-	-	-5,351
	-	-	-	-	-	3	4
	-457	-90	-17	-52	-	-	-845
	-1,452	-246	-295	-78	-215	-229	-4,552
	-3	19	16	-	-	93	200
	468	479	112	-23	-373	72	3,303
	61.1	30.1	69.7	73.6	-	-	52.3
	8.2	34.9	32.0	-14.0	-	-	16.8
	5,708	1,373	350	164	-	-	19,628
	386,178	85,931	21,681	3,618	23,412	-95,395	659,638

General information on operating segments

The information on operating segments has been prepared using the management approach in accordance with IFRS 8. Under this standard, external reporting must include segment information that is used internally for the management of the entity and for the purposes of quantitative reporting to the chief operating decision-makers. The information on operating segments has therefore been prepared on the basis of the internal management reporting system.

Definition of operating segments

Segmentation is fundamentally based on the integrated risk and capital management system, the function of which is to create transparency, notably in respect of the risk structure and risk-bearing capacity of the individual management units. The segment information presents separate disclosures for the management units DZ HYP AG, Hamburg/Münster, (DZ HYP), TeamBank AG Nürnberg, Nuremberg, (TeamBank), DZ PRIVATBANK, and the BSH, R+V, UMH, and VR Smart Finanz subgroups. DZ BANK is broken down into the central institution and corporate bank (DZ BANK – CICB) and the group management function (DZ BANK – holding function) in line with the internal financial reporting structure. The DZ BANK – CICB operating segment comprises the cooperative central institution function, which supports the operating activities of the local cooperative banks, and the corporate bank function. DZ BANK – holding function is mainly used to pool tasks carried out on behalf of the DZ BANK Group in relation to commercial law, tax, and prudential supervision. The total assets of DZ BANK – holding function include the equity, plus a number of other items such as a notional carrying amount for the long-term equity investment in DZ BANK – CICB, together with the carrying amounts of the long-term equity investments in the other management units. The notional long-term equity investment in DZ BANK – CICB is measured in an amount equating to 11 percent of the risk-weighted assets of DZ BANK – CICB. DZ BANK – holding function does not constitute an operating segment within the meaning of IFRS 8.5 but is presented separately in line with the internal reporting structure. All other companies in the DZ BANK Group, which are not required to provide regular quantitative reports to the chief operating decision-makers, and the consolidations are reported on an aggregated basis under Other/Consolidation.

Presentation of operating segments

Interest income and associated interest expenses generated by the operating segments are offset and reported as net interest income in the information on operating segments because, from a group perspective, the operating segments are managed solely on the basis of the net figure.

Measurement

Internal reporting to the chief operating decision-makers is primarily based on the IFRS accounting and measurement principles applicable to the DZ BANK Group.

Intragroup transactions between operating segments and internal transactions in the DZ BANK – CICB operating segment are carried out on an arm's-length basis. These transactions are predominantly reported internally using the financial reporting standards applied to external financial reporting.

The key indicators for assessing the performance of the operating segments are profit/loss before taxes, the cost/income ratio, and the return on risk-adjusted capital (regulatory RORAC).

The cost/income ratio shows the ratio of administrative expenses to operating income and reflects the economic efficiency of the operating segment concerned.

Operating income comprises net interest income, net fee and commission income, gains and losses on trading activities, gains and losses on investments, other gains and losses on valuation of financial instruments, gains

and losses from the derecognition of financial assets measured at amortized cost, net income from insurance business, and other net operating income.

Regulatory RORAC is a risk-adjusted performance measure. It reflects the relationship between profit before taxes and the average own funds for the year (calculated as an average of the monthly figures) in accordance with the own funds/solvency requirements for the financial conglomerate. It therefore shows the return on the regulatory risk capital employed.

Other/Consolidation

The consolidation-related adjustments shown under Other/Consolidation to reconcile operating segment profit/loss before taxes to consolidated profit/loss before taxes are attributable to the elimination of intragroup transactions and to the fact that investments in joint ventures and associates are accounted for using the equity method. Differences between the figures in internal management reporting and those reported in the consolidated financial statements that arise from the recognition of internal transactions in the DZ BANK – CICB operating segment are also eliminated.

The adjustments to net interest income are primarily the result of the elimination of intragroup dividend payments and are also attributable to the early redemption of issued bonds and commercial paper acquired by entities in the DZ BANK Group other than the issuer. Internal transactions in the DZ BANK – CICB operating segment are also eliminated in net interest income with offsetting entries under gains and losses on trading activities, and in other gains and losses on valuation of financial instruments.

The figure under Other/Consolidation for net fee and commission income largely relates to the fee and commission business of TeamBank and the BSH subgroup with the R+V subgroup.

The remaining adjustments are mostly also attributable to the consolidation of income and expenses.

DZ BANK Group-wide disclosures

Information about geographical areas

Operating income was generated in the following geographical areas:

€ million	2025	2024
Germany	9,230	8,005
Rest of Europe	665	817
Rest of world	146	251
Consolidation/reconciliation	-303	-373
Total	9,738	8,700

Information on geographical areas is presented according to the home countries of the companies included in the consolidated financial statements.

This information does not include the separate disclosure of certain non-current (largely tangible) assets because these assets are of minor significance in the DZ BANK Group's business model.

Information about products and services

Information on products and services is included in the income statement disclosures below.

» 33 Net interest income

€ million	2025	2024
INTEREST INCOME AND CURRENT INCOME AND EXPENSE	13,965	15,843
Interest income from	13,832	15,716
Lending and money market business	11,901	12,861
of which relating to mortgage loans	1,507	1,524
of which relating to money market business	2,929	4,765
of which relating to home savings loans advanced by building society	1,149	1,105
of which relating to pass-through loans	890	762
of which relating to registered securities	433	472
of which relating to finance leases	19	19
Bonds and other fixed-income securities	1,481	1,356
Portfolio hedges of interest-rate risk	434	1,502
Financial assets with a negative effective interest rate	-6	-5
Other assets	22	3
Current income and expense from	133	127
Shares and other variable-yield securities	93	79
of which income from other shareholdings	16	14
Investments in subsidiaries	4	8
Entities accounted for using the equity method	25	32
of which relating to investments in joint ventures	34	34
of which relating to investments in associates	-9	-2
Income from profit-pooling, profit-transfer and partial profit-transfer agreements	11	6
INTEREST EXPENSE ON	-10,127	-11,173
Deposits from banks and customers	-6,957	-7,872
of which relating to home savings deposits	-575	-661
Debt certificates issued including bonds	-2,914	-2,834
Subordinated capital	-162	-161
Portfolio hedges of interest-rate risk	-103	-322
Financial liabilities with a positive effective interest rate	17	15
Provisions and other liabilities	-9	1
Total	3,839	4,670

The interest expense on provisions and other liabilities included interest expense on lease liabilities of €9 million (2024: €8 million).

Since the beginning of 2025, portfolios of structured money market business and derivatives have no longer been held for trading. Starting in the reporting period, the interest income and expense arising in connection with this business are now reported under net interest income and no longer under gains and losses on trading activities. The relevant amounts are interest income of €627 million from lending and money market business and interest expense of €1,080 million on deposits from banks and customers.

» 34 Net fee and commission income

€ million	2025	2024
Fee and commission income	6,129	5,767
Securities business	4,677	4,443
Asset management	479	392
Payments processing including card processing	376	372
Lending business and trust activities	233	209
Financial guarantee contracts and loan commitments	110	115
International business	13	13
Building society operations	39	37
Other	201	184
Fee and commission expenses	-2,759	-2,575
Securities business	-1,985	-1,834
Asset management	-321	-245
Payments processing including card processing	-170	-199
Lending business	-82	-83
Financial guarantee contracts and loan commitments	-11	-12
Building society operations	-67	-80
Other	-123	-122
Total	3,370	3,191

Fee and commission income included revenue from contracts with customers pursuant to IFRS 15 in an amount of €6,129 million (2024: €5,767 million); see note 101.

» 35 Gains and losses on trading activities

€ million	2025	2024
Gains and losses on non-derivative financial instruments and embedded derivatives	-645	-1,331
Gains and losses on derivatives	881	341
Gains and losses on exchange differences	46	148
Total	281	-842

Gains and losses on exchange differences included currency translation losses of €49 million on financial instruments not measured at fair value through profit or loss (2024: gains of €36 million).

Since the beginning of 2025, portfolios of structured money market business and derivatives have no longer been held for trading. Starting in the reporting period, the interest income and expense and the fair value gains and losses arising in connection with this business are now reported under net interest income and under other gains and losses on valuation of financial instruments and no longer under gains and losses on trading activities. This results in an increase of €467 million in gains and losses on trading activities compared with the figure that would have previously been disclosed. The changes predominantly affect gains and losses on derivatives, with a net loss of €426 million under net interest income and a net loss of €62 million under other gains and losses on valuation of financial instruments.

» 36 Gains and losses on investments

€ million	2025	2024
Gains and losses on the disposal of bonds and other fixed-income securities	-	16
Gains and losses on the disposal of shares and other variable-yield securities	-	17
Gains and losses on investments in joint ventures	-6	1
Impairment losses	-7	-
Reversals of impairment losses	1	1
Gains and losses on investments in associates	110	32
Disposals	119	35
Impairment losses	-9	-3
Total	105	65

» 37 Other gains and losses on valuation of financial instruments

€ million	2025	2024
Gains and losses from fair value hedge accounting	44	52
Gains and losses on financial instruments designated as at fair value through profit or loss that are not related to derivatives held for trading purposes	153	-11
Gains and losses on derivatives used for purposes other than trading	-245	109
Gains and losses on financial instruments mandatorily measured at fair value through profit or loss	-79	80
Total	-127	229

Gains and losses on derivatives used for purposes other than trading result from the valuation and realization of derivatives that are used for economic hedging but are not included in hedge accounting.

Since the beginning of 2025, portfolios of structured money market business and derivatives have no longer been held for trading. Starting in the reporting period, fair value losses of €14 million arising in connection with this business are now reported under other gains and losses on valuation of financial instruments and no longer under gains and losses on trading activities. This change affected gains and losses on financial instruments designated as at fair value through profit or loss that are not related to derivatives held for trading purposes, with a net gain of €101 million, gains and losses on derivatives used for purposes other than trading, with a net loss of €62 million, and gains and losses on financial instruments mandatorily measured at fair value through profit or loss, with a net loss of €53 million.

» 38 Gains and losses from the derecognition of financial assets measured at amortized cost

€ million	2025	2024
Gains from the derecognition of financial assets measured at amortized cost	70	83
Loans and advances to banks and customers	1	1
Investments	10	3
Fair value changes of the hedged items in portfolio hedges of interest-rate risk	59	79
Losses on derecognition of financial assets measured at amortized cost	-42	-43
Loans and advances to banks and customers	-30	-24
Investments	-3	-11
Fair value changes of the hedged items in portfolio hedges of interest-rate risk	-9	-8
Total	28	40

The derecognition of financial assets measured at amortized cost was primarily attributable to the sale of impaired loans and advances to customers and early redemptions at the request of customers.

» 39 Gains and losses on investments held by insurance companies and other insurance company gains and losses

€ million	2025	2024
Income from investments held by insurance companies	7,021	9,093
Interest income and current income	3,106	3,055
Income from reversals of impairment losses and unrealized gains	51	1,077
Gains on valuation through profit or loss of investments held by insurance companies	3,296	4,295
Gains on disposals	568	666
Expenses in connection with investments held by insurance companies	-4,325	-3,314
Administrative expenses	-192	-175
Depreciation/amortization expense, impairment losses, and unrealized losses	-1,319	-564
Losses on valuation through profit or loss of investments held by insurance companies	-2,107	-1,407
Losses on disposals	-707	-1,168
Other non-insurance gains and losses	-419	-704
Loss allowances	-5	18
Net addition (-)/net reversal (+)	-5	18
Total	2,272	5,094

Other non-insurance gains and losses included interest expenses on lease liabilities amounting to €1 million (2024: €2 million).

Income from and expenses in connection with investments held by insurance companies and other non-insurance gains and losses included currency translation losses of €638 million on financial instruments not measured at fair value through profit or loss (2024: gains of €353 million).

Loss allowances include additions and reversals for investments held by insurance companies and for other assets held by insurance companies.

» 40 Insurance finance income or expenses

€ million	2025	2024
Insurance finance income or expenses from insurance contracts	-2,858	-5,356
Insurance finance income or expenses from reinsurance contracts held	5	5
Total	-2,853	-5,351

» 41 Gains and losses from the derecognition of financial assets measured at amortized cost in the insurance business

The derecognition of financial assets measured at amortized cost in the insurance business gave rise to gains of €0 million (2024: €5 million) and losses of €0 million (2024: €1 million).

» 42 Loss allowances

€ million	2025	2024
Loss allowances for loans and advances to banks	7	-4
Net addition (-)/net reversal (+)	5	-12
Recoveries on loans and advances to banks previously impaired	1	8
Loss allowances for loans and advances to customers	-535	-729
Net addition (-)/net reversal (+)	-640	-793
Directly recognized impairment losses	-62	-55
Recoveries on loans and advances to customers previously impaired	131	89
Other	36	30
Loss allowances for investments	11	-2
Net addition (-)/net reversal (+)	11	-2
Loss allowances for other assets	-4	-1
Net addition (-)/net reversal (+)	-3	1
Directly recognized impairment losses	-1	-1
Other loss allowances for loans and advances	-132	-110
Net addition to (-)/net reversal of (+) provisions for loan commitments	-75	-108
Net addition to (-)/net reversal of (+) provisions for financial guarantee contracts	-43	-27
Net addition to (-)/net reversal of (+) other provisions for loans and advances	-15	25
Total	-653	-845

Gains and losses from credit-risk-related modifications and other gains and losses on POCI assets are reported under the 'Other' line item. Other gains and losses on POCI assets consist of the changes in the loss allowances for these assets within the reporting period.

» 43 Administrative expenses

€ million	2025	2024
Staff expenses	-2,368	-2,201
Wages and salaries	-1,980	-1,851
Social security contributions	-280	-251
Pension and other post-employment benefit expenses	-95	-84
Expenses for share-based payment transactions	-12	-15
General and administrative expenses	-2,154	-2,058
Expenses for temporary staff	-34	-32
Contributions and fees	-134	-156
Consultancy	-548	-516
Office expenses	-167	-159
IT expenses	-741	-668
Property and occupancy costs	-114	-126
Information procurement	-114	-112
Public relations and marketing	-172	-166
Other general and administrative expenses	-126	-119
Expenses for administrative bodies	-4	-4
Depreciation and amortization	-282	-293
Property, plant and equipment, and investment property	-79	-79
Right-of-use assets	-84	-88
Other assets	-119	-126
Total	-4,804	-4,552

» 44 Other net operating income

€ million	2025	2024
Income from the reversal of provisions and accruals	160	151
Gains and losses on non-current assets and disposal groups classified as held for sale	43	30
Gains on the disposal of other assets	40	25
Restructuring expenses	-35	-48
Residual other net operating income	11	41
Total	219	200

As had been the case in 2024, gains and losses on non-current assets and disposal groups classified as held for sale only included gains on disposals that had been realized.

Restructuring expenses included additions of €26 million to provisions for termination benefits linked with restructuring (2024: €36 million).

Residual other net operating income included rental income from investment property of €19 million (2024: €18 million) and directly assignable expenses of €6 million for the management of investment property (2024: €6 million).

» 45 Income taxes

€ million	2025	2024
Current tax expense	-882	-792
Deferred tax expense	-519	-121
Total	-1,402	-913

The total for current taxes includes income of €24 million (2024: €38 million) attributable to previous years. Deferred taxes include expenses of €533 million (2024: €52 million) related to temporary differences and their reversal.

Current taxes in relation to the German limited companies in the group are calculated using an effective corporation tax rate of 15.825 percent (2024: 15.825 percent) based on a corporation tax rate of 15.0 percent (2024: 15.0 percent) plus the solidarity surcharge. The effective rate of trade tax for DZ BANK and subsidiaries that are members of its tax group was 15.575 percent (2024: 15.540 percent).

Deferred taxes must be calculated using tax rates expected to apply when the tax asset is recovered or liability settled. The tax rates used are therefore those that are valid or have been announced for the periods in question as at the balance sheet date.

The 'Act for an Immediate Tax Investment Program to Strengthen Germany as a Business Location' came into force on July 19, 2025. It will result in a gradual lowering of the corporation tax rate, by 1 percentage point per year, from 15.0 percent to 10.0 percent during the period 2028 to 2032. This means that the changes must be taken into account over the next 7 years.

Measurement of deferred taxes is based on the utilization of temporary differences over time and assigns the utilization dates to 3 maturity bands. Utilization in the next year is assigned to the short-term maturity band and measured with a corporation tax rate of 15.0 percent. Utilization in years 2 to 6 is deemed to be medium-

term and measured with a corporation tax rate of 13.0 percent. The long-term maturity band is used for utilization in the seventh year onward and measured with a corporation tax rate of 10.0 percent. The solidarity surcharge and the effective rate of trade tax are each applied. On the whole, the utilization dates for the temporary differences are evenly distributed in the medium-term maturity band. This change to the tax rate results in a one-off negative adjustment of €59 million, of which €55 million is recognized in profit or loss.

The following table shows a reconciliation from expected income taxes to recognized income taxes based on application of the current tax law in Germany:

€ million	2025	2024
Profit before taxes	4,282	3,303
Group income tax rate	31.400%	31.365%
Expected income taxes	-1,345	-1,036
Income tax effects	-57	123
Impact of tax-exempt income and non-deductible expenses	-202	-85
Adjustments resulting from other types of income tax, other trade tax multipliers, and changes in tax rates	72	116
Tax rate differences on income subject to taxation in other countries	18	37
Current and deferred taxes relating to prior years	29	42
Change in impairment losses on deferred tax assets	9	-2
Other effects	17	15
Recognized income taxes	-1,402	-913

» 46 Items reclassified to the income statement

The following amounts were recognized in other comprehensive income/loss or reclassified from other comprehensive income/loss to the income statement in the reporting period:

€ million	2025	2024
Gains and losses on debt instruments measured at fair value through other comprehensive income	-1,133	886
Gains (+)/losses (-) arising during the reporting period	-1,347	303
Gains (-)/losses (+) reclassified to the income statement during the reporting period	213	583
Exchange differences on currency translation of foreign operations	-74	50
Gains (+)/losses (-) arising during the reporting period	-74	27
Gains (-)/losses (+) reclassified to the income statement during the reporting period	-	22
Gains and losses on hedges of net investments in foreign operations	2	-
Gains (+)/losses (-) arising during the reporting period	2	-
Insurance finance income or expenses included in other comprehensive income	966	-829
Gains (+)/losses (-) arising during the reporting period	966	-829
Share of other comprehensive income/loss of joint ventures and associates accounted for using the equity method	-11	5
Gains (+)/losses (-) arising during the reporting period	-11	5

» 47 Income taxes relating to components of other comprehensive income

The table below shows the income taxes on the various components of other comprehensive income:

€ million	2025			2024		
	Amount before taxes	Income taxes	Amount after taxes	Amount before taxes	Income taxes	Amount after taxes
Items that may be reclassified to the income statement	-251	-94	-345	113	-16	97
Gains and losses on debt instruments measured at fair value through other comprehensive income	-1,133	-280	-1,414	886	-241	645
Exchange differences on currency translation of foreign operations	-74	16	-58	50	-8	41
Gains and losses on hedges of net investments in foreign operations	2	-	2	-	-	-
Insurance finance income or expenses included in other comprehensive income	966	170	1,136	-829	233	-595
Share of other comprehensive income/loss of joint ventures and associates accounted for using the equity method	-11	-	-11	5	-	5
Items that will not be reclassified to the income statement	930	-180	751	-241	129	-112
Gains and losses on equity instruments for which the fair value OCI option has been exercised	719	-82	637	189	-29	161
Gains and losses in relation to financial liabilities for which the fair value option has been exercised, attributable to changes in own credit risk	35	-13	22	-513	161	-352
Gains and losses arising from remeasurement of defined benefit plans	176	-85	91	82	-3	79
Total	680	-274	406	-129	113	-16

D Balance sheet disclosures

» 48 Cash and cash equivalents

€ million	Dec. 31, 2025	Dec. 31, 2024
Cash on hand	394	446
Balances with central banks	73,584	81,344
Total	73,978	81,790

The average target minimum reserve for 2025 was €4,366 million (2024: €4,207 million).

» 49 Loans and advances to banks

€ million	Repayable on demand		Other loans and advances		Total	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Domestic banks	6,202	3,745	122,903	124,122	129,105	127,867
Affiliated banks	1,952	1,936	113,659	116,031	115,612	117,967
Other banks	4,250	1,809	9,243	8,091	13,493	9,900
Foreign banks	4,669	1,830	16,514	13,835	21,183	15,665
Total	10,871	5,575	139,417	137,957	150,288	143,532

The following table shows the breakdown of loans and advances to banks by type of business:

€ million	Dec. 31, 2025	Dec. 31, 2024
Mortgage loans	53	58
Home savings loans advanced by building society	146	158
Registered securities	10,690	11,549
Pass-through loans	68,249	69,372
Other bank loans	28,985	29,410
Money market placements	34,413	30,124
Current account debit balances	3,850	1,930
Other loans and advances	3,901	932
Total	150,288	143,532

» 50 Loans and advances to customers

€ million	Dec. 31, 2025	Dec. 31, 2024
Loans and advances to domestic customers	179,248	178,565
Loans and advances to foreign customers	30,976	30,123
Total	210,224	208,688

The following table shows the breakdown of loans and advances to customers by type of business:

€ million	Dec. 31, 2025	Dec. 31, 2024
Mortgage loans	57,348	57,288
Home savings loans advanced by building society	65,259	65,298
Finance leases	301	385
Registered securities	6,432	6,891
Pass-through loans	8,255	8,350
Other bank loans	53,867	53,027
Money market placements	3,913	2,973
Current account debit balances	5,520	5,827
Other loans and advances	9,329	8,648
Total	210,224	208,688

» 51 Hedging instruments (positive fair values)

€ million	Dec. 31, 2025	Dec. 31, 2024
Derivatives used for fair value hedges (positive fair values)	872	796
Derivatives used for hedges of net investments in foreign operations (positive fair values)	3	-
Total	875	796

» 52 Financial assets held for trading

€ million	Dec. 31, 2025	Dec. 31, 2024
DERIVATIVES (POSITIVE FAIR VALUES)	13,201	16,231
Interest-linked contracts	10,881	12,752
Currency-linked contracts	1,369	2,686
Share-/index-linked contracts	646	571
Credit derivatives	250	222
Other contracts	55	1
BONDS AND OTHER FIXED-INCOME SECURITIES	12,285	10,441
Money market instruments	939	1,361
Bonds	11,347	9,080
SHARES AND OTHER VARIABLE-YIELD SECURITIES	3,174	2,102
Shares	3,174	2,102
RECEIVABLES	971	1,666
of which from affiliated banks	13	516
of which from other banks	498	598
Money market placements	9	680
with banks	9	680
Promissory notes and registered bonds	962	986
from banks	503	434
from customers	459	552
Total	29,631	30,441

» 53 Investments

€ million	Dec. 31, 2025	Dec. 31, 2024
Bonds and other fixed-income securities	58,136	58,076
Money market instruments	1,952	2,082
Bonds	56,184	55,995
Shares and other variable-yield securities	4,027	3,184
Shares and other shareholdings	367	357
Investment fund units	3,660	2,826
Investments in subsidiaries	156	217
Investments in joint ventures	392	386
Investments in associates	174	186
Total	62,885	62,049

The carrying amount of investments in joint ventures accounted for using the equity method totaled €392 million (December 31, 2024: €386 million). €148 million of the investments in associates has been accounted for using the equity method (December 31, 2024: €163 million).

» 54 Investments held by insurance companies

€ million	Dec. 31, 2025	Dec. 31, 2024
Investment property	3,538	3,655
Investments in subsidiaries	718	761
Investments in joint ventures	76	76
Investments in associates	21	20
Mortgage loans	12,498	12,685
Promissory notes and loans	5,520	5,991
Registered bonds	5,577	5,729
Other loans	1,071	906
Variable-yield securities	12,138	12,257
Fixed-income securities	57,596	55,403
Derivatives (positive fair values)	157	60
Deposits with ceding insurers and other investments	23	223
Assets related to unit-linked contracts	26,758	24,859
Total	125,690	122,625

The fair value of investment property was €5,022 million as at the balance sheet date (December 31, 2024: €5,438 million).

Some investment property has been pledged as collateral and is subject to restrictions on disposal, the total furnished collateral value of the property being €1,033 million (December 31, 2024: €1,175 million). The group also has capital expenditure commitments amounting to €50 million (December 31, 2024: €56 million). A total of €57 million was spent on the repair and maintenance of investment property in 2025 (2024: €51 million). Vacant property resulted in repair and maintenance expenses of €7 million (2024: €5 million).

» 55 Property, plant and equipment, investment property, and right-of-use assets

€ million	Dec. 31, 2025	Dec. 31, 2024
Land and buildings	837	841
Office furniture and equipment	173	187
Investment property	286	285
Right-of-use assets	446	515
Total	1,741	1,828

The fair value of investment property was €350 million as at the balance sheet date (December 31, 2024: €354 million). Payments in advance are allocated to the relevant item of property, plant and equipment.

» 56 Income tax assets and liabilities

€ million	Dec. 31, 2025	Dec. 31, 2024
Income tax assets	4,307	4,899
Current income tax assets	409	385
Deferred tax assets	3,898	4,514
Income tax liabilities	4,790	4,844
Current income tax liabilities	385	671
Deferred tax liabilities	4,405	4,173

In addition to deferred tax assets recognized for tax loss carryforwards, deferred tax assets and liabilities are also recognized for temporary differences in respect of the items shown below:

€ million	Deferred tax assets		Deferred tax liabilities	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Tax loss carryforwards	63	49	-	-
Loans and advances to banks and customers	76	76	265	218
Financial assets and liabilities held for trading, hedging instruments (positive and negative fair values)	641	792	48	47
Investments	376	466	24	22
Loss allowances	512	407	-	-
Investments held by insurance companies	2,410	2,506	143	240
Property, plant and equipment, investment property, and right-of-use assets	8	11	158	200
Deposits from banks and customers	149	203	223	193
Debt certificates issued including bonds	-	1	327	400
Provisions for employee benefits and for share-based payment transactions	447	592	87	100
Other provisions	360	369	39	34
Insurance contract liabilities	1,108	1,204	5,078	4,929
Other balance sheet items	446	632	710	584
Total (gross)	6,597	7,308	7,104	6,968
Netting of deferred tax assets and deferred tax liabilities	-2,699	-2,795	-2,699	-2,795
Total (net)	3,898	4,514	4,405	4,173

Deferred tax assets for temporary differences and tax loss carryforwards are only recognized if it is sufficiently probable that the asset can be recovered in the future. No deferred tax assets have been recognized for corporation tax loss carryforwards amounting to €168 million (December 31, 2024: €212 million), which can

be carried forward indefinitely, or for trade tax loss carryforwards amounting to €115 million (December 31, 2024: €157 million). There remained foreign loss carryforwards of €16 million (December 31, 2024: €64 million) for which no deferred tax assets are recognized. These can be used indefinitely.

As regards companies (or permanent establishments of companies) in the DZ BANK Group that suffered tax losses in 2025 or 2024 in their tax jurisdiction, it will be possible to utilize deferred tax assets amounting to €3,805 million (December 31, 2024: €4,178 million) in the future if a corresponding level of taxable income is available. It is assumed that this will in fact be the case based on information available from planning of taxable income.

Overall, there was a net deferred tax asset recognized through other comprehensive income of €401 million (December 31, 2024: €731 million).

Deferred tax assets of €2,850 million (December 31, 2024: €3,241 million) and deferred tax liabilities of €3,235 million (December 31, 2024: €3,044 million) are expected to be realized only after a period of 12 months.

As at December 31, 2025, no deferred tax liabilities were recognized for temporary differences of €272 million (December 31, 2024: €208 million) relating to investments in subsidiaries.

» 57 Other assets

€ million	Dec. 31, 2025	Dec. 31, 2024
Other assets held by insurance companies	3,518	3,983
Goodwill	198	155
Other intangible assets	393	440
of which software	344	389
of which acquired customer relationships	1	2
Other loans and advances	627	639
Receivables from initial margins	896	1,321
Residual other assets	558	540
Total	6,190	7,077

Other intangible assets include internally generated intangible assets amounting to €19 million (December 31, 2024: €13 million).

The breakdown of other assets held by insurance companies is as follows:

€ million	Dec. 31, 2025	Dec. 31, 2024
Intangible assets	333	187
Reinsurance contract assets	313	312
Liability for remaining coverage	59	32
Liability for incurred claims	254	279
Receivables	1,168	1,119
Receivables arising out of direct insurance operations	145	134
Receivables arising out of reinsurance operations	14	21
Other receivables	1,010	964
Credit balances with banks, checks and cash on hand	288	1,029
Property, plant and equipment	538	465
Land and buildings	422	358
Office furniture and equipment	60	51
Right-of-use assets held by insurance companies	56	57
Residual other assets	879	872
Prepaid expenses	61	63
Remaining assets held by insurance companies	819	809
Loss allowances	-2	-2
Total	3,518	3,983

The intangible assets in the other assets held by insurance companies include internally generated intangible assets amounting to €9 million (December 31, 2024: €36 million).

Trustee's blocking notes have been entered in the land register for land and buildings held by companies offering personal insurance of €240 million (December 31, 2024: €205 million).

» 58 Loss allowances

Loss allowances for loans and advances to banks and for loans and advances to customers also comprise the loss allowances recognized for finance lease receivables.

The following table shows the changes in loss allowances, which are reported on the assets side of the balance sheet, broken down by individual balance sheet item:

€ million	Loans and advances to banks			Loans and advances to customers			
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	POCI assets
Balance as at Jan. 1, 2024	15	2	26	243	504	1,430	18
Net addition (+)/net reversal (-)	-1	1	12	-147	398	536	7
Utilizations	-	-	-	-	-2	-255	-5
Other changes	-	-3	-2	152	-345	253	-
Balance as at Dec. 31, 2024	15	1	36	248	555	1,965	20
Net addition (+)/net reversal (-)	-1	-	-4	-154	441	284	69
Utilizations	-	-	-1	-	-2	-599	-6
Other changes	-	-	7	158	-345	180	-
Balance as at Dec. 31, 2025	14	-	38	252	649	1,830	83

€ million	Investments			Other assets	Total
	Stage 1	Stage 2	Stage 3	Stage 1	
Balance as at Jan. 1, 2024	3	1	4	1	2,248
Net addition (+)/net reversal (-)	1	-1	-1	-	803
Utilizations	-	-	-3	-	-265
Other changes	-	-	-	-	57
Balance as at Dec. 31, 2024	4	-	-	-	2,843
Net addition (+)/net reversal (-)	-	-	-	3	637
Utilizations	-	-	-	-	-607
Other changes	-	-	-	-	-
Balance as at Dec. 31, 2025	3	-	-	3	2,874

» 59 Changes in non-current assets

The following table shows the changes in investment property included in the investments held by insurance companies, the changes in property, plant and equipment, and investment property, and the changes in intangible assets included in other assets:

€ million	Investments held by insurance companies
	Investment property
Carrying amounts as at Jan. 1, 2024	3,866
Cost as at Jan. 1, 2024	4,867
Additions	18
Reclassifications	-
Reclassifications to/from non-current assets and disposal groups classified as held for sale	-127
Disposals	-37
Changes attributable to currency translation	-
Cost as at Dec. 31, 2024	4,722
Reversals of impairment losses as at Jan. 1, 2024	28
Additions	1
Reclassifications to/from non-current assets and disposal groups classified as held for sale	-2
Disposals	-12
Reversals of impairment losses as at Dec. 31, 2024	15
Depreciation/amortization and impairment losses as at Jan. 1, 2024	-1,029
Depreciation/amortization expense for the year	-85
Impairment losses for the year	-58
Reclassifications	-
Reclassifications to/from non-current assets and disposal groups classified as held for sale	56
Disposals	34
Changes attributable to currency translation	-
Depreciation/amortization and impairment losses as at Dec. 31, 2024	-1,082
Carrying amounts as at Dec. 31, 2024	3,655
Cost as at Jan. 1, 2025	4,722
Additions	26
Reclassifications	-
Reclassifications to/from non-current assets and disposal groups classified as held for sale	-82
Disposals	-28
Changes in scope of consolidation	-
Cost as at Dec. 31, 2025	4,637
Reversals of impairment losses as at Jan. 1, 2025	15
Reversals of impairment losses as at Dec. 31, 2025	15
Depreciation/amortization and impairment losses as at Jan. 1, 2025	-1,082
Depreciation/amortization expense for the year	-81
Impairment losses for the year	-20
Reclassifications	-
Reclassifications to/from non-current assets and disposal groups classified as held for sale	47
Disposals	21
Depreciation/amortization and impairment losses as at Dec. 31, 2025	-1,115
Carrying amounts as at Dec. 31, 2025	3,538

	Property, plant and equipment, and investment property			Other assets	
	Land and buildings	Office furniture and equipment	Investment property	Goodwill	Other intangible assets
	858	178	280	155	437
	1,320	590	340	356	2,200
	11	62	6	-	138
	-8	2	6	-	-
	-	-	-	-	-
	-2	-24	-	-	-157
	1	1	-	-	-
	1,322	629	352	356	2,181
	18	2	6	-	6
	-	-	-	-	1
	-	-	-	-	-
	-	-	-	-	-
	18	2	6	-	7
	-480	-413	-66	-202	-1,769
	-22	-52	-6	-	-127
	-	-	-	-	-8
	2	-1	-1	-	-
	-	-	-	-	-
	2	22	-	-	156
	-1	-	-	-	-
	-499	-444	-73	-202	-1,748
	841	187	285	155	440
	1,322	629	352	356	2,181
	16	37	10	-	75
	6	-1	-5	-	-
	-	-	-	-	-
	-3	-31	-	-	-20
	-	-	-	43	-
	1,340	634	357	400	2,235
	18	2	6	-	7
	18	2	6	-	7
	-499	-444	-73	-202	-1,748
	-22	-51	-6	-	-119
	-	-	-	-	-2
	-1	-	1	-	-
	-	-	-	-	-
	-	31	-	-	19
	-521	-464	-78	-202	-1,849
	837	173	286	198	393

€ million	Other assets of which other assets held by insurance companies		
	Land and buildings	Office furniture and equipment	Intangible assets
Carrying amounts as at Jan. 1, 2024	298	61	160
Cost as at Jan. 1, 2024	536	227	767
Additions	70	11	77
Disposals	-5	-47	-12
Cost as at Dec. 31, 2024	601	190	833
Reversals of impairment losses as at Jan. 1, 2024	10	-	-
Disposals	-3	-	-
Reversals of impairment losses as at Dec. 31, 2024	7	-	-
Depreciation/amortization and impairment losses as at Jan. 1, 2024	-247	-166	-607
Depreciation/amortization expense for the year	-7	-20	-49
Impairment losses for the year	-2	-	-
Disposals	5	47	11
Depreciation/amortization and impairment losses as at Dec. 31, 2024	-251	-139	-645
Carrying amounts as at Dec. 31, 2024	358	51	187
Cost as at Jan. 1, 2025	601	190	833
Additions	79	28	65
Reclassifications to/from non-current assets and disposal groups classified as held for sale	-8	-	-
Disposals	-	-24	-163
Changes in scope of consolidation	-	-	178
Cost as at Dec. 31, 2025	673	194	912
Reversals of impairment losses as at Jan. 1, 2025	7	-	-
Reversals of impairment losses as at Dec. 31, 2025	7	-	-
Depreciation/amortization and impairment losses as at Jan. 1, 2025	-251	-139	-645
Depreciation/amortization expense for the year	-7	-19	-97
Impairment losses for the year	-2	-	-
Reclassifications to/from non-current assets and disposal groups classified as held for sale	2	-	-
Disposals	-	24	163
Depreciation/amortization and impairment losses as at Dec. 31, 2025	-258	-134	-579
Carrying amounts as at Dec. 31, 2025	422	60	333

The useful life of buildings ranged from 1 to 60 years (2024: 2 to 60 years), while the useful life of office furniture and equipment was unchanged year on year at 1 to 25 years. The useful life of investment property was 8 to 80 years (2024: 1 to 80 years). Software included in other intangible assets was amortized over a useful life of 1 to 10 years in both 2025 and 2024. Acquired customer relationships were amortized over a useful life of 10 to 20 years, as had also been the case in 2024. Depreciation and amortization are recognized on a straight-line basis over the useful life of the asset.

Payments in advance are allocated to the relevant item of property, plant and equipment.

Disclosures regarding the changes in goodwill are included in note 99.

Other intangible assets included acquired customer relationships amounting to €1 million (December 31, 2024: €2 million). The associated amortization expense came to €0 million (2024: €1 million) and the associated impairment losses to €1 million (2024: €7 million).

The changes in right-of-use assets are described in note 100.

» 60 Non-current assets and disposal groups classified as held for sale

The non-current assets and disposal groups classified as held for sale include individual non-current assets together with assets and liabilities from disposal groups not qualifying as discontinued operations, as described below.

The individual non-current assets classified as held for sale comprised real estate with a carrying amount of €49 million. The sale of these individual non-current assets classified as held for sale is expected to take place within a year.

The sale of individual non-current assets classified as held for sale gave rise to income of €43 million in the year under review, which was recognized under other net operating income.

In 2024, the disposal groups not qualifying as discontinued operations had included units in various investment funds with a carrying amount of €21 million. The individual non-current assets classified as held for sale had comprised real estate of €46 million and other shareholdings of €1 million.

The sale of individual non-current assets classified as held for sale had given rise to income of €29 million in 2024, which was recognized under other net operating income.

At the level of the BSH subgroup, shares in the Hungarian subsidiary Fundamenta-Laskáskassa Lakástrakárékpénztár Zrt., Budapest, Hungary (FLK) were sold to MBH Bank Nyrt, Budapest, Hungary, which is part of Magyar Bankholding, on March 27, 2024. FLK had constituted a disposal group not qualifying as a discontinued operation. The gain on disposal of €1 million was recognized under other net operating income.

» 61 Deposits from banks

	Repayable on demand		With agreed maturity or notice period		Total	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
€ million						
Domestic banks	52,846	53,177	113,889	110,890	166,735	164,066
Affiliated banks	48,649	48,921	30,658	28,511	79,308	77,432
Other banks	4,197	4,256	83,231	82,379	87,428	86,634
Foreign banks	10,415	8,798	12,693	14,661	23,108	23,459
Total	63,261	61,975	126,583	125,551	189,844	187,526

Since the beginning of 2025, portfolios of structured money market business have no longer been held for trading. Consequently, the money market deposits from banks that had previously been recognized under financial liabilities held for trading were recognized under deposits from banks in an amount of €3,458 million as at December 31, 2025.

The following table shows the breakdown of deposits from banks by type of business:

	Dec. 31, 2025	Dec. 31, 2024
€ million		
Home savings deposits	110	194
Money market deposits	56,712	52,970
Other deposits	133,022	134,362
Total	189,844	187,526

» 62 Deposits from customers

	Repayable on demand		With agreed maturity or notice period		Total	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
€ million						
Domestic customers	37,025	36,793	95,080	96,782	132,105	133,575
Foreign customers	11,987	18,063	4,306	2,465	16,293	20,528
Total	49,012	54,856	99,386	99,247	148,398	154,103

The following table shows the breakdown of deposits from customers by type of business:

	Dec. 31, 2025	Dec. 31, 2024
€ million		
Home savings deposits	61,564	62,487
Money market deposits	37,842	42,771
Other deposits	48,993	48,845
Total	148,398	154,103

» 63 Debt certificates issued including bonds

	Dec. 31, 2025	Dec. 31, 2024
€ million		
Bonds issued	87,339	88,139
Mortgage Pfandbriefe	34,552	32,551
Public-sector Pfandbriefe	2,710	2,759
Other bonds	50,077	52,829
Other debt certificates issued	24,112	21,672
Total	111,452	109,810

As was also the case a year earlier, all other debt certificates issued are commercial paper.

» 64 Hedging instruments (negative fair values)

Hedging instruments (negative fair values) amounted to €518 million (December 31, 2024: €659 million) and resulted solely from derivatives for fair value hedges.

» 65 Financial liabilities held for trading

€ million	Dec. 31, 2025	Dec. 31, 2024
DERIVATIVES (NEGATIVE FAIR VALUES)	14,559	14,997
Interest-linked contracts	11,483	11,148
Currency-linked contracts	1,385	2,314
Share-/index-linked contracts	1,537	1,397
Other contracts	97	61
Credit derivatives	56	77
SHORT POSITIONS	3,578	2,379
BONDS ISSUED	22,841	20,961
DEPOSITS	171	3,898
of which from affiliated banks	23	3,773
of which from other banks	55	59
Money market deposits	45	3,754
from banks	14	3,742
from customers	31	13
Promissory notes and registered bonds issued	125	143
to banks	64	90
to customers	62	53
Total	41,148	42,234

As was also the case a year earlier, bonds issued mainly comprise share certificates and index-linked certificates.

Since the beginning of 2025, portfolios of structured money market business have no longer been held for trading. Consequently, the money market deposits from banks that had previously been recognized under financial liabilities held for trading were recognized under deposits from banks in an amount of €3,458 million as at December 31, 2025.

» 66 Provisions

€ million	Dec. 31, 2025	Dec. 31, 2024
PROVISIONS FOR EMPLOYEE BENEFITS	1,029	1,170
Provisions for defined benefit plans	612	729
Provisions for other long-term employee benefits	215	216
of which for semi-retirement schemes	83	83
Provisions for termination benefits	170	193
of which for early retirement schemes	22	23
of which for restructuring	129	151
Provisions for short-term employee benefits	32	32
PROVISIONS FOR SHARE-BASED PAYMENT TRANSACTIONS	58	59
OTHER PROVISIONS	1,664	1,625
Provisions for loss allowances for loan commitments and financial guarantee contracts	466	371
Provisions for loan commitments	304	243
Provisions for financial guarantee contracts	162	128
Miscellaneous provisions	1,199	1,254
Provisions relating to building society operations	799	833
Other provisions for loans and advances	41	27
Provisions for restructuring	21	25
Provisions for onerous contracts	22	15
Residual provisions	317	353
Total	2,751	2,854

The underlying discount rate used to measure the defined benefit obligations had risen to 4.10 percent as at December 31, 2025 (December 31, 2024: 3.40 percent).

The provisions for contributions to the resolution fund for credit institutions subject to the Capital Requirements Regulation (CRR) contained provisions for irrevocable payment commitments (IPCs) in a nominal amount of €169 million that the Single Resolution Board (SRB) approved in response to applications that were made to furnish collateral in partial settlement of the contribution to the European bank levy. The DZ BANK Group has pledged cash collateral of the same amount. The pledged collateral is included at its nominal amount under other loans and advances within other assets on the balance sheet.

In a ruling dated November 13, 2025, the Court of Justice of the European Union (CJEU) – the highest competent court – clarified that the IPCs are not annulled if an institution leaves the Single Resolution Mechanism (SRM) (in particular, if it hands back its banking license). The institution must pay the irrevocably committed amount so that the cash collateral provided by the institution can be returned.

Irrespective of this ruling, there are currently no relevant conditions that would require payment to be made. No affected institution in the DZ BANK Group is intending to hand back its banking license in the foreseeable future, nor are there any indications of a relevant resolution case involving a different, non-group institution covered by the SRM and in which the SRB will demand all or some of the amount of the irrevocable payment commitment. Given the expected very long period before the conditions requiring payment will materialize, the provisions for contributions to the resolution fund for CRR credit institutions are measured using a low present value.

Other provisions

The changes in provisions for loss allowances for loan commitments and financial guarantee contracts were as follows:

€ million	Loss allowances for loan commitments				Loss allowances for financial guarantee contracts				Total
	Stage 1	Stage 2	Stage 3	POCI assets	Stage 1	Stage 2	Stage 3	POCI assets	
Balance as at Jan. 1, 2024	46	68	24	-	8	17	80	-	242
Net addition (+)/net reversal (-)	-1	22	63	24	-2	1	24	4	135
Other changes	5	-3	-3	-1	2	-1	-5	-	-7
Balance as at Dec. 31, 2024	50	86	84	22	9	16	99	4	371
Net addition (+)/net reversal (-)	-3	47	-41	72	-2	8	35	1	117
Other changes	5	-10	-	-9	2	-4	-6	-1	-23
Balance as at Dec. 31, 2025	53	122	43	85	9	21	128	4	466

The following table shows the changes in miscellaneous provisions in 2025:

€ million	Provisions relating to building society operations	Other provisions for loans and advances	Provisions for restructuring	Provisions for onerous contracts	Residual provisions	Total
Balance as at Jan. 1, 2025	833	27	25	15	353	1,254
Additions	209	26	10	9	167	420
Utilizations	-242	-	-13	-	-116	-371
Reversals	-1	-11	-	-1	-87	-101
Effects of changes in discount rate	-	-1	-	-1	1	-1
Changes in scope of consolidation	-	-	-1	-	-	-1
Other changes	-	-	-1	-	-1	-1
Balance as at Dec. 31, 2025	799	41	21	22	317	1,199

The residual provisions included provisions of €68 million for pre-litigation risks in connection with the lending business and building society operations (December 31, 2024: €103 million). The other disclosures required under IAS 37 are not provided because it is likely that such disclosures would seriously harm the outcome of the legal disputes.

The expected maturities of the provisions for loss allowances for loan commitments and financial guarantee are shown in the tables below.

AS AT DECEMBER 31, 2025

€ million	≤ 3 months	> 3 months – 1 year	> 1 year – 5 years	> 5 years	Indefinite
Provisions for loan commitments	27	19	185	63	10
Provisions for financial guarantee contracts	25	19	78	40	-
Total	52	39	263	103	10

AS AT DECEMBER 31, 2024

€ million	≤ 3 months	> 3 months – 1 year	> 1 year – 5 years	> 5 years	Indefinite
Provisions for loan commitments	26	76	97	38	6
Provisions for financial guarantee contracts	14	21	69	25	-
Total	40	96	166	63	6

The expected maturities of the miscellaneous provisions are shown in the tables below.

AS AT DECEMBER 31, 2025

€ million	≤ 3 months	> 3 months – 1 year	> 1 year – 5 years	> 5 years	Indefinite
Provisions relating to building society operations	4	293	392	110	-
Other provisions for loans and advances	-	1	40	-	-
Provisions for restructuring	-	15	6	-	-
Provisions for onerous contracts	-	-	-	22	-
Residual provisions	110	143	35	22	6
Total	114	451	473	154	6

AS AT DECEMBER 31, 2024

€ million	≤ 3 months	> 3 months – 1 year	> 1 year – 5 years	> 5 years	Indefinite
Provisions relating to building society operations	4	251	439	140	-
Other provisions for loans and advances	-	1	26	-	-
Provisions for restructuring	-	6	19	-	-
Provisions for onerous contracts	-	-	-	15	-
Residual provisions	70	209	46	20	8
Total	74	466	530	175	8

» 67 Insurance contract liabilities

€ million	Dec. 31, 2025	Dec. 31, 2024
Insurance contract liabilities	113,616	111,339
Liability for remaining coverage	101,014	98,482
Liability for incurred claims	12,602	12,856
Reinsurance contract liabilities	-	1
Liability for remaining coverage	-	2
Total	113,616	111,340

» 68 Other liabilities

€ million	Dec. 31, 2025	Dec. 31, 2024
Other liabilities of insurance companies	5,642	5,863
Accruals	1,873	1,724
Other payables	320	301
Lease liabilities	475	543
Liabilities from initial margins	480	620
Residual other liabilities	389	393
Total	9,178	9,443

The table below gives a breakdown of insurance companies' other liabilities.

€ million	Dec. 31, 2025	Dec. 31, 2024
Miscellaneous provisions	393	391
Provisions for employee benefits	337	340
of which provisions for defined benefit plans	79	103
Provisions for share-based payment transactions	4	4
Other provisions	52	48
Payables and residual other liabilities	5,249	5,471
Subordinated capital	66	87
Deposits received from reinsurers	7	6
Payables arising out of direct insurance operations	336	350
Payables arising out of reinsurance operations	22	7
Debt certificates issued including bonds	46	42
Deposits from banks	421	435
Derivatives (negative fair values)	35	266
Liabilities from investment contracts	3,125	3,180
Insurance lease liabilities	55	65
Other payables	349	360
Residual other liabilities	788	672
Total	5,642	5,863

The underlying discount rate used to measure the defined benefit obligations had risen to 4.10 percent as at December 31, 2025 (December 31, 2024: 3.40 percent).

» 69 Subordinated capital

€ million	Dec. 31, 2025	Dec. 31, 2024
Subordinated liabilities	4,827	4,419
Share capital repayable on demand	-	1
Total	4,827	4,420

» 70 Equity

Subscribed capital

The subscribed capital of DZ BANK consists of 1,791,344,757 registered non-par-value shares each with an imputed value of €2.75. All shares in issue are fully paid-up.

For the 2024 financial year, DZ BANK paid a dividend of €0.25 per share in 2025 on the basis of a resolution of the Annual General Meeting on May 21, 2025. In 2024, DZ BANK had paid a dividend of €0.25 per share on the basis of a resolution of the Annual General Meeting on May 16, 2024. A dividend of €0.25 per share for 2025 will be proposed to the Annual General Meeting.

Authorized capital

The Board of Managing Directors of DZ BANK is authorized, subject to the approval of the Supervisory Board, to increase the share capital by June 30, 2026 on one or more occasions by up to a total of €200 million by way of issuing new registered non-par-value shares in return for cash or non-cash contributions. The Board of Managing Directors is authorized, subject to the approval of the Supervisory Board, to exclude the subscription right of shareholders both in the case of capital increases in return for non-cash contributions and in the case of capital increases in return for cash contributions if the capital is increased for the purpose of

- issuing new shares to employees of the corporation (employee shares),
- acquiring companies, equity investments in companies or for granting equity investments in the corporation in order to back strategic partnerships.

The Board of Managing Directors is also authorized, subject to the approval of the Supervisory Board, to exclude fractions from the subscription right of shareholders ('Authorized Capital I').

The Board of Managing Directors is authorized, subject to the approval of the Supervisory Board, to increase the share capital by June 30, 2026 on one or more occasions by up to a total of €600 million by issuing new registered non-par-value shares in return for cash contributions. The Board of Managing Directors is authorized, subject to the approval of the Supervisory Board, to exclude fractions from the subscription right of shareholders ('Authorized Capital II').

The new shares issued on the basis of utilizing Authorized Capital I or Authorized Capital II can also be acquired by credit institutions determined by the Board of Managing Directors if aforesaid credit institutions agree to offer said shares to the shareholders (indirect subscription right).

The Board of Managing Directors did not make use of any of this authorized action in 2025.

Disclosures on shareholders

At the end of 2025, 99.5 percent of shares were held by cooperative enterprises (December 31, 2024: 99.5 percent). These cooperative enterprises include the cooperative banks and other legal entities and trading companies economically associated with the cooperative movement or cooperative housing sector.

Capital reserve

The capital reserve comprises the amounts from the issue of DZ BANK shares in excess of the imputed par value of the shares.

Retained earnings

Retained earnings comprise earned, undistributed consolidated profit together with gains and losses arising from remeasurement of defined benefit plans after taking into account deferred taxes. Cumulative gains and losses arising from remeasurement of defined benefit plans amounted to a loss of €372 million (December 31, 2024: loss of €460 million).

Reserve from other comprehensive income

Reserve from equity instruments for which the fair value OCI option has been exercised

The reserve from equity instruments for which the fair value OCI option has been applied is used to report the changes in the fair value of equity instruments measured at fair value through other comprehensive income after taking into account deferred taxes. If the equity instruments are sold, the related reserve is reclassified to retained earnings.

Reserve from gains and losses on financial liabilities for which the fair value option has been exercised, attributable to changes in own credit risk

The portion of the changes in fair value of financial liabilities designated as at fair value through profit or loss attributable to changes in the DZ BANK Group's own credit risk is also recognized in the reserve from other comprehensive income. If the liabilities are derecognized, the cumulative gains and losses recognized through other comprehensive income are reclassified to retained earnings.

Reserve from debt instruments measured at fair value through other comprehensive income

The reserve from debt instruments measured at fair value through other comprehensive income is used to report the changes in fair value after taking into account deferred taxes. In the case of debt instruments, gains and losses are only recognized in profit or loss when the relevant asset is sold. Loss allowances are recognized for these assets in accordance with IFRS 9.

Currency translation reserve

The currency translation reserve is the result of the translation of financial statements of subsidiaries denominated in foreign currency into euros (the group reporting currency). It also includes the gains and losses on hedges of net investments in foreign operations and the change in the currency translation reserve for entities accounted for using the equity method.

Reserve for insurance contracts measured at fair value through other comprehensive income

The reserve for insurance contracts measured at fair value through other comprehensive income contains the cumulative insurance finance income or expenses that are recognized in other comprehensive income taking deferred taxes into account.

Additional equity components

In previous years, DZ BANK had issued tranches of additional Tier 1 capital (AT1 bonds) in 3 placements with a total volume of €3,293 million. In all of the placements, the AT1 bonds are split into up to 4 types depending on their interest-rate arrangements (types A to D). All interest is payable annually; the date for the payment of interest has been specified as August 1 each year in all of the placements.

Under the terms and conditions of the bonds, interest payments are at the discretion of the issuer. However, the interest payments may be canceled, either wholly or in part, depending on the items eligible for distribution or by order of the competent supervisory authority. Interest payments are not cumulative; canceled or reduced payments will not be made up in subsequent periods.

The bonds do not have any maturity date and are subject to the terms and conditions set out in the relevant prospectus. Among other things, the terms and conditions specify that DZ BANK may only call the bonds in their entirety, and not in part, provided that there are certain regulatory or tax reasons for doing so. In all instances, DZ BANK must obtain the consent of the competent supervisory authority in order to call the bonds.

The tranches of AT1 bonds issued are shown in the 'Additional equity components' sub-item. According to the provisions of IAS 32, the AT1 bonds have characteristics of equity. The AT1 bonds are unsecured, subordinated bearer bonds of DZ BANK.

Non-controlling interests

Non-controlling interests comprise the equity of subsidiaries not attributable to DZ BANK.

Breakdown of changes in equity by component of other comprehensive income

2025

€ million	Retained earnings	Reserve from other comprehensive income	Non-controlling interests
Gains and losses on debt instruments measured at fair value through other comprehensive income	-	-1,277	-137
Exchange differences on currency translation of foreign operations	-	-53	-4
Gains and losses on hedges of net investments in foreign operations	-	2	-
Insurance finance income or expenses included in other comprehensive income	-	1,034	102
Gains and losses on equity instruments for which the fair value OCI option has been exercised	-	573	64
Gains and losses in relation to financial liabilities for which the fair value option has been exercised, attributable to changes in own credit risk	-	21	1
Gains and losses arising from remeasurement of defined benefit plans	88	-	3
Share of other comprehensive income/loss of joint ventures and associates accounted for using the equity method	-	-11	-
Other comprehensive income/loss	88	289	28

2024

	Retained earnings	Reserve from other comprehensive income	Non-controlling interests
€ million			
Gains and losses on debt instruments measured at fair value through other comprehensive income	-	569	76
Exchange differences on currency translation of foreign operations	-	42	-1
Insurance finance income or expenses included in other comprehensive income	-	-538	-58
Gains and losses on equity instruments for which the fair value OCI option has been exercised	-	142	19
Gains and losses in relation to financial liabilities for which the fair value option has been exercised, attributable to changes in own credit risk	-	-352	-1
Gains and losses arising from remeasurement of defined benefit plans	77	-	3
Share of other comprehensive income/loss of joint ventures and associates accounted for using the equity method	-	5	-
Other comprehensive income/loss	77	-131	39

The table below shows a breakdown of the reserve from other comprehensive income:

	Items not reclassified to the income statement		Items reclassified to the income statement		
	Reserve from equity instruments for which the fair value OCI option has been exercised	Reserve from gains and losses on financial liabilities for which the fair value option has been exercised, attributable to changes in own credit risk	Reserve from debt instruments measured at fair value through other comprehensive income	Currency translation reserve	Reserve for insurance contracts measured at fair value through other comprehensive income
€ million					
Equity as at Jan. 1, 2024	514	267	-7,889	62	6,405
Other comprehensive income/loss	142	-352	569	48	-538
Total comprehensive income/loss	142	-352	569	48	-538
Acquisition/disposal of non-controlling interests	-	-	-6	-	1
Reclassifications within equity	-124	2	-	-	-
Equity as at Dec. 31, 2024	531	-83	-7,327	109	5,868
Other comprehensive income/loss	573	21	-1,277	-62	1,034
Total comprehensive income/loss	573	21	-1,277	-62	1,034
Acquisition/disposal of non-controlling interests	-	-	-2	1	1
Reclassifications within equity	-179	3	-	-	-
Equity as at Dec. 31, 2025	925	-59	-8,605	48	6,902

The changes in loss allowances included in the reserve from other comprehensive income, broken down by individual balance sheet item, were as follows:

€ million	Investments			Investments held by insurance companies			Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Balance as at Jan. 1, 2024	9	2	25	31	35	13	115
Net addition (+)/net reversal (-)	3	1	-	5	-6	-18	-15
Utilizations	-	-	-7	-	-	-7	-14
Other changes	-	-1	2	-4	5	20	22
Balance as at Dec. 31, 2024	12	2	20	31	34	9	108
Net addition (+)/net reversal (-)	-9	-2	-	-11	14	2	-6
Utilizations	-	-	-	-	-	-2	-2
Other changes	3	-	2	5	-	-	10
Balance as at Dec. 31, 2025	6	-	21	25	48	9	109

Information on regulatory capital

The information on regulatory capital and on capital management pursuant to IAS 1.134-136, which also forms part of these IFRS consolidated financial statements, can be found in chapter VI.7 'Capital adequacy' of the risk report in the group management report.

E Financial instruments and fair value disclosures

» 71 Classes, categories, and fair values of financial instruments

The following tables show the breakdown of net carrying amounts and fair values of financial assets and financial liabilities by class (in accordance with IFRS 7) and by category of financial instrument (in accordance with IFRS 9):

€ million	Dec. 31, 2025		Dec. 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL ASSETS MEASURED AT FAIR VALUE	195,908	195,926	196,504	196,524
Financial assets measured at fair value through profit or loss	75,998	76,016	74,645	74,665
<i>Financial assets mandatorily measured at fair value through profit or loss</i>	<i>72,204</i>	<i>72,221</i>	<i>70,474</i>	<i>70,494</i>
Loans and advances to customers	265	265	246	246
Hedging instruments (positive fair values)	875	875	796	796
Financial assets held for trading	29,631	29,649	30,441	30,461
Investments	4,364	4,364	3,663	3,663
Investments held by insurance companies	37,068	37,068	35,309	35,309
Non-current assets and disposal groups classified as held for sale	-	-	21	21
Financial assets designated as at fair value through profit or loss	3,795	3,795	4,171	4,171
Loans and advances to banks	995	995	1,168	1,168
Loans and advances to customers	383	383	515	515
Investments	2,417	2,417	2,487	2,487
Financial assets measured at fair value through other comprehensive income	119,910	119,910	121,859	121,859
Financial assets mandatorily measured at fair value through other comprehensive income	114,426	114,426	116,496	116,496
Loans and advances to customers	1,755	1,755	1,810	1,810
Investments	32,746	32,746	36,356	36,356
Investments held by insurance companies	79,924	79,924	78,330	78,330
Financial assets designated as at fair value through other comprehensive income	5,484	5,484	5,363	5,363
Investments	432	432	404	404
Investments held by insurance companies	5,053	5,053	4,958	4,958
Non-current assets and disposal groups classified as held for sale	-	-	1	1
FINANCIAL ASSETS MEASURED AT AMORTIZED COST	450,362	442,450	446,663	438,730
Cash and cash equivalents	73,584	73,584	81,344	81,344
Loans and advances to banks	149,241	146,201	142,312	139,627
Loans and advances to customers	204,711	198,277	202,951	196,375
Investments	22,382	22,387	18,586	18,616
Investments held by insurance companies	84	82	150	137
Other assets	1,920	1,920	2,631	2,631
Fair value changes of the hedged items in portfolio hedges of interest-rate risk	-1,559	-	-1,310	-
FINANCE LEASES	296	294	379	370
Loans and advances to customers	296	294	379	370

€ million	Dec. 31, 2025		Dec. 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	75,736	75,656	75,613	75,523
Financial liabilities mandatorily measured at fair value through profit or loss	47,488	47,446	45,439	45,384
Deposits from banks	3,458	3,458	-	-
Deposits from customers	2	2	-	-
Hedging instruments (negative fair values)	518	518	659	659
Financial liabilities held for trading	41,148	41,106	42,234	42,180
Other liabilities	2,362	2,362	2,546	2,546
Financial liabilities designated as at fair value through profit or loss	28,248	28,211	30,174	30,138
Deposits from banks	3,321	3,321	3,448	3,448
Deposits from customers	7,249	7,234	7,672	7,653
Debt certificates issued including bonds	17,678	17,656	19,054	19,037
FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST	424,519	419,461	427,640	422,558
Deposits from banks	183,065	180,542	184,077	181,770
Deposits from customers	141,148	139,882	146,431	145,387
Debt certificates issued including bonds	93,774	92,239	90,756	88,926
Other liabilities	1,999	2,000	2,127	2,129
Subordinated capital	4,827	4,798	4,420	4,347
Fair value changes of the hedged items in portfolio hedges of interest-rate risk	-293	-	-171	-
LEASES	530	530	608	608
Other liabilities	530	530	608	608
FINANCIAL GUARANTEE CONTRACTS AND LOAN COMMITMENTS	466	627	371	573
Financial guarantee contracts	162	162	128	128
Provisions	162	162	128	128
Loan commitments	304	465	243	445
Provisions	304	465	243	445

There is no active market with quoted prices pursuant to IFRS 13.76 for home savings loans, home savings deposits, or similar assets and liabilities. The specific features of a home savings product also mean that there is currently no suitable method for calculating fair value in accordance with IFRS 13. The home savings contracts cannot be measured individually because the allocation of home savings loans depends on the overall performance of the collective building society operations (allocation assets) and thus, in particular, on the performance of the home savings deposits (link to the collective). Consequently, the financial assets and financial liabilities resulting from collective building society operations are shown only at their carrying amounts in the table above.

Building society simulations are used to calculate risk-bearing capacity and for regulatory purposes. The simulations have been updated in line with the increased requirements imposed by the banking supervisor in recent years. Statistical parameters, empirical values, and current market assessments are used in these collective simulations. The present value of the expected future cash flows from the collective contracts in force, less cost components and risk margins, is compared with the balance of the carrying amounts from building society operations below. The balance of the carrying amounts from building society operations amounted to an excess of liabilities and stood at minus €52,896 million (December 31, 2024: minus €55,678 million), whereas the collective present value came to minus €42,241 million (December 31, 2024: minus €48,656 million).

The differences between the carrying amount and the fair value of financial assets held for trading, financial liabilities held for trading, deposits from customers, and debt certificates issued including bonds in the 'financial assets measured at fair value' and 'financial liabilities measured at fair value' classes are due to the deferral of differences, not recognized in the income statement, between the fair value and transaction price of financial instruments at the time of initial recognition, which are based on unobservable valuation parameters.

» 72 Differences not recognized at the time of initial recognition

Differences that are not recognized at the time of initial recognition of financial instruments (day-one profit or loss) arise if the fair value of a financial instrument differs from its transaction price at the time of initial recognition and the calculation of the fair value is not substantiated by a price quoted in an active market for an identical asset or identical liability or is not based on a valuation technique that only uses data from observable markets. Such transactions are initially recognized at fair value on the balance sheet, plus the day-one profit or loss that has not been recognized in profit or loss. This difference is amortized to profit or loss over the maturity period or at the time that all parameters factored into the valuation models are observable.

The following table shows the deferred day-one profit or loss that has not yet been amortized to profit or loss, broken down by class pursuant to IFRS 7.

€ million	Measured at fair value	
	Financial assets	Financial liabilities
Balance as at Jan. 1, 2024	15	72
Additions as a result of transactions	28	105
Differences amortized to profit or loss	-24	-87
Balance as at Dec. 31, 2024	20	90
Additions as a result of transactions	29	112
Differences amortized to profit or loss	-26	-128
Reclassifications	-6	6
Changes attributable to currency translation	1	-
Balance as at Dec. 31, 2025	18	80

» 73 Equity instruments designated as at fair value through other comprehensive income

Investments and investments held by insurance companies include shares and other variable-yield securities and investments in subsidiaries, joint ventures, and associates that the DZ BANK Group has elected to measure at fair value through other comprehensive income. These investments and investments held by insurance companies are not held for trading or to generate returns. Consequently, the DZ BANK Group believes that reporting gains and losses in profit or loss would be inadequate in this case.

€ million	Dec. 31, 2025	Dec. 31, 2024
Investments	432	404
Shares and other variable-yield securities	346	325
Investments in subsidiaries	60	56
Investments in associates	26	23
Investments held by insurance companies	5,053	4,958
Shares and other variable-yield securities	4,589	4,485
Investments in subsidiaries	430	438
Investments in joint ventures	13	15
Investments in associates	21	20
Total	5,484	5,362

In 2025, dividends of €57 million (2024: €49 million) were recognized in respect of equity instruments designated as at fair value through other comprehensive income that were held as at the balance sheet date.

Equity instruments designated as at fair value through other comprehensive income with a carrying amount of €1,623 million (December 31, 2024: €1,960 million) were derecognized in 2025. The derecognition of these

investments was attributable to a merger, capital repayments, liquidations, and disposals. No further current gains or losses are expected from these assets. These derecognitions resulted in cumulative net gains of €201 million (2024: €141 million), which were reclassified to retained earnings. Dividends of €108 million (2024: €115 million) were recognized in respect of equity instruments designated as at fair value through other comprehensive income that were sold in 2025.

» 74 Assets and liabilities measured at fair value on the balance sheet

Fair value hierarchy

The fair value measurements are assigned to the levels of the fair value hierarchy as follows:

	Level 1		Level 2		Level 3	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
€ million						
Assets	114,080	103,232	48,049	59,222	33,797	34,070
Loans and advances to banks	-	-	995	1,168	-	-
Loans and advances to customers	-	-	1,920	2,102	483	469
Hedging instruments (positive fair values)	-	-	875	796	-	-
Financial assets held for trading	10,989	7,321	17,049	21,828	1,611	1,312
Investments	29,819	27,881	8,254	12,694	1,887	2,336
Investments held by insurance companies	73,272	68,010	18,957	20,634	29,815	29,953
Non-current assets and disposal groups classified as held for sale	-	21	-	-	-	1
Liabilities	3,231	2,236	71,374	71,998	1,051	1,289
Deposits from banks	-	-	6,779	3,448	-	-
Deposits from customers	-	-	7,047	7,399	188	254
Debt certificates issued including bonds	-	-	17,329	18,493	327	545
Hedging instruments (negative fair values)	-	-	518	659	-	-
Financial liabilities held for trading	3,231	2,236	37,352	39,511	523	433
Other liabilities	-	-	2,349	2,488	14	58

The investments held by insurance companies measured at fair value include assets related to unit-linked contracts. These are offset within insurance contract liabilities by financial liabilities that arise from unit-linked insurance products and are measured using the variable fee approach under IFRS 17, and within other liabilities by liabilities measured at fair value from investment contracts that are allocated to unit-linked life insurance.

Transfers

Assets and liabilities held at the balance sheet date and measured at fair value on a recurring basis were transferred as follows between Levels 1 and 2 of the fair value hierarchy:

	Transfers from Level 1 to Level 2		Transfers from Level 2 to Level 1	
	2025	2024	2025	2024
€ million				
Financial assets measured at fair value	12,656	17,484	24,874	21,884
Financial assets held for trading	3,322	3,508	6,480	6,710
Investments	6,620	11,686	14,668	6,117
Investments held by insurance companies	2,714	2,290	3,727	9,057
Financial liabilities measured at fair value	1,040	803	713	1,010
Debt certificates issued including bonds	718	706	705	682
Financial liabilities held for trading	322	97	8	328

Transfers from Level 1 to Level 2 were due to quoted prices no longer being obtainable in active markets for identical assets or liabilities. Transfers from Level 2 to Level 1 were due to the availability of quoted prices in active markets that had previously not existed.

In the DZ BANK Group, transfers between Levels 1 and 2 take place when there is a change in the inputs that is relevant to categorization in the fair value hierarchy.

Exercise of option pursuant to IFRS 13.48

The option offered by IFRS 13.48 of measuring a net risk position for financial assets and financial liabilities is used for portfolios whose components are recognized under the following balance sheet items: loans and advances to banks, loans and advances to customers, hedging instruments (positive fair values), financial assets held for trading, investments, deposits from banks, deposits from customers, debt certificates issued including bonds, hedging instruments (negative fair values), financial liabilities held for trading, subordinated capital, and equity. If allocation of the portfolio-based valuation adjustments to the assets and liabilities is required, it is generally carried out in proportion to the nominal amounts of the financial instruments in question.

Fair value measurements within Levels 2 and 3

Fair value measurements within Level 2 of the fair value hierarchy use prices of similar, but not identical, financial instruments traded in active markets or use valuation techniques largely based on observable market data. The measurements are reviewed periodically. If valuation techniques are used that include a material valuation parameter that is not observable in the market, the relevant fair value measurements are categorized within Level 3 of the fair value hierarchy.

Generally, the discounted cash flow (DCF) method is used in the model-based measurement of the fair value of financial instruments without optionalities. Modeling of the yield curves is based on a multi-curve approach with collateral discounting. Simple products on which options exist are measured using customary standard models in which the inputs are quoted in active markets. For structured products on which options exist, a wide range of standard valuation techniques are used. The valuation models are calibrated on the basis of available market prices and validated regularly. The fair values of structured products can be measured by breaking these products into their constituent parts, which are then measured using the valuation methods described below.

The basis for measurement is the selection of an adequate yield curve for each specific instrument. The measurement is carried out by selecting appropriate tenor-specific forward curves for projecting variable cash flows. The nature and collateralization of the transactions determines how they are discounted using yield curves that can be adjusted on the basis of relevant spreads.

Prices in active markets are used (provided these prices are available) for the fair value measurement of loans and advances as well as unstructured bonds. Otherwise, the DCF method is mainly used. Discounting is based on yield curves that are adjusted for liquidity-related and credit rating-related costs using spreads. Product-dependent funding spreads are added to the yield curve for liabilities attributable to registered creditors, debt certificates issued including bonds, and subordinated capital. Bonds and other fixed-income securities are adjusted using issuer-specific spreads or spreads derived from the issuer's internal and external credit rating, sector, and risk category. Customer-appropriate spreads and collateralization rates are taken into account for the measurement of loans when the DCF method is used. When loans are measured, the valuation technique is calibrated in such a way that the model price at the time of acquisition corresponds to the transaction price. In exceptional cases, the nominal amount of the debt instrument in question provides the best evidence of fair value.

The fair value measurement of shares and other variable-yield securities and of other shareholdings is determined by applying income capitalization approaches and observing transaction prices. The best indicator of fair value is obtained from the transaction prices for recent transactions involving the relevant financial instruments, provided there have been any such transactions. Otherwise, the fair value is measured using income capitalization approaches in which future income and dividends – calculated on the basis of forecasts and estimates – are discounted, taking risk parameters into account.

The fair value measurement of investment fund units is determined using the pro rata net asset value. This is adjusted for any outstanding performance-related remuneration entitlements of fund managers; risk adjustments are also taken into account. Some investments in real estate companies are also measured at net asset value. In this case, the liabilities are subtracted from the fair values of the real estate tied up in the company and the result is multiplied by the percentage of shareholding. The prices of units in real estate funds that are not managed by the DZ BANK Group are provided by the asset management company that manages these funds. These units are measured regularly at net asset value. Fair value measurement is also based on valuations, current values, and prices in recent transactions.

The fair value measurement of standardized derivatives traded in liquid markets is based on observable market prices and/or industry-standard models using observable inputs. To discount the cash flows of derivatives, a distinction is made between non-collateralized and collateralized transactions when using yield curves in order to take into account the specific funding costs. Moreover, calculation of the model prices for products on which options exist mostly requires the input of additional market data (e.g. volatilities, correlations, repo rates). As far as possible, this data is derived implicitly from quoted market prices that are available. If observable quoted market prices are not available, or only available to a limited extent, the DZ BANK Group uses customary interpolation and extrapolation mechanisms, historical time series analyses, and fundamentals analyses of economic variables to generate the required inputs. It also uses expert assessments on a small scale.

The fair value measurement of OTC financial derivatives applies the option in IFRS 13.48, which enables the total net amount to be measured. In the first step, credit risk is not taken into account. Next, counterparty-specific credit risk arising from derivatives is recognized after the total net amount has been determined. Credit valuation adjustments (CVAs) are recognized to take into account counterparty credit risk and debt valuation adjustments (DVAs) are recognized to take into account the group's own credit risk. Their measurement also takes account of collateral and uses market-implied parameters with matching maturities or internal parameters with matching maturities for the probability of default and loss given default.

The measurement of financial instruments also involves carrying out measurement adjustments to a suitable degree. These include, among other things, model reserves that enable uncertainties regarding model selection, model parameters, and model configuration to be taken into account. The DZ BANK Group measures financial instruments at the price at which these financial instruments can be realized in the market. If this differs from the measurement of the individual instruments (e.g. measurement at middle rates), the bid/ask adjustments (close-out reserves) are determined on a net basis applying the option in IFRS 13.48. Measurement takes account of the group's funding structure.

As part of the processes for fair value measurement, the DZ BANK Group reviews whether the valuation methods used for the measurement are appropriate. This review takes place at every balance sheet date, i.e. at least every 6 months. For the valuation parameters used in the valuation methods, a review is carried out as part of a significance analysis to examine whether unobservable inputs have a significant influence on the fair value. For each input used in the calculation of fair value, a liquidity score is determined on an ongoing basis that provides information on whether the underlying market is active and the input is observable. Various parameters are used to determine the liquidity score, irrespective of the market data group. In respect of equity prices, for example, a check is carried out of whether the equity was traded in the analysis period and whether the trading volume has exceeded a certain threshold. For bonds, the bid-ask spread and the number of price contributors are taken into account. The rules on determining the liquidity score are set centrally and apply to all group entities. On the basis

of the liquidity scores determined, the fair value measurements are assigned to the levels of the fair value hierarchy, provided that the group entities use the centralized market database. In the DZ BANK Group, transfers between the levels generally take place as soon as there is a change in the inputs that is relevant to categorization in the fair value hierarchy.

In each step of these processes, both the distinctive features of the particular product type and the distinctive features of the business models of the group entities are taken into consideration.

If the value of the financial instruments is based on unobservable inputs and they are thus assigned to Level 3 of the fair value hierarchy, the exact value of these inputs can be determined as at the balance sheet date from a range of appropriate possible alternatives. Determining the value for the inputs from a range has an impact on the fair value recognized. The following disclosures explain the material unobservable input categories (known as risk categories) for Level 3 financial instruments. These categories are factored into the significance analysis. Their areas of application are also shown below.

Risk categories

Discount rate for investments in companies

Both observable and unobservable inputs are factored into the discount rate for investments in companies. The risk-free basic interest rate is an observable input. The material unobservable inputs are the premium for market risk, the company-specific beta factor and, if applicable, a growth markdown. A sensitivity analysis is carried out at the level of the discount rate as a whole rather than at the level of the individual unobservable inputs factored into the discount rate. The presentation of the sensitivities to the discount rate for investments in companies relates to a shift of plus 1 basis point.

Asset-backed-securities spreads (ABS spreads)

ABS spreads encompass ABS spread curves derived from sector, rating, or expert assessments. These curves are used, for example, to measure ABSs and other structured bonds. The presentation of the sensitivities to ABS spreads relates to a shift of plus 1 basis point.

Probability of default

Probability of default describes a banking regulation-related risk parameter used to measure credit risk. The probability of default of a borrower, issuer, or counterparty is the probability that the borrower, issuer, or counterparty will not be able to meet its payment obligations or other contractual obligations in the future. The presentation of the sensitivities to probability of default relates to a shift of plus 1 basis point.

Bond spreads

Bond spreads contain both credit rating-related and issuer-related spread curves for corporates and governments. Also in this category are benchmark bond spread curves that, for example, are factored into the measurement of issues, bonds, promissory notes, bond futures, and bond options. The presentation of the sensitivities to bond spreads relates to a shift of plus 1 basis point.

Commodity prices

This category includes not only commodity prices but also prices for commodity indices. These are frequently factored into the measurement of futures, options, swaps, and structured issues. The presentation of the sensitivities to commodity prices relates to a shift of plus 1 percent in relation to fair value.

Dividend estimate

This category covers estimated future dividend yields as well as repo yields and convenience yields. The presentation of the sensitivities to dividends relates to a shift of plus 1 percent.

Duration

Duration is the unobservable, weighted average lifetime of mortgage-backed securities. The presentation of the sensitivities to duration relates to a shift of plus 1 year.

Fair value adjustments

As a component of fair value, fair value adjustments must be taken into account in the significance analysis in their full absolute amount, provided they are unobservable. The absolute amount of the fair value adjustment is disclosed as the sensitivity.

Fund prices

This category contains prices both for commodity funds and for equity funds. Fund prices are factored into the measurement of funds and issues. The presentation of the sensitivities to fund prices relates to a shift of plus 1 percent in relation to fair value.

FX rates

Foreign exchange rates belong to this category. They are factored into the measurement of all products traded in a foreign currency or in which at least one of the underlying instruments being measured is denominated in a foreign currency. The presentation of the sensitivities to FX rates relates to a change in the absolute amount in relation to the euro exchange rate.

Mean reversion

This category comprises the unobservable parameter 'mean reversion' in the Hull-White model, which is used to model short rates. The presentation of the sensitivities to mean reversion relates to a shift of plus 1 basis point.

Illiquid market prices

In some circumstances, depending on the liquidity of the individual bond spread curve, liquid market price information may not be available as at the valuation date for marked-to-market financial instruments such as bearer bonds. Where this is the case, the financial instruments are assigned to Level 3 of the fair value hierarchy. The presentation of the sensitivities to illiquid market prices relates to a shift of plus 1 percent in relation to fair value (fair value changes by plus 1 percent of the current market price).

Volatilities

These include various volatilities for commodities, equities, and currencies as well as cap/floor volatilities and swaption volatilities. For the latter, particularly derivative products such as swaps and options, fly volatilities and risk reversal volatilities are also factored into the calculations. The presentation of the sensitivities to volatilities relates to a shift of plus 1 percentage point for volatilities with log-normal distribution and a shift of plus 1 basis point for volatilities with normal distribution.

Impairment

Impaired financial instruments are generally assigned to Level 3 of the fair value hierarchy. The absolute amount is disclosed as the sensitivity.

Yield curves

In addition to standard yield curves, this category covers cross-currency spread curves and tenor basis spread curves as well as fixing, fund, and swap rates. Yield curves are factored into the measurement of most financial instruments. The presentation of the sensitivities to yield curves relates to a shift of plus 1 basis point.

Aggregate sensitivity

For each product type whose fair value is based on unobservable inputs and is therefore assigned to Level 3 of the fair value hierarchy, the inputs used in the measurement of the assets and liabilities are used to determine and present an aggregate sensitivity. The aggregate sensitivity, presented in euros, provides information about the sensitivity of assets and liabilities in each class to a change in the unobservable inputs used in the measurement of this class, such inputs belonging to the risk category identified for this class. The aggregate sensitivity relates to a standardized change in the inputs in the risk category, for example relating to a change of plus 1 basis point. An aggregate sensitivity of €1 million for the 'yield curves' risk category would therefore mean that a change of plus 10 basis points would result in an increase in fair value of €10 million for the line item.

The following tables show the valuation techniques, risk categories, and sensitivity reference values, as well as the aggregate sensitivities, used for the fair value measurements at Level 3 of the fair value hierarchy.

Measurements of fair value at Level 3 as at December 31, 2025

Class according to IFRS 13	Assets/liabilities	Fair value (€ million)	Valuation technique	Risk category	Sensitivity reference value	Aggregate sensitivity (€ million)
Loans and advances to customers	Other bank loans	20	Mark-to-model (DCF)	Probability of default	Shift of +1 basis point	-
			Present value for which loss allowances have been recognized			
	Other bank loans	12		Impairment	Absolute amount (impairment)	-
	Registered securities	237	Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	2
			Mark-to-model (DCF)	Probability of default	Shift of +1 basis point	-
			Mark-to-model (DCF)	Yield curves	Shift of +1 basis point	-
	Other loans and advances	214	Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	3
Financial assets held for trading	Shares	2	Mark-to-market	Fair value adjustments	Absolute amount (fair value adjustment)	-
			Black model (simple option pricing model)			
	Bonds	38		Fair value adjustments	Absolute amount (fair value adjustment)	-
			Mark-to-market	Fair value adjustments	Absolute amount (fair value adjustment)	-
	Bonds	185	Mark-to-market	Illiquid market prices	Shift of +1% in relation to fair value	2
					Absolute amount (fair value adjustment)	-
	Bonds	44	Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	-
			Black model (simple option pricing model)	Fair value adjustments	Absolute amount (fair value adjustment)	5
			Black model (simple option pricing model)			
	Derivatives	69	option pricing model)	Volatilities (normal)	Shift of +1 basis point	-5
			Analytical yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	2
			Analytical yield curve model			
	Derivatives	40	yield curve model	Volatilities (normal)	Shift of +1 basis point	20
			Multi-factor yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	31
			Multi-factor yield curve model			
	Derivatives	415		Volatilities (normal)	Shift of +1 basis point	13
					Absolute amount (fair value adjustment)	-
	Derivatives	22	Local volatility model	Fair value adjustments	Absolute amount (fair value adjustment)	1
			One-factor yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	6
			One-factor yield curve model			
	Derivatives	101		Volatilities (normal)	Shift of +1 basis point	3
					Absolute amount (fair value adjustment)	-
	Derivatives	518	Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	35
	Promissory notes and registered bonds	177	Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	-

Class according to IFRS 13	Assets/liabilities	Fair value (€ million)	Valuation technique	Risk category	Sensitivity reference value	Aggregate sensitivity (€ million)
Investments	Shares and other shareholdings	150	Income capitalization approach	Discount rate for investments in companies	Shift of +1 basis point	-
			Mark-to-model (DCF)	Yield curves	Shift of +1 basis point	-
	Shares and other shareholdings	107	Mark-to-model (DCF)	Dividend estimate	Shift of +1 percentage point	2
	Shares and other shareholdings	7	Mark-to-market	Illiquid market prices	Shift of +1% in relation to fair value	-
			Simplified income capitalization approach			-
		99				-
			Mark-to-market	Illiquid market prices	Shift of +1% in relation to fair value	10
	Bonds	1,010	Mark-to-market	Fair value adjustments	Absolute amount (fair value adjustment)	-
			Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	-
	Bonds	254	Mark-to-model (DCF)	Duration	Shift of +1 year	-5
			Present value for which loss allowances have been recognized			-
	Bonds	14		Impairment	Absolute amount (impairment)	-
				Discount rate for investments in companies		-
	Investments in associates	14	Income capitalization approach		Shift of +1 basis point	-
	Investments in associates	4	Mark-to-model (DCF)	Yield curves	Shift of +1 basis point	-
			Simplified income capitalization approach			-
	Investments in associates	7				-
				Discount rate for investments in companies		-
	Investments in subsidiaries	42	Income capitalization approach		Shift of +1 basis point	-
			Simplified income capitalization approach			-
	Investments in subsidiaries	60				-
	Investments in subsidiaries	52	Mark-to-model (DCF)	Yield curves	Shift of +1 basis point	-
	Investments in subsidiaries	3	Net asset value			-
					Shift of +1% in relation to fair value	-
	Investment fund units	56	Mark-to-model (other)	Fund prices		1
	Investment fund units	8	Net asset value			-

Class according to IFRS 13	Assets/liabilities	Fair value (€ million)	Valuation technique	Risk category	Sensitivity reference value	Aggregate sensitivity (€ million)
Investments held by insurance companies	Shares and other variable-yield securities	2	Income capitalization approach	Discount rate for investments in companies	Shift of +1 basis point	-
	Shares and other variable-yield securities	28	Valuation reports			-
	Shares and other variable-yield securities	9	Simplified income capitalization approach			-
	Shares and other variable-yield securities	5,581	Net asset value			-
	Investments in associates	8	Income capitalization approach	Discount rate for investments in companies	Shift of +1 basis point	-
	Investments in associates	12	Net asset value			-
	Investments in joint ventures	3	Income capitalization approach	Discount rate for investments in companies	Shift of +1 basis point	-
	Investments in joint ventures	73	Net asset value			-
	Investments in subsidiaries	341	Income capitalization approach	Discount rate for investments in companies	Shift of +1 basis point	-
	Investments in subsidiaries	1	Simplified income capitalization approach			-
	Investments in subsidiaries	165	Net asset value			-
	Derivatives	2	Present value for which loss allowances have been recognized	FX rates	Shift of +1 percentage point	-1
	Fixed-income securities	716	Multi-factor yield curve model	Bond spreads	Shift of +1 basis point	-1
	Fixed-income securities	2,905	Mark-to-model (DCF)	Bond spreads	Shift of +1 basis point	-2
	Mortgage loans	12,494	Mark-to-model (DCF)	ABS spreads	Shift of +1 basis point	-
			Mark-to-model (DCF)	Bond spreads	Shift of +1 basis point	-11
					Shift of +1 basis point	-3
	Registered bonds	2,770	Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	-15
	Registered bonds	1,157	Multi-factor yield curve model	Bond spreads	Shift of +1 basis point	-1
	Promissory notes and loans	2,918	Mark-to-model (DCF)	Bond spreads	Shift of +1 basis point	-2
	Promissory notes and loans	267	Multi-factor yield curve model	Bond spreads	Shift of +1 basis point	-
	Other loans and receivables	91	Approximation method			-
	Other loans and receivables	180	Mark-to-model (DCF)	Probability of default	Shift of +1 basis point	-
	Assets managed for third parties	92	Net asset value			-

Class according to IFRS 13	Assets/liabilities	Fair value (€ million)	Valuation technique	Risk category	Sensitivity reference value	Aggregate sensitivity (€ million)
Deposits from customers	Other deposits	6	Multi-factor yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	-
			Analytical yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	-1
	Other deposits	182	Analytical yield curve model	Volatilities (normal)	Shift of +1 basis point	9
Debt certificates issued including bonds	Other bonds	312	Mark-to-market	Illiquid market prices	Shift of +1 percentage point	3
			Analytical yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	-
	Other bonds	15	Local volatility model	Fair value adjustments	Absolute amount (fair value adjustment)	-3
Financial liabilities held for trading	Bonds issued, share certificates and index-linked certificates, and other debt certificates issued	143	Local volatility model	Volatilities (log-normal)	Shift of +1 percentage point	-1
			Black model (simple option pricing model)	Fair value adjustments	Absolute amount (fair value adjustment)	-1
	Bonds issued, share certificates and index-linked certificates, and other debt certificates issued	60	Black model (simple option pricing model)	Commodity prices	Shift of 1% in relation to fair value	1
			Local volatility model	Fair value adjustments	Absolute amount (fair value adjustment)	-
	Bonds issued, share certificates and index-linked certificates, and other debt certificates issued	2	Black model (simple option pricing model)	Volatilities (log-normal)	Shift of +1 percentage point	1
			Black model (simple option pricing model)	Fair value adjustments	Absolute amount (fair value adjustment)	-8
			Black model (simple option pricing model)	Fair value adjustments	Absolute amount (fair value adjustment)	-
	Derivatives	117	Black model (simple option pricing model)	Volatilities (log-normal)	Shift of +1 basis point	14
			Local volatility model	Fair value adjustments	Absolute amount (fair value adjustment)	-4
	Derivatives	48	Local volatility model	Volatilities (log-normal)	Shift of +1 percentage point	-1
			Local volatility model	Fair value adjustments	Absolute amount (fair value adjustment)	-21
	Derivatives	77	Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	-1
			Analytical yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	-5
	Derivatives	9	Multi-factor yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	1
			Multi-factor yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	-2
			Multi-factor yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	-
Other liabilities	Derivatives	22	One-factor yield curve model	Mean reversion	Shift of +1 basis point	-
			One-factor yield curve model	Bond spreads	Shift of +1 basis point	-

Measurements of fair value at Level 3 as at December 31, 2024

Class according to IFRS 13	Assets/liabilities	Fair value (€ million)	Valuation technique	Risk category	Sensitivity reference value	Aggregate sensitivity (€ million)
Loans and advances to customers	Other bank loans	28	Mark-to-model (DCF)	Probability of default	Shift of +1 basis point	-
			Present value for which loss allowances have been recognized			
	Other bank loans	17	Mark-to-model (DCF)	Impairment	Absolute amount (impairment)	-
	Registered securities	223	Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	4
			Mark-to-model (DCF)	Probability of default	Shift of +1 basis point	-
			Mark-to-model (DCF)	Yield curves	Shift of +1 basis point	-
	Other loans and advances	201	Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	4
Financial assets held for trading	Shares	1	Mark-to-market	Fair value adjustments	Absolute amount (fair value adjustment)	-
	Bonds	3	Black model (simple option pricing model)	Fair value adjustments	Absolute amount (fair value adjustment)	-
			Mark-to-market	Fair value adjustments	Absolute amount (fair value adjustment)	-
	Bonds	207	Mark-to-market	Illiquid market prices	Shift of +1% in relation to fair value	2
	Bonds	49	Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	-
			Black model (simple option pricing model)	Fair value adjustments	Absolute amount (fair value adjustment)	7
			Black model (simple option pricing model)			
	Derivatives	68	Analytical yield curve model	Volatilities (normal)	Shift of +1 basis point	-1
			Analytical yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	2
	Derivatives	25	Multi-factor yield curve model	Volatilities (normal)	Shift of +1 basis point	14
			Multi-factor yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	42
	Derivatives	530	Multi-factor yield curve model	Volatilities (normal)	Shift of +1 basis point	10
					Absolute amount (fair value adjustment)	
	Derivatives	11	Local volatility model	Fair value adjustments	Absolute amount (fair value adjustment)	1
			One-factor yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	9
			One-factor yield curve model			
			One-factor yield curve model	Volatilities (normal)	Shift of +1 basis point	1
	Derivatives	73	One-factor yield curve model	Mean reversion	Shift of +1 basis point	-
					Absolute amount (fair value adjustment)	
	Derivatives	184	Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	31
	Promissory notes and registered bonds	161	Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	-

Class according to IFRS 13	Assets/liabilities	Fair value (€ million)	Valuation technique	Risk category	Sensitivity reference value	Aggregate sensitivity (€ million)
Investments	Shares and other shareholdings	148	Income capitalization approach	Discount rate for investments in companies	Shift of +1 basis point	-
					Shift of +1 percentage point	1
	Shares and other shareholdings	103	Mark-to-model (DCF)	Dividend estimate	Shift of +1 basis point	-
			Mark-to-model (DCF)	Yield curves	Shift of +1% in relation to fair value	-
	Shares and other shareholdings	18	Mark-to-market	Illiquid market prices		-
			Simplified income capitalization approach			-
	Shares and other shareholdings	89				-
			Mark-to-market	Illiquid market prices	Shift of +1% in relation to fair value	11
	Bonds	1,068	Mark-to-market	Fair value adjustments	Absolute amount (fair value adjustment)	-
			Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	-
	Bonds	589	Mark-to-model (DCF)	Duration	Shift of +1 year	-6
			Present value for which loss allowances have been recognized			
	Bonds	16		Impairment	Absolute amount (impairment)	-
				Discount rate for investments in companies		
	Investments in associates	14	Income capitalization approach		Shift of +1 basis point	-
	Investments in associates	1	Mark-to-model (DCF)	Yield curves	Shift of +1 basis point	-
			Simplified income capitalization approach			-
	Investments in associates	8				-
	Investments in subsidiaries	52	Income capitalization approach	Discount rate for investments in companies	Shift of +1 basis point	-
			Simplified income capitalization approach			-
	Investments in subsidiaries	66				-
	Investments in subsidiaries	96	Mark-to-model (DCF)	Yield curves	Shift of +1 basis point	-
	Investments in subsidiaries	4	Net asset value			-
	Investment fund units	54	Mark-to-model (other)	Fund prices	Shift of +1% in relation to fair value	1
	Investment fund units	10	Net asset value			-

Class according to IFRS 13	Assets/liabilities	Fair value (€ million)	Valuation technique	Risk category	Sensitivity reference value	Aggregate sensitivity (€ million)
Investments held by insurance companies	Shares and other variable-yield securities	3	Income capitalization approach	Discount rate for investments in companies	Shift of +1 basis point	-
	Shares and other variable-yield securities	27	Valuation reports			-
	Shares and other variable-yield securities	9	Simplified income capitalization approach			-
	Shares and other variable-yield securities	5,823	Net asset value			-
	Investments in associates	8	Income capitalization approach	Discount rate for investments in companies	Shift of +1 basis point	-
	Investments in associates	13	Net asset value			-
	Investments in joint ventures	3	Income capitalization approach	Discount rate for investments in companies	Shift of +1 basis point	-
	Investments in joint ventures	73	Net asset value			-
	Investments in subsidiaries	320	Income capitalization approach	Discount rate for investments in companies	Shift of +1 basis point	-
	Investments in subsidiaries	1	Simplified income capitalization approach			-
	Investments in subsidiaries	199	Net asset value			-
	Fixed-income securities	511	Multi-factor yield curve model	Bond spreads	Shift of +1 basis point	-1
			Mark-to-model (DCF)	Bond spreads	Shift of +1 basis point	-2
	Fixed-income securities	2,782	Mark-to-model (DCF)	ABS spreads	Shift of +1 basis point	-
	Mortgage loans	12,682	Mark-to-model (DCF)	Bond spreads	Shift of +1 basis point	-19
			Mark-to-model (DCF)	Bond spreads	Shift of +1 basis point	-3
					Absolute amount (fair value adjustment)	
	Registered bonds	2,465	Mark-to-model (DCF)	Fair value adjustments		55
			Multi-factor yield curve model			
	Registered bonds	1,291	model	Bond spreads	Shift of +1 basis point	-2
	Promissory notes and loans	3,092	Mark-to-model (DCF)	Bond spreads	Shift of +1 basis point	-2
	Promissory notes and loans	309	Multi-factor yield curve model	Bond spreads	Shift of +1 basis point	-
	Other loans and receivables	79	Amortized cost			-
	Other loans and receivables	155	Mark-to-model (DCF)	Probability of default	Shift of +1 basis point	-
	Assets managed for third parties	108	Net asset value			-
Non-current assets and disposal groups classified as held for sale	Investments	1	Simplified income capitalization approach			-

Class according to IFRS 13	Assets/liabilities	Fair value (€ million)	Valuation technique	Risk category	Sensitivity reference value	Aggregate sensitivity (€ million)
Deposits from customers	Other deposits	83	Multi-factor yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	-2
			Multi-factor yield curve model	Volatilities (normal)	Shift of +1 basis point	-1
			Analytical yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	-1
			Analytical yield curve model	Volatilities (normal)	Shift of +1 basis point	7
			171	Shift of +1 percentage point		4
Debt certificates issued including bonds	Other bonds	164	Mark-to-market	Illiquid market prices	Absolute amount (fair value adjustment)	-
			Analytical yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	-4
			Multi-factor yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	-1
			Multi-factor yield curve model	Volatilities (normal)	Shift of +1 basis point	-
			3			-
Financial liabilities held for trading	Bonds issued, share certificates and index-linked certificates, and other debt certificates issued	103	Black model (simple option pricing model)	Fair value adjustments	Absolute amount (fair value adjustment)	-2
			Local volatility model	Fair value adjustments	Absolute amount (fair value adjustment)	-1
			Analytical yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	-4
			Analytical yield curve model	Volatilities (normal)	Shift of +1 basis point	-8
			Black model (simple option pricing model)	Fair value adjustments	Absolute amount (fair value adjustment)	2
	Derivatives	92	Black model (simple option pricing model)	Volatilities (log-normal)	Shift of +1 percentage point	8
			Black model (simple option pricing model)	Volatilities (normal)	Shift of +1 basis point	-3
			Local volatility model	Fair value adjustments	Absolute amount (fair value adjustment)	2
			Local volatility model	Volatilities (log-normal)	Shift of +1 percentage point	-12
			60			-7
	Derivatives	81	Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	-2
			Multi-factor yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	-
			One-factor yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	-
			One-factor yield curve model	Mean reversion	Shift of +1 basis point	-
			26			-
Other liabilities	Derivatives	58	Mark-to-model (DCF)	Bond spreads	Shift of +1 basis point	-

Fair value measurements within Level 3 of the fair value hierarchy

The table below shows the changes in the fair value measurements of assets within Level 3 of the fair value hierarchy:

	Loans and advances to customers	Derivatives used for hedging (positive fair values)	Financial assets held for trading	Investments	Investments held by insurance companies	Non-current assets and disposal groups classified as held for sale
€ million						
Balance as at Jan. 1, 2024	641	5	1,737	2,442	28,692	-
Additions (purchases)	31	-	1,537	1,264	3,345	-
Transfers	-	-	-444	-465	-362	-
from Level 3 to Levels 1 and 2	-	-	-1,161	-1,505	-917	-
from Levels 1 and 2 to Level 3	-	-	717	1,040	555	-
Disposals (sales)	-211	-	-1,606	-929	-2,420	-
Changes resulting from measurement at fair value	19	-	84	-13	629	-
through profit or loss	10	-	86	11	262	-
through other comprehensive income	9	-	-2	-24	367	-
Other changes	-12	-5	3	37	68	1
Balance as at Dec. 31, 2024	469	-	1,312	2,336	29,953	1
Additions (purchases)	52	-	3,293	1,398	3,752	-
Transfers	-	-	-130	-159	-45	-
from Level 3 to Levels 1 and 2	-	-	-851	-1,424	-946	-
from Levels 1 and 2 to Level 3	-	-	721	1,265	901	-
Disposals (sales)	-23	-	-2,951	-1,651	-2,349	-37
Changes resulting from measurement at fair value	-17	-	85	-1	-1,353	-
through profit or loss	-20	-	84	-31	-341	-
through other comprehensive income	3	-	1	30	-1,012	-
Other changes	2	-	3	-34	-144	36
Balance as at Dec. 31, 2025	483	-	1,611	1,887	29,815	-

The table below shows the changes in the fair value measurements of liabilities within Level 3 of the fair value hierarchy:

	Deposits from customers	Debt certificates issued including bonds	Financial liabilities held for trading	Other liabilities
€ million				
Balance as at Jan. 1, 2024	290	510	505	-
Additions (issues)	-	145	2,053	-
Transfers	-76	17	-301	69
from Level 3 to Level 2	-200	-120	-816	-
from Level 2 to Level 3	124	137	516	69
Disposals (settlements)	-	-145	-1,758	-
Changes resulting from measurement at fair value	38	18	-68	-11
through profit or loss	14	-5	-51	-11
through other comprehensive income	24	22	-17	-
Other changes	2	1	2	-
Balance as at Dec. 31, 2024	254	545	433	58
Additions (issues)	-	47	1,787	-
Transfers	-73	-	-378	-
from Level 3 to Level 2	-81	-	-908	-2
from Level 2 to Level 3	8	-	530	2
Disposals (settlements)	-	-241	-1,262	-55
Changes resulting from measurement at fair value	7	-24	-59	11
through profit or loss	7	-24	-48	11
through other comprehensive income	-	-	-12	-
Other changes	-	1	2	-
Balance as at Dec. 31, 2025	188	327	523	14

Transfers of fair values from Levels 1 and 2 to Level 3 of the fair value hierarchy are largely attributable to a revised estimate of the market observability of the valuation parameters used in the valuation methods. Transfers from Level 3 to Levels 1 or 2 are essentially due to the availability of a price listed in an active market and to the inclusion in the valuation method of material valuation parameters observable in the market.

The amount of gains or losses recognized in profit or loss resulting from the recurring fair value measurements within Level 3 of assets and liabilities held at the balance sheet date constituted a net loss of €152 million during the year under review (2024: net gain of €380 million). The gains or losses are predominantly included in gains and losses on trading activities, other gains and losses on valuation of financial instruments, and gains and losses on investments held by insurance companies and other insurance company gains and losses.

Sensitivity analysis

In the DZ BANK Group, financial instruments are generally assigned to Level 2 and Level 3 of the fair value hierarchy using a sensitivity-based significance analysis of unobservable inputs. Taking a prudent valuation approach pursuant to article 105 CRR, an uncertainty spread is formed for the unobservable inputs that, as a rule, equates to the 90 percent quantile and the 10 percent quantile for the distribution of the input; the change in fair value at the ends of the spread is also examined.

The following table shows the changes in the fair values of financial instruments assigned to Level 3 of the fair value hierarchy that would occur if all inputs in each risk category were factored into the measurement with the ends of each uncertainty spread. Changes in fair value at the lower and upper end of the uncertainty spread are shown separately. In practice, however, it is unlikely that all unobservable inputs would be at the extreme end of their uncertainty spread at the same time.

Changes in fair values, using alternative assumptions for unobservable inputs

	Dec. 31, 2025		Dec. 31, 2024	
	Alternative assumptions at the lower end of the uncertainty spread	Alternative assumptions at the upper end of the uncertainty spread	Alternative assumptions at the lower end of the uncertainty spread	Alternative assumptions at the upper end of the uncertainty spread
€ million				
Loans and advances to customers				
Other loans and advances	2	-2	2	-2
Financial assets held for trading				
Derivatives	-1	1	-1	1
Investments				
Shares and other shareholdings	7	-2	2	1
Bonds	-1	1	-14	14
Investments in subsidiaries	3	-3	5	-5
Investment fund units	-5	3	-5	2
Investments held by insurance companies				
Investments in subsidiaries	24	-21	22	-19
Fixed-income securities	34	-34	30	-33
Mortgage loans	2	-2	4	-4
Registered bonds	55	-55	133	-133
Promissory notes and loans	29	-92	49	-81
Other loans	2	-2	2	-3
Deposits from customers				
Other deposits	-	-	1	-1
Debt certificates issued including bonds				
Other bonds	-1	1	1	-1
Financial liabilities held for trading				
Bonds issued, share certificates and index-linked certificates, and other debt certificates issued	-	-	1	-1
Derivatives	-4	4	-3	3
Other liabilities				
Derivatives	-1	1	-4	4

» 75 Assets and liabilities not measured at fair value on the balance sheet

Fair value hierarchy

Fair value measurements of assets and liabilities that are not recognized at fair value on the balance sheet, but whose fair value must be disclosed, are assigned to the levels of the fair value hierarchy as follows:

	Level 1		Level 2		Level 3	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
€ million						
Assets	13,116	9,130	249,306	248,744	185,536	186,748
Cash and cash equivalents	-	-	73,584	81,344	-	-
Loans and advances to banks	-	-	141,513	134,918	4,687	4,709
Loans and advances to customers	-	-	24,441	23,473	173,835	172,903
Investments	13,116	8,999	9,083	8,370	188	1,247
Investments held by insurance companies	-	131	61	-	5,042	5,445
Property, plant and equipment, investment property, and right-of-use assets	-	-	-	-	350	354
Other assets	-	-	624	639	1,296	1,991
Non-current assets and disposal groups classified as held for sale	-	-	-	-	138	100
Liabilities	22,950	19,876	327,831	333,121	69,307	70,135
Deposits from banks	-	-	179,592	180,897	950	873
Deposits from customers	-	-	78,150	82,700	61,732	62,686
Debt certificates issued including bonds	22,950	19,876	69,081	68,551	209	500
Provisions	-	-	119	81	508	492
Other liabilities	-	-	889	892	1,110	1,236
Subordinated capital	-	-	-	-	4,797	4,347

Fair value measurements within Levels 2 and 3

The fair value measurements of assets and liabilities that are not recognized at fair value on the balance sheet largely correspond to the fair value measurements of assets and liabilities that are recognized at fair value on the balance sheet.

The following table shows the valuation techniques and the unobservable inputs used for the fair value measurements at Level 3 of the fair value hierarchy as at December 31, 2025.

Class according to IFRS 13	Assets/liabilities	Fair value (€ million)	Valuation technique	Unobservable inputs
Loans and advances to banks	Home savings loans advanced by building society	146	Amortized cost	
	Current account debit balances	10	Mark-to-model (DCF)	Probability of default
	Registered securities	120	Black model (simple option pricing model)	Bond spreads, fair value adjustments, subordinated spreads
	Registered securities	4	Mark-to-model (DCF)	Fair value adjustments, funding and treasury spreads
	Other bank loans	4,407	Mark-to-model (DCF)	Probability of default
Loans and advances to customers	Home savings loans advanced by building society	8,530	Amortized cost	
	Home savings loans advanced by building society	53,813	Mark-to-model (DCF)	Probability of default
	Pass-through loans	1,477	Mark-to-model (DCF)	Probability of default
	Pass-through loans	4	Present value for which loss allowances have been recognized	Impairment
	Mortgage loans	52,969	Mark-to-model (DCF)	Probability of default
	Mortgage loans	720	Present value for which loss allowances have been recognized	Impairment
	Current account debit balances	1,547	Mark-to-model (DCF)	Probability of default
	Current account debit balances	41	Present value for which loss allowances have been recognized	Impairment
	Registered securities	1,191	Black model (simple option pricing model)	Bond spreads, fair value adjustments, volatilities (normal)
	Registered securities	5	Mark-to-market	Illiquid market prices
	Registered securities	1,271	Mark-to-model (DCF)	Bond spreads, fair value adjustments
	Other bank loans	50,651	Mark-to-model (DCF)	Probability of default
	Other bank loans	4	Present value for which loss allowances have been recognized	Impairment
	Other loans and advances	1,613	Mark-to-model (DCF)	Probability of default
Investments	Bonds	67	Mark-to-market	Illiquid market prices, fair value adjustments
	Bonds	121	Mark-to-model (DCF)	Bond spreads
	Fixed-income securities	1	Mark-to-model (DCF)	Bond spreads
	Investment property	41	Amortized cost	
Investments held by insurance companies	Investment property	3,261	Income capitalization approach	Future rent and reference prices in the market
	Investment property	1,720	Valuation reports	
	Registered bonds	14	Mark-to-model (DCF)	Bond spreads
	Registered bonds	3	Multi-factor yield curve model	Bond spreads
	Promissory notes and loans	3	Amortized cost	
	Other loans and receivables	1	Amortized cost	

Class according to IFRS 13	Assets/liabilities	Fair value (€ million)	Valuation technique	Unobservable inputs
Property, plant and equipment	Investment property	350	Valuation reports	
Other assets	Credit balances with banks (insurance)	288	Amortized cost	
	Other receivables	1,008	Amortized cost	
Non-current assets and disposal groups classified as held for sale	Investments held by insurance companies	126	Income capitalization approach	Future rent and reference prices in the market
	Other assets	11	Income capitalization approach	Future rent and reference prices in the market
Deposits from banks	Home savings deposits	110	Cost	
	Other deposits	840	Mark-to-model (DCF)	Probability of default
Deposits from customers	Home savings deposits	61,463	Cost	
	Other deposits	18	Cost	
Debt certificates issued including bonds	Other deposits	251	Mark-to-model (DCF)	Probability of default
	Public-sector Pfandbriefe	209	Mark-to-model (DCF)	Probability of default
Provisions	Provisions for financial guarantee contracts	60	Mark-to-model (DCF)	Probability of default
	Provisions for loan commitments	302	Mark-to-model (DCF)	Probability of default
	Provisions for loan commitments	4	Mark-to-model (other)	Probability of default
	Provisions for loan commitments	142	Multi-factor yield curve model	Bond spreads
Other liabilities	Subordinated liabilities (insurance)	13	Cost	
	Subordinated liabilities (insurance)	22	Net asset value	
	Other payables	223	Cost	
	Liabilities from investment contracts	509	Cost	
	Liabilities to banks (insurance)	315	Cost	
	Debt certificates issued including bonds (insurance)	29	Cost	
Subordinated capital	Subordinated liabilities	787	Black model (simple option pricing model)	Bond spreads, fair value adjustments, subordinated spreads, volatilities (normal)
	Subordinated liabilities	4,010	Mark-to-model (DCF)	Bond spreads, fair value adjustments, subordinated spreads

The following table shows the valuation techniques and the unobservable inputs used for the fair value measurements at Level 3 of the fair value hierarchy as at December 31, 2024.

Class according to IFRS 13	Assets/liabilities	Fair value (€ million)	Valuation technique	Unobservable inputs
Loans and advances to banks	Home savings loans advanced by building society	158	Amortized cost	
	Mortgage loans	6	Mark-to-model (DCF)	Probability of default
	Current account debit balances	4	Mark-to-model (DCF)	Probability of default
	Registered securities	103	Black model (simple option pricing model)	Bond spreads, fair value adjustments, subordinated spreads
	Registered securities	15	Mark-to-model (DCF)	Bond spreads, fair value adjustments, funding and treasury spreads
	Other bank loans	4,423	Mark-to-model (DCF)	Probability of default
Loans and advances to customers	Home savings loans advanced by building society	6,751	Amortized cost	
	Home savings loans advanced by building society	56,313	Mark-to-model (DCF)	Probability of default
	Pass-through loans	1,538	Mark-to-model (DCF)	Probability of default
	Pass-through loans	7	Present value for which loss allowances have been recognized	Impairment
	Mortgage loans	52,611	Mark-to-model (DCF)	Probability of default
	Mortgage loans	553	Present value for which loss allowances have been recognized	Impairment
	Current account debit balances	1,743	Mark-to-model (DCF)	Probability of default
	Current account debit balances	42	Present value for which loss allowances have been recognized	Impairment
	Registered securities	1,025	Black model (simple option pricing model)	Bond spreads, fair value adjustments, volatilities
	Registered securities	1,425	Mark-to-model (DCF)	Bond spreads, fair value adjustments
	Other bank loans	49,610	Mark-to-model (DCF)	Probability of default
	Other bank loans	11	Present value for which loss allowances have been recognized	Impairment
	Other loans and advances	1,273	Mark-to-model (DCF)	Probability of default
Investments	Bonds	992	Mark-to-market	Illiquid market prices, fair value adjustments
	Bonds	223	Mark-to-model (DCF)	Bond spreads, fair value adjustments
	Bonds	32	Amortized cost	Illiquid market prices
Investments held by insurance companies	Investment property	25	Amortized cost	
	Investment property	3,722	Simplified income capitalization approach	
	Investment property	1,692	Valuation reports	
	Registered bonds	4	Mark-to-model (DCF)	Bond spreads
	Registered bonds	1	Multi-factor yield curve model	Bond spreads
	Promissory notes and loans	1	Amortized cost	

Class according to IFRS 13	Assets/liabilities	Fair value (€ million)	Valuation technique	Unobservable inputs
Property, plant and equipment	Investment property	354	Valuation reports	
Other assets	Credit balances with banks (insurance)	1,029	Amortized cost	
	Other receivables	962	Amortized cost	
Non-current assets and disposal groups classified as held for sale	Investments held by insurance companies	96	Income capitalization approach	Future rent and reference prices in the market
	Investments held by insurance companies	4	Valuation reports	
Deposits from banks	Home savings deposits	194	Cost	
	Other deposits	678	Mark-to-model (DCF)	Probability of default
Deposits from customers	Home savings deposits	62,392	Cost	
	Other deposits	25	Cost	
	Other deposits	270	Mark-to-model (DCF)	Probability of default
Debt certificates issued including bonds	Public-sector Pfandbriefe	500	Mark-to-model (DCF)	Probability of default
Provisions	Provisions for financial guarantee contracts	60	Mark-to-model (DCF)	Probability of default
	Provisions for loan commitments	256	Mark-to-model (DCF)	Probability of default
	Provisions for loan commitments	176	Multi-factor yield curve model	Bond spreads
	Subordinated liabilities (insurance)	16	Cost	
Other liabilities	Subordinated liabilities (insurance)	29	Net asset value	
	Other payables	239	Cost	
	Liabilities from profit transfer agreements	6	Cost	
	Liabilities from investment contracts	598	Cost	
	Liabilities to banks (insurance)	320	Cost	
	Debt certificates issued including bonds (insurance)	28	Cost	
	Subordinated liabilities	1	Simplified income capitalization approach	
	Subordinated liabilities	837	Black model (simple option pricing model)	Bond spreads, fair value adjustments, subordinated spreads
Subordinated capital	Subordinated liabilities	3,509	Mark-to-model (DCF)	Bond spreads, fair value adjustments, subordinated spreads

» 76 Financial liabilities designated as at fair value through profit or loss

A residual value method is used to determine changes in fair value attributable to changes in the DZ BANK Group's own credit risk. In this method, the measurement effect caused by changes in own credit risk is determined by deducting the measurement effect caused by factors other than the change in own credit risk from the overall change in fair value. The cumulative changes in fair value resulting from changes in own credit risk amounted to a loss of €82 million in 2025 (2024: loss of €119 million). The use of this method ensures that the changes in fair value attributable to changes in own credit risk are not distorted by other effects caused by changes in market risk.

The following overview compares carrying amounts with the amounts contractually required to be paid at maturity to the creditors concerned for liabilities designated as at fair value through profit or loss, but whose changes in fair value attributable to own credit risk are reported in other comprehensive income:

€ million	Carrying amount		Repayment amount	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Deposits from banks	3,321	3,448	3,464	3,632
Deposits from customers	7,249	7,672	8,174	8,322
Debt certificates issued including bonds	17,678	19,054	18,582	20,019
Total	28,248	30,174	30,220	31,972

In the course of the year under review, a loss of €3 million – previously reported in other comprehensive income/loss – was realized upon derecognition of financial liabilities as a result of measurement effects in connection with changes in the DZ BANK Group's own credit risk (2024: loss of €2 million). This amount was reclassified to retained earnings within equity once the financial liabilities had been derecognized.

» 77 Reclassification

On January 1, 2021, financial assets had been reclassified prospectively due to a change to the business model that was attributable to the R+V-wide strategic program known as 'Wachstum durch Wandel' (growth through change) and to the related realignment and optimization of strategic asset allocation. This resulted in a comprehensive change to the management of R+V's investments.

Financial assets with a gross carrying amount of €15,606 million (fair value: €18,156 million) categorized as 'financial assets measured at amortized cost' had been reclassified as 'financial assets measured at fair value through other comprehensive income' in 2021. As at December 31, 2025, the carrying amount of the reclassified assets still held was €8,984 million (December 31, 2024: €10,078 million) and their fair value was €7,920 million (December 31, 2024: €9,291 million).

Financial assets of €3,139 million categorized as 'financial assets measured at fair value through profit or loss' had been reclassified as 'financial assets measured at fair value through other comprehensive income' in 2021. As at December 31, 2025, the fair value of the reclassified assets still held was €416 million (December 31, 2024: €817 million). At the time of reclassification, the reclassified assets had an average effective interest rate of 2.25 percent; as at December 31, 2025, their carrying amount-weighted effective interest rate was 3.38 percent (December 31, 2024: 3.48 percent). During the reporting period, these assets generated interest income of €33 million (2024: €43 million).

» 78 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities reference standard master agreements, such as ISDA Master Agreements and German Master Agreements for Financial Futures. However, these standard master agreements do not generally satisfy the offsetting criteria in IAS 32.42 because the legal right to set off the amounts under these agreements is contingent on the occurrence of a future event. By contrast, derivative transactions cleared through central counterparties such as London Clearing House Ltd, London, or Eurex Clearing AG, Eschborn, do satisfy the offsetting criteria and are reported as a net amount on the balance sheet.

The following tables show financial assets that were offset or that were subject to a legally enforceable global netting agreement or a similar arrangement:

AS AT DECEMBER 31, 2025

	Gross amount of financial assets before offsetting	Gross amount of offset financial liabilities	Net amount of financial assets (carrying amount)	Associated amounts not offset on the balance sheet		Net amount
				Financial instruments	Cash collateral received	
€ million						
Derivatives	50,520	37,533	12,987	7,893	4,396	698
Reverse repos/securities borrowing	22,373	-	22,373	22,142	-	232
Total	72,893	37,533	35,360	30,034	4,396	930

AS AT DECEMBER 31, 2024

	Gross amount of financial assets before offsetting	Gross amount of offset financial liabilities	Net amount of financial assets (carrying amount)	Associated amounts not offset on the balance sheet		Net amount
				Financial instruments	Cash collateral received	
€ million						
Derivatives	54,418	38,337	16,082	9,648	5,371	1,063
Reverse repos/securities borrowing	17,322	-	17,322	17,106	-	215
Total	71,740	38,337	33,403	26,755	5,371	1,278

The following tables show financial liabilities that were offset or that were subject to a legally enforceable global netting agreement or a similar arrangement:

AS AT DECEMBER 31, 2025

	Gross amount of financial liabilities before offsetting	Gross amount of offset financial assets	Net amount of financial liabilities (carrying amount)	Associated amounts not offset on the balance sheet		Net amount
				Financial instruments	Cash collateral furnished	
€ million						
Derivatives	50,312	35,657	14,655	9,402	2,534	2,719
Repos/securities lending	2,424	-	2,424	2,424	-	-
Other financial instruments	203	203	-	-	-	-
Total	52,940	35,861	17,079	11,826	2,534	2,719

AS AT DECEMBER 31, 2024

	Gross amount of financial liabilities before offsetting	Gross amount of offset financial assets	Net amount of financial liabilities (carrying amount)	Associated amounts not offset on the balance sheet		Net amount
				Financial instruments	Cash collateral furnished	
€ million						
Derivatives	54,338	38,563	15,775	10,104	2,900	2,771
Repos/securities lending	2,929	-	2,929	2,928	-	1
Other financial instruments	206	206	-	-	-	-
Total	57,474	38,769	18,704	13,032	2,900	2,772

» 79 Sale and repurchase agreements, securities lending

Transfers of financial assets

In 2025, the only transfers carried out by the DZ BANK Group in which the transferred assets remained on the balance sheet in their entirety were transfers under sale and repurchase agreements (repos), in which the DZ BANK Group was the original seller, and transfers as part of securities lending transactions.

Sale and repurchase agreements

The entities in the DZ BANK Group enter into sale and repurchase agreements using standard banking industry master agreements, notably the Global Master Repurchase Agreement (GMRA) and the master agreement provided by the International Securities Market Association (ISMA). Under these agreements, the buyer of the securities is permitted to make use of the securities without restriction (with no requirement for a prior counterparty default) and return securities of the same type. If the fair value of the securities received or transferred in such transactions increases or decreases, the entity concerned may be required to furnish additional collateral or may demand additional collateral.

As at the balance sheet date, the sale and repurchase agreements entered into by companies in the DZ BANK Group were exclusively genuine sale and repurchase agreements, i.e. the buyer is obliged to sell back the securities.

Sale and repurchase agreements in which DZ BANK acts as a seller (repos)

Under sale and repurchase agreements, bonds and other fixed-income securities classified as financial assets measured at fair value and financial assets measured at amortized cost are temporarily transferred to another party.

As at the balance sheet date, the carrying amounts of securities subject to such sale and repurchase agreements were:

€ million	Dec. 31, 2025	Dec. 31, 2024
FINANCIAL ASSETS MEASURED AT FAIR VALUE	1,542	2,289
Financial assets measured at fair value through profit or loss	101	1,256
Financial assets mandatorily measured at fair value through profit or loss	101	1,256
Financial assets held for trading	101	1,256
Financial assets measured at fair value through other comprehensive income	1,441	1,033
Financial assets mandatorily measured at fair value through other comprehensive income	-	95
Investments	-	95
Financial assets designated as at fair value through other comprehensive income	1,441	938
Investments	1,441	938
FINANCIAL ASSETS MEASURED AT AMORTIZED COST	882	648
Investments	882	648
Total	2,424	2,937

As at the balance sheet date, additional collateral with a carrying amount of €327 million had been furnished in connection with repos (December 31, 2024: €90 million). This collateral is recognized under financial assets held for trading and may be sold or repledged by the recipient even if the provider is not in default.

The carrying amounts of liabilities arising from sale and repurchase agreements were as follows:

€ million	Dec. 31, 2025	Dec. 31, 2024
LIABILITIES ASSOCIATED WITH FINANCIAL ASSETS MEASURED AT FAIR VALUE	1,542	2,291
Liabilities associated with financial assets measured at fair value through profit or loss	101	1,256
<i>Liabilities associated with financial assets mandatorily measured at fair value through profit or loss</i>	<i>101</i>	<i>1,256</i>
Liabilities associated with financial assets held for trading	101	1,256
Liabilities associated with financial assets measured at fair value through other comprehensive income	1,441	1,034
<i>Liabilities associated with financial assets mandatorily measured at fair value through other comprehensive income</i>	<i>-</i>	<i>96</i>
Liabilities associated with investments	-	96
<i>Liabilities associated with financial assets designated as at fair value through other comprehensive income</i>	<i>1,441</i>	<i>938</i>
Liabilities associated with investments	1,441	938
LIABILITIES ASSOCIATED WITH FINANCIAL ASSETS MEASURED AT AMORTIZED COST	886	639
Liabilities associated with investments	886	639
Total	2,428	2,929

Sale and repurchase agreements in which DZ BANK acts as the buyer (reverse repos)

In reverse repo transactions, bonds and other fixed-income securities are bought on a temporary basis. As at December 31, 2025, the fair value of securities involved in such transactions was €22,173 million (December 31, 2024: €17,042 million).

The receivables arising from these reverse repo transactions and reported under loans and advances to banks, loans and advances to customers, and financial assets held for trading had a carrying amount of €22,368 million as at the balance sheet date (December 31, 2024: €17,420 million). As part of the collateral management requirements, the original seller generally provides the DZ BANK Group with additional collateral for reverse repo transactions in which the fair value of the securities purchased is less than the amounts receivable from the seller.

Securities lending

Securities lending transactions are undertaken on the basis of the Global Master Securities Lending Agreement (GMSLA) or on the basis of individual contractual arrangements. Under these agreements, the borrower of the securities is permitted to make use of the securities without restriction and return securities of the same type. If the fair value of the securities received or transferred in such transactions increases or decreases, the entity concerned may be required to furnish additional collateral or may demand additional collateral.

Securities lending

In securities lending transactions, shares and other variable-yield securities and/or bonds and other fixed-income securities classified as financial assets measured at fair value and financial assets measured at amortized cost are temporarily transferred to another party.

As at the balance sheet date, the carrying amounts of securities lent under securities lending arrangements were as follows:

€ million	Dec. 31, 2025	Dec. 31, 2024
FINANCIAL ASSETS MEASURED AT FAIR VALUE	6,643	5,574
Financial assets measured at fair value through profit or loss	767	164
<i>Financial assets mandatorily measured at fair value through profit or loss</i>	<i>767</i>	<i>164</i>
Financial assets held for trading	752	164
Investments held by insurance companies	15	-
Financial assets measured at fair value through other comprehensive income	5,875	5,410
<i>Financial assets mandatorily measured at fair value through other comprehensive income</i>	<i>5,875</i>	<i>5,410</i>
Investments held by insurance companies	5,875	5,410
FINANCIAL ASSETS MEASURED AT AMORTIZED COST	45	72
Investments held by insurance companies	45	72
Total	6,688	5,646

Collateral is provided or received as part of collateral management arrangements in connection with financial assets held for trading and investments held by insurance companies that are lent under securities lending agreements. In this process, all positions with the counterparty concerned are netted to determine the collateral to be provided or received.

As at the balance sheet date, additional collateral with a carrying amount of €11 million had been furnished in connection with securities lending (December 31, 2024: €21 million). This collateral is recognized under financial assets held for trading and may be sold or repledged by the recipient even if the provider is not in default.

Securities borrowing

The fair value of borrowed securities as at the balance sheet date was as follows:

€ million	Dec. 31, 2025	Dec. 31, 2024
Bonds and other fixed-income securities	1,196	998
Shares and other variable-yield securities	9	22
Total	1,205	1,021

In addition to securities subject to sale and repurchase agreements or that have been borrowed, bonds and other fixed-income securities and shares and other variable-yield securities are accepted as additional collateral. These may be sold or repledged as collateral by the recipient, even if there is no default. As at December 31, 2025, the fair value of the additional collateral received was €24 million (December 31, 2024: €41 million).

Securities subject to a sale and repurchase or lending agreement that the recipient may sell or repledge as collateral with no requirement for a prior counterparty default

All securities transferred to another party by entities in the DZ BANK Group under sale and repurchase agreements or securities lending agreements may be sold or repledged as collateral by the recipient without restriction.

The carrying amounts of the individual balance sheet items concerned are as follows:

€ million	Dec. 31, 2025	Dec. 31, 2024
Financial assets held for trading	853	1,420
Investments	2,323	1,681
Investments held by insurance companies	5,936	5,481
Total	9,112	8,583

Securities subject to a sale and repurchase and borrowed securities that the collateral provider may sell or repledge as collateral with no requirement for a prior counterparty default

The fair value of the sold or repledged securities amounted to €5,589 million as at the balance sheet date (December 31, 2024: €4,306 million). The DZ BANK Group is obliged to return collateral of equal value to the collateral provider.

» 80 Collateral

The breakdown of the carrying amount of financial assets pledged as collateral for liabilities is as follows:

€ million	Dec. 31, 2025	Dec. 31, 2024
Loans and advances to banks	75,251	76,564
Loans and advances to customers	97	117
Financial assets held for trading	10,706	10,492
Investments	158	190
Investments held by insurance companies	1,531	1,847
Total	87,744	89,211

Of the total financial assets pledged as collateral for liabilities, financial assets held for trading and investments with a carrying amount of €6,455 million (December 31, 2024: €6,103 million) may be sold or repledged as collateral by the recipient, even if the relevant entity in the DZ BANK Group is not in default.

Funds received from German federal and state development banks that are to be specifically used for the purposes of development program loans are mainly passed on to affiliated banks. The corresponding loans and advances to affiliated banks serve as collateral with the German federal and state development banks.

The pledged loans and advances to customers predominantly consist of building loans issued as part of KfW development program loans. The amounts due to Germany's KfW development bank are secured by assigning to KfW the receivables arising from the forwarding of the development loans together with the collateral

furnished by the borrowers. The loans and advances to customers pledged as collateral also comprise collateral in the form of cash as part of collateral management. This is arranged under standard industry collateral agreements.

Securities and money market placements recognized as financial assets held for trading are pledged as collateral for exchange-traded forward transactions, non-exchange-traded derivatives and for forward forex transactions. These arrangements are governed by standard industry collateral agreements.

The investments pledged as collateral predominantly comprise securities lodged with the clearing broker at EUREX as part of customer-initiated trading in exchange-traded derivatives.

The investments held by insurance companies are predominantly securities pledged as collateral as part of the reinsurance business; this collateral may only be sold or pledged by the recipient in the event of default by the provider.

» 81 Items of income, expense, gains, and losses

Net gains and losses

The breakdown of net gains or net losses on financial instruments by IFRS 9 category for financial assets and financial liabilities is as follows:

€ million	2025	2024
Financial instruments measured at fair value through profit or loss	1,028	-698
Financial instruments mandatorily measured at fair value through profit or loss	1,389	216
Financial instruments designated as at fair value through profit or loss	-361	-913
Financial assets measured at fair value through other comprehensive income	2,022	2,235
Financial assets mandatorily measured at fair value through other comprehensive income	1,126	1,886
of which gains and losses recognized in profit or loss	2,686	2,166
of which gains and losses recognized in other comprehensive income	-1,347	303
of which gains and losses reclassified on derecognition from cumulative other comprehensive income to profit or loss	-213	-583
Financial assets designated as at fair value through other comprehensive income	896	349
Financial assets measured at amortized cost	10,658	12,248
Financial liabilities measured at amortized cost	-8,417	-10,298

Net gains or net losses comprise gains and losses on fair value measurement and gains and losses from loss allowances and on the sale or early repayment of the financial instruments concerned. These items also include interest income and interest expense, current income, income from profit-pooling, profit-transfer agreements, partial profit-transfer agreements, and expenses from the transfer of losses.

In connection with financial liabilities designated as at fair value through profit or loss, a gain of €35 million (2024: loss of €513 million) was recognized in other comprehensive income/loss and a loss of €435 million (2024: loss of €1,112 million) in profit or loss.

Interest income and expense

The following total interest income and expense arose in connection with financial assets and financial liabilities that are not measured at fair value through profit or loss:

€ million	2025	2024
Interest income	14,101	15,734
From financial assets measured at amortized cost including finance leases	11,210	13,000
From financial assets measured at fair value through other comprehensive income	2,891	2,734
Interest expense	-8,428	-10,307

Fee and commission income and expenses

The table below shows the changes in fee and commission income and expenses:

€ million	2025	2024
Fee and commission income		
From financial assets and financial liabilities not at fair value through profit or loss	179	173
From trust and other fiduciary activities	5,255	4,915
Fee and commission expenses		
For financial assets and financial liabilities not at fair value through profit or loss	-195	-204
For trust and other fiduciary activities	-2,304	-2,077

» 82 Derivatives

Derivatives are used primarily to hedge against market risk as well as for trading purposes. As at the balance sheet date, the breakdown of the portfolio of derivatives was as follows:

€ million	Nominal amount					Fair value			
	Time to maturity			Total amount		Positive		Negative	
	≤ 1 year	> 1 year – 5 years	> 5 years	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
INTEREST-LINKED CONTRACTS	427,114	674,146	792,643	1,893,904	1,720,068	11,753	13,549	12,004	11,859
OTC products									
Forward rate agreements	77,975	-	-	77,975	24,816	-	-	-	-
Interest-rate swaps	274,611	636,054	775,723	1,686,389	1,594,664	10,364	12,431	10,456	10,324
Interest-rate options – bought	31,241	16,635	6,566	54,442	42,649	944	682	163	182
Interest-rate options – written	32,062	20,574	10,354	62,989	52,873	444	435	1,383	1,303
Other interest-rate contracts	-	8	-	8	69	-	-	1	50
Exchange-traded products									
Interest-rate futures	11,225	875	-	12,100	4,998	-	-	-	-
CURRENCY-LINKED CONTRACTS	120,200	24,029	8,664	152,892	174,511	1,406	2,703	1,418	2,528
OTC products									
Cross-currency swaps (excl. portfolio hedging)	6,874	14,118	8,270	29,262	31,653	375	689	396	848
Forward forex transactions	103,679	8,458	349	112,486	127,818	889	1,919	925	1,571
Forex options – bought	4,591	120	-	4,711	5,986	20	46	28	29
Forex options – written	4,883	1,333	20	6,236	8,913	120	48	65	79
Gold derivatives	-	-	-	-	11	-	-	-	-
Exchange-traded products									
Forex futures	127	-	-	127	71	-	-	-	-
Forex options	45	-	25	70	60	1	-	3	1
SHARE-/INDEX-LINKED CONTRACTS	19,237	16,503	1,632	37,372	31,431	768	613	1,537	1,397
OTC products									
Share/index options – bought	1,525	350	72	1,947	2,131	112	42	-	-
Share/index options – written	478	690	-	1,168	1,069	-	-	38	35
Other share/index contracts	459	3,923	1,124	5,506	5,782	91	75	203	307
Exchange-traded products									
Share/index futures	1,978	144	-	2,122	1,370	1	-	-	-
Share/index options	14,797	11,396	436	26,629	21,079	564	496	1,296	1,054
OTHER CONTRACTS	6,247	3,439	12,419	22,106	20,165	55	1	97	61
OTC products									
Precious metal contracts (excl. gold derivatives)	13	-	-	13	11	1	-	-	-
Other contracts	4,653	3,439	12,354	20,446	19,947	-	-	48	57
Exchange-traded products									
Futures	103	-	-	103	48	4	-	2	-
Options	1,479	-	66	1,545	159	50	-	46	4
CREDIT DERIVATIVES	2,187	7,024	3,164	12,375	13,242	250	222	56	77
Protection buyer									
Credit default swaps	381	1,741	992	3,115	3,434	29	1	51	70
Protection seller									
Credit default swaps	1,806	5,283	2,171	9,260	9,808	221	220	5	7
Total	574,985	725,141	818,522	2,118,649	1,959,416	14,232	17,087	15,112	15,922

The derivatives held at the balance sheet date involve the following counterparties:

€ million	Fair value			
	Positive		Negative	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
OECD central governments	8	10	2	3
OECD banks	11,721	13,725	13,152	13,754
OECD financial services institutions	102	187	145	112
Other companies, private individuals	2,233	2,953	1,728	1,925
Non-OECD banks	169	213	84	127
Total	14,232	17,087	15,112	15,922

The Union Investment Group has capital preservation commitments under section 1 (1) no. 3 of the German Personal Pension Plan Certification Act (AltZertG) amounting to €20,437 million (December 31, 2024: €19,838 million). These commitments are the total amount of the pension contributions paid by investors into the individual variants of the *UniProfiRente* and *UniProfiRente Select* products, which represent the minimum amount that must be made available at the start of the payout phase under statutory provisions, and the guaranteed payout amounts for existing contracts that are already in the portfolio payout phase. The group also has minimum payment commitments of €9 million (December 31, 2024: €109 million) in connection with genuine guarantee funds launched by fund management companies in the group.

» 83 Hedge accounting

Risk management strategy

Fair value hedges and hedges of net investments in foreign operations are used as part of the risk management strategy to eliminate or reduce accounting mismatches.

Hedged items

Fair value hedges are used in the hedging of interest-rate risk. In this context, interest-rate risk refers to the risk of an adverse change in the fair value of fixed-income financial instruments caused by a change in market interest rates. The hedged financial assets are loans and advances to banks, loans and advances to customers, and investments that are categorized as 'financial assets measured at amortized cost' or 'financial assets measured at fair value through other comprehensive income'. Hedged financial liabilities are deposits from banks and customers and debt certificates issued including bonds, all of which are measured at amortized cost. Interest-rate risk portfolios under both assets and liabilities are identified and designated as hedged items in portfolio hedges.

Hedges of net investments in foreign operations are designated in connection with hedging exposure to currency risk. The hedged item is made up of the net assets, denominated in a foreign currency, of a fully consolidated entity.

Hedging instruments

Swaps are designated as hedging instruments in fair value hedges of financial assets and financial liabilities. The swaps are predominantly plain vanilla interest-rate swaps, but occasionally interest-rate swaps with termination options are used. Currency swaps are used as hedging instruments in hedges of net investments in foreign operations. In the DZ BANK Group, hedging instruments are reported under hedging instruments (positive fair values) and hedging instruments (negative fair values).

Assessment of hedge effectiveness

The prerequisite for recognizing a hedge is that the hedge must be highly effective on both a prospective and retrospective basis. Highly effective in this case means that the changes in fair value of the hedged items must be almost fully offset by the changes in fair value of the hedging instruments. In the case of the individual hedges entered into by the DZ BANK Group, this is achieved by ensuring that the main features of hedged items that influence their value match those of the hedging instruments and that there is a hedging ratio of 100 percent (1:1 hedging). In portfolio hedges, there is no direct economic relationship between hedged item and hedging instrument. An individual hedging ratio based on the sensitivities of the hedged items and hedging instruments is used to ensure that the respective changes in fair value more or less balance each other out. Hedge effectiveness must be assessed and documented at every balance sheet date as a minimum.

For individual hedges accounted for in application of the rules under IFRS 9, any hedge ineffectiveness is quantified retrospectively and recognized in profit or loss. IFRS 9 does not define effectiveness in terms of a mandatory range of values. If a hedge no longer satisfies the effectiveness criterion in relation to the hedge ratio, the hedge ratio must be adjusted (recalibration). If it is no longer possible to adjust the hedge ratio or if the risk management objective for the hedge has changed, the hedge must be de-designated.

Portfolio hedges that continue to be accounted for in application of the rules under IAS 39 are deemed to be highly effective if the changes in the fair value of the hedged items are offset by the changes in the fair value of the hedging instruments within the range of 80 percent to 125 percent specified by IAS 39. If this assessment identifies that a hedge has not achieved the required effectiveness, the hedge must be reversed retrospectively to the balance sheet date of the last assessment in which the hedge was found to be effective.

In the case of fair value hedges, prospective effectiveness is assessed by using sensitivity analyses (based on the basis point value method) and regression analysis; it is also assessed qualitatively with the critical-terms-match method. Retrospective effectiveness is assessed primarily by using the dollar offset method, a noise threshold value, and regression analysis. In these methods, the cumulative changes in the fair value of the hedged items attributable to the hedged risk are compared with the changes in the fair value of the hedging instruments.

The prospective effectiveness of hedges of net investments in foreign operations is assessed by means of the critical-terms-match method. The dollar offset method is used for the retrospective assessment of effectiveness.

Gains and losses and hedge ineffectiveness from hedge accounting

In hedge accounting, hedge ineffectiveness arises when the changes in the fair value of hedging instruments do not fully offset the changes in the fair value of the hedged items. The ineffective portions of hedges are recognized in profit or loss under other gains and losses on valuation of financial instruments.

Hedge ineffectiveness can arise in fair value hedges of interest-rate risk. Some of the ways in which this can occur are where the changes in the fair values of hedged items and hedging instruments do not balance each other out in full because of differences in maturities, cash flows, and/or discount rates. Unexpected causes of hedge ineffectiveness may arise, primarily in the event of early (partial) termination of derivatives used for hedging or the unexpected sale or repayment of hedged items.

Extent of risks managed by the use of hedges

The table below presents information on the volume of hedged items and hedging instruments designated as hedges for the purposes of hedging interest-rate risk:

AS AT DECEMBER 31, 2025

	Carrying amount	Nominal amount of hedging instruments	Fair value hedge adjustments included in carrying amount of hedged items		Fair value changes as basis for measuring hedge ineffectiveness for the period
			Existing hedges	Terminated hedges	
€ million					
Assets	72,976	43,649	-1,453	-669	-272
Loans and advances to banks	4	-	-	-	-
Loans and advances to customers	1,068	-	-201	47	-35
Investments	3,747	-	-36	8	-28
Portfolio hedges of interest-rate risk	67,285	-	-1,216	-724	-816
Hedging instruments (positive fair values)	872	43,649	-	-	606
Liabilities	15,284	48,644	-305	-30	316
Deposits from banks	84	-	-21	5	12
Deposits from customers	65	-	-22	6	10
Debt certificates issued including bonds	23	-	-12	3	6
Portfolio hedges of interest-rate risk	14,595	-	-249	-44	217
Hedging instruments (negative fair values)	518	48,644	-	-	71

AS AT DECEMBER 31, 2024

	Carrying amount	Nominal amount of hedging instruments	Fair value hedge adjustments included in carrying amount of hedged items		Fair value changes as basis for measuring hedge ineffectiveness for the period
			Existing hedges	Terminated hedges	
€ million					
Assets	74,069	41,555	-1,274	-525	739
Loans and advances to banks	4	-	-	-	-
Loans and advances to customers	1,108	-	-166	52	32
Investments	3,852	-	-16	9	60
Portfolio hedges of interest-rate risk	68,309	-	-1,092	-586	540
Hedging instruments (positive fair values)	796	41,555	-	-	107
Liabilities	11,664	45,174	-132	-51	-688
Deposits from banks	96	-	-9	6	-5
Deposits from customers	75	-	-12	7	-3
Debt certificates issued including bonds	29	-	-6	3	-2
Portfolio hedges of interest-rate risk	10,805	-	-105	-66	-233
Hedging instruments (negative fair values)	659	45,174	-	-	-445

As at the reporting date, there were also hedges of net investments in foreign operations that had been designated in connection with hedging exposure to currency risk. Hedging instruments with a total notional amount of €216 million and a carrying amount of €3 million gave rise to changes in fair value amounting to an increase of €2 million that were used as the basis for measuring ineffectiveness for the period. On the other side of the hedging equation, there were changes in the fair value of the hedged items amounting to a decrease of €2 million. There had been no hedges of net investments in foreign operations in 2024.

Effects of hedging instruments on cash flows

The following tables show the residual maturities of the hedging instruments entered into by the DZ BANK Group by type of risk:

Interest-rate risk

AS AT DECEMBER 31, 2025

	≤ 1 month	> 1 month – 3 months	> 3 months – 1 year	> 1 year – 5 years	> 5 years
Nominal amount (€ million)	1,140	2,538	12,153	44,986	31,476
Average hedged interest rate (%)	1.93	2.81	1.71	1.74	2.23

AS AT DECEMBER 31, 2024

	≤ 1 month	> 1 month – 3 months	> 3 months – 1 year	> 1 year – 5 years	> 5 years
Nominal amount (€ million)	61	199	5,096	48,062	33,311
Average hedged interest rate (%)	1.44	0.61	1.67	1.87	1.98

Currency risk

As at the balance sheet date, an exchange rate of 0.92 Swiss francs per euro was hedged by hedging instruments with a nominal amount of €216 million and a residual maturity of 1 to 3 months.

» 84 Nature and extent of risks arising from financial instruments

Disclosures pursuant to IFRS 7.35F(a)-36(b) can be found in this note in the notes to the consolidated financial statements. With the exception of the qualitative and quantitative disclosures pursuant to IFRS 7.35F(a)-36(b), further disclosures on the nature and extent of risks arising from financial instruments (IFRS 7.31-42) are included in the risk report in the group management report in chapter VI.6 'Liquidity adequacy', in chapters VI.8 'Credit risk' and VI.10 'Market risk' for the Bank sector, and in chapter VI.16 'Market risk' for the Insurance sector.

The disclosures published in the risk report form part of the content of these notes to the consolidated financial statements.

Credit risk management practices

The rules for recognizing loss allowances are based on the calculation of expected losses in the lending business, on investments, on investments held by insurance companies, and on other assets. The impairment rules are applied only to those financial assets that are not measured at fair value through profit or loss. These are

- financial assets measured at amortized cost; and
- financial assets mandatorily measured at fair value through other comprehensive income.

The impairment rules are also applied to

- financial guarantee contracts and loan commitments that fall within the scope of IFRS 9 and are not recognized at fair value through profit or loss;
- finance lease receivables; and
- trade receivables and contract assets pursuant to IFRS 15.

In accordance with IFRS 9, the three-stage approach is used, additionally taking POCI assets into account, to determine the expected losses:

- Stage 1: For financial assets whose credit risk has not increased significantly since initial recognition that were not credit-impaired upon initial recognition, the 12-month credit loss is recognized. Interest is recognized on the basis of the gross carrying amount.
- Stage 2: For financial assets whose credit risk has increased significantly since initial recognition but are not considered credit-impaired, the loss allowances are determined in the amount of the assets' lifetime expected credit losses. Interest is recognized on the basis of the gross carrying amount.
- Stage 3: Financial assets are classified as credit-impaired and thus assigned to stage 3 if they are deemed to be in default pursuant to article 178 CRR as operationalized in the DZ BANK Group's definition of default. Because the indicators and events deemed to be stage 3 criteria under IFRS 9 cover the same scope and, at the same time, lead to default pursuant to article 178 CRR, there is a correlation between these two classifications. Therefore, if the financial assets are in default, they are also classified as credit-impaired and assigned to stage 3. Here too, loss allowances are recognized in the amount of the lifetime expected credit losses. Interest income on credit-impaired financial assets is calculated on the amortized cost after loss allowances using the effective interest method.
- POCI assets: Financial assets that are already deemed credit-impaired upon initial recognition are not assigned to the 3-stage model. Instead, they are recognized at their fair value rather than at their gross carrying amount. Consequently, interest is recognized for these assets using a risk-adjusted effective interest rate.

The review of whether the credit risk of financial assets, financial guarantee contracts, and loan commitments has increased significantly since initial recognition is carried out on an ongoing basis. The assessment is conducted both for individual financial assets and for portfolios of assets using quantitative and qualitative analysis. As a rule, quantitative analysis looks at the expected credit risk over the entire residual life of the financial instruments in question. Macroeconomic information is also taken into account in the form of shift factors. The model-driven default probability profiles used in economic and regulatory risk management are adjusted on the basis of these shift factors (see the section 'Impact of macroeconomic conditions'). For the quantitative transfer criterion, the credit risk as at the balance sheet date for the residual life is compared with the assets' credit risk over the same maturity period estimated at the time of initial recognition. The thresholds that indicate a significant increase in credit risk are determined for each portfolio separately as the ratio of the latest changes in the lifetime probability of default (lifetime PD) to the portfolio's past lifetime PD. Internal risk measurement systems, external credit ratings, and risk forecasts are also used to assess the credit risk of financial assets. The maximum value for these transfer thresholds is 200 percent.

There are also 3 qualitative transfer criteria: assets for which forbearance measures are in place, assets where the counterparty has been put on the watchlist for the early identification of risk, and assets where payments are more than 30 days past due. These also have significantly increased credit risk and are assigned to stage 2, unless they need to be assigned to stage 3. Payments being more than 30 days past due is deemed a backstop criterion because, as a rule, the other transfer criteria mean that financial assets are allocated to stage 2 well before payments become more than 30 days past due.

Assets with low credit risk and/or an investment-grade credit rating are also monitored for increases in credit risk and for credit rating changes. If the quantitative transfer threshold is exceeded, however, the low credit risk exemption means that these assets are transferred to stage 2 only if a qualitative transfer criterion applies or if a non-investment-grade credit rating is awarded. The low credit risk exemption applies to securities.

If, on the balance sheet date, it is found that there is no longer a significant increase in credit risk compared with previous balance sheet dates, the financial assets in question are transferred back to stage 1 and the loss allowances are brought back down to the level of the 12-month expected credit loss. If a financial instrument in stage 3 recovers, the difference between the interest income determined for the period of credit impairment on the basis of amortized cost and the actual interest income recognized in respect of the financial instrument for the period concerned is reported as a reversal of an impairment loss or a reversal of loss allowances. A transfer back from stage 3 is carried out if there are no longer indicators of credit impairment. As there is a methodological correlation between stage 3 and default status, the transfer back from stage 3 always takes place when the default status ceases to apply due to recovery of the financial instrument.

Expected losses are calculated as the probability-weighted present value of the expected outstanding payments. In the case of transactions assigned to stage 1 of the impairment model, the expected defaults in the next 12 months are analyzed. For stage 2 transactions, the residual life is used. The expected losses are discounted with the original effective interest rate for the transaction and variable-rate assets with the current interest rate. The calculation uses the regulatory model (probability of default, loss given default, and expected loan amount at the time of default), with adjustments to satisfy the requirements of IFRS 9. The estimated parameters incorporate historical, current, and forward-looking default information. This is applied when loss allowances are determined, in the form of shifts in the default probabilities calculated using statistical methods (shift factors). Depending on the portfolio and exposure amount, the calculation of the expected loss for specific exposures in stage 3 also uses this type of parameter-based approach or draws on individual expert appraisals of the expected cash flows and probability-weighted scenarios at individual transaction level.

For the purpose of calculating loss allowances for portfolios, the portfolios are grouped according to shared credit risk characteristics, e.g. credit rating, date of origination, residual life, industry and origin of the borrower, and type of asset.

Directly recognized impairment losses reduce the carrying amounts of assets directly. Unlike loss allowances, which are estimates, directly recognized impairment losses are specified in an exact amount if this is justified because the receivable is not collectible (e.g. as a result of the notification of an insolvency ratio). Impairment losses can be recognized directly by writing down the asset value and/or by using existing loss allowances. As a rule, asset values are written down directly after all recovery and enforcement measures have been completed. Directly recognized impairment losses are also applied to immaterial amounts.

A new model for calculating loss allowances was implemented for the retail consumer finance business in November 2025. The adjustments that were previously necessary because the input parameters were not fully representative of expected future developments are no longer needed under the new loss allowance model. Consequently, the further adjustments carried out in the past for the retail consumer finance business were fully eliminated, which meant that the adjustment volume stood at €0 million as at December 31, 2025 (December 31, 2024: €38 million).

Impact of macroeconomic conditions

The established models and processes for calculating expected losses on specific exposures or at portfolio level in line with IFRS 9 have generally been retained. The impact of geopolitical risks is also examined at specific exposure level. Primary effects due to customer or supplier relationships and secondary effects such as supply bottlenecks and price increases attributable to tariffs are considered as part of impact analyses. At portfolio level, the forecast macroeconomic conditions are taken into account by adjusting the model-driven default probability profiles used in economic and regulatory risk management on the basis of shift factors.

The macroeconomic scenarios specifically look at future trends in the labor market, interest rates in the money market, changes in gross domestic product, inflation, real estate prices, and energy prices and are primarily

based on economic forecasts provided by the Economic Roundtable, which is made up of representatives from the entities in the DZ BANK Group. The Economic Roundtable considers various scenarios when deciding on its macroeconomic forecasts. At a minimum, these scenarios must include a baseline scenario and a risk scenario that each have a significant probability of occurrence in a relevant macroeconomic environment. The Economic Roundtable participants determine the probability of occurrence of the scenarios relative to each other.

The shift factors are then derived from macroeconomic inputs for various levels of default probability using stress test models that already existed or that were developed for IFRS 9. The risk parameters adjusted on the basis of the macroeconomic scenarios are then factored into the calculation of loss allowances.

The methods and assumptions, including the forecasts, are validated regularly.

The shift factors used as at December 31, 2025 are based on 2 macroeconomic scenarios developed by the Economic Roundtable of the DZ BANK Group in November 2025, namely the baseline scenario and the risk scenario. A third, opportunity scenario that had still been in use as at December 31, 2024 was no longer used as at June 30, 2025. The baseline scenario and the risk scenario are currently weighted with a probability of occurrence of 75 percent and 25 percent respectively. This weighting has been adjusted compared with June 30, 2025 (weighting of 60 percent for the baseline scenario and 40 percent for the risk scenario) in favor of the baseline scenario because the level of US tariffs actually attained for the main trading partners is lower than had been announced in the first half of 2025.

Expectations about future developments continue to depend heavily on the geopolitical situation and on US tariff policy. The baseline scenario is based on the assumption of moderate uncertainty regarding US tariff policy, but with a risk from time to time of additional tariffs being imposed on an ad hoc basis. Germany may achieve an economic upswing driven by expansionary fiscal policy, in turn resulting from an increase in defense spending, capital expenditure on infrastructure, and climate action and from higher government consumption. In the risk scenario, US tariff policy will have a disruptive effect, causing the trade dispute between the United States and the EU to escalate and prompting the EU to respond with higher retaliatory tariffs. The assumption in this scenario is that geopolitical tensions will increase. These uncertainties will lead to high inflation and act as a brake on global growth impetus. Only highly expansionary fiscal policy in Germany will prevent the economy from sliding into a prolonged recession.

The main macroeconomic forecasts for 2026 to 2029 used to calculate the expected loss as at December 31, 2025 were as follows:

		2026		2027		2028		2029	
		Baseline	Risk	Baseline	Risk	Baseline	Risk	Baseline	Risk
DAX 40, Germany	Index	25,400	17,700	26,900	18,600	28,500	19,500	30,200	20,500
EURO STOXX 50, European Monetary Union (EMU)	Index	6,000	4,400	6,400	4,600	6,800	4,800	7,200	5,000
Unemployment rate, Germany	%	3.30	4.00	3.20	3.70	3.10	3.40	3.00	3.30
Harmonized unemployment rate, EU	%	6.10	6.80	5.80	6.40	5.70	6.20	5.50	6.10
Real GDP growth, Germany (seasonally and calendar-adjusted)	Compared with prior year (%)	1.00	0.00	1.75	1.25	1.75	1.00	1.50	1.00
Real GDP growth, EU (seasonally and calendar-adjusted)	Compared with prior year (%)	1.50	0.50	1.90	1.50	2.00	1.40	1.60	1.40
Consumer price index, Germany	Compared with prior year (%)	2.25	2.75	2.50	3.00	2.25	2.75	2.25	2.75
Oil price (Brent), USD/bbl	At year-end	70	50	65	55	65	45	65	50
Natural gas price, USD/MMBtu	At year-end	2.00	1.50	1.75	1.75	1.75	1.25	1.75	1.50
Commercial real estate price index, Germany	Compared with prior year (%)	2.50	1.50	2.00	-2.00	2.00	0.00	3.00	2.00
3m Euribor, EMU	%	1.90	2.85	2.35	3.05	2.35	2.95	2.35	2.80
10-year government bonds, Germany	%	3.00	3.25	3.00	3.25	3.00	3.00	2.75	3.00

Because the models based on historical data cannot adequately depict the currently critical market situation, the shift factors determined using statistical methods were overridden again as at December 31, 2025 on the basis of consultation with relevant experts. This ensures that, on a sector-specific basis, the shift factors used take account of the identifiable material increases in risk as a result of the current crisis situation. The methodology for the process of overriding the model shift factors at group level was unchanged compared with December 31, 2024. The sector-specific expectations regarding risk include all identifiable material increases in risk resulting from current developments and factors influencing the economy that have yet to be included in the credit rating. As before, these factors include the implications of the war in Ukraine and other geopolitical risks, international trade disputes and tariffs, commodity shortages, supply chain bottlenecks, and high electricity prices. Climate-related and environmental risks are also considered. Overall, additional loss allowances of €485 million were recognized as at December 31, 2025 due to the expert-led override of the shift factors determined using statistical methods.

The shifted lifetime PDs are then factored into the decision on stage assignment. An increase in the lifetime PDs resulting from the shift factors being overridden does not necessarily lead to a transfer to stage 2. Consequently, a second override is carried out for portfolios that are particularly affected. Unlike the first override component, this second override component results in a general stage 2 classification for all unimpaired exposures in certain sectors. The fixed staging that had been in place at the end of 2024 was reviewed as at December 31, 2025 and largely retained. The automotive supplier and textile/clothing sectors, the structural engineering sub-sector, and the following asset classes continue to have a fixed classification as stage 2: department stores, shopping malls, inner-city commercial properties, building contractors, project developers, and office real estate. This decision reflects the ongoing economic risks in these sectors and asset classes.

The hotels asset class had been removed from the fixed staging as at June 30, 2025 due to the significant uptrend in the hotel industry, reducing the requirement for loss allowances by €6 million. The home improvement store sector (robust demand among retail customers) and the civil engineering and cement sub-sector (recent resilience to the general challenges prevailing in the construction sector and a positive outlook in view of expected capital expenditure) were removed from the fixed staging as at December 31, 2025, reducing the requirement for loss allowances by a further €9 million. By contrast, the steel and metal sectors were added to the fixed staging as at the balance sheet date, increasing the requirement for loss allowances by €9 million. These sectors are currently battling very challenging conditions, primarily the ongoing weakness of their customer industries.

Climate and environmental parameters are included in the Economic Roundtable's scenario analysis. In the first instance, the focus is on carbon pricing, which is a factor in assessing macroeconomic variables. The scenarios devised by the Network for Greening the Financial System (NGFS), which show how climate change and action can affect key economic variables, are used in this context.

Since December 31, 2024, DZ BANK has explicitly factored climate-related and environmental risks into the calculation of loss allowances. To this end, NGFS scenarios are used to determine customer-specific risk premiums based on the transition and physical risk scores. Currently, only the impacts of transition risk are verifiable. The premiums currently only apply to corporates with a manual or automated credit risk score. The environmental, social, and corporate governance (ESG)-related share of loss allowances stood at €3 million as at December 31, 2025 (December 31, 2024: €2 million). Specifications were drawn up for the e-scorecards for the 'finance companies' and 'project finance' customer segments in the first half of 2025. The plan is for the risk premiums for climate-related and environmental risks to actually be factored in for finance companies from the end of 2026 and for the project finance segment after that.

Loss allowances and gross carrying amounts

In the DZ BANK Group, loss allowances are recognized for the classes 'financial assets measured at fair value', 'financial assets measured at amortized cost', 'finance leases', and 'financial guarantee contracts and loan commitments' in the amount of the expected credit losses. Trade receivables and contract assets that fall within the scope of IFRS 15 are assigned to the 'financial assets measured at amortized cost' class.

The following tables show the extent to which the changes in the fair values, gross carrying amounts, and nominal amounts affect the level of loss allowances for each class. Given the immaterial level of loss allowances for cash and cash equivalents, they are not included here.

Financial assets measured at fair value

€ million	Stage 1		Stage 2		Stage 3	
	Loss allowances	Fair value	Loss allowances	Fair value	Loss allowances	Fair value
Balance as at Jan. 1, 2024	40	106,087	37	1,849	38	144
Change in loan drawdowns/ net addition (+)/net reversal (-)	5	7,209	-13	-247	-	-9
Change to financial assets due to transfer between stages	-1	-312	1	297	-	15
Transfer from stage 1	-3	-437	3	425	-	11
Transfer from stage 2	2	124	-2	-128	-	3
Use of loss allowances/directly recognized impairment losses	-	-	-	-	-14	-7
Changes to models/risk parameters	2	-	8	-	-18	-
Additions	14	-	21	-	7	-
Reversals	-12	-	-13	-	-25	-
Amortization, fair value changes, and other changes in measurement	-	1,172	-	96	-	24
Exchange differences and other changes	-	172	-	6	-	-
Deferred taxes	-4	-	3	-	23	-
Balance as at Dec. 31, 2024	43	114,328	36	2,001	29	167
Change in loan drawdowns/ net addition (+)/net reversal (-)	-5	1,472	-4	-337	-	-147
Change to financial assets due to transfer between stages	9	-358	-9	336	-	22
Transfer from stage 1	-1	-659	1	649	-	10
Transfer from stage 2	11	301	-11	-313	-	12
Use of loss allowances/directly recognized impairment losses	-	-	-	-	-2	-2
Changes to models/risk parameters	-16	-	16	-	2	-
Additions	11	-	44	-	2	-
Reversals	-27	-	-29	-	-	-
Modifications	-	-	-	1	-	-
Modification gains	-	-	-	1	-	-
Amortization, fair value changes, and other changes in measurement	-	-2,719	-	-22	-	1
Exchange differences and other changes	-	-405	-	-6	-	-1
Changes in scope of consolidation	-	93	-	-	-	-
Addition of subsidiaries	-	93	-	-	-	-
Acquisition of non-controlling interests	1	-	-	-	-	-
Deferred taxes	-2	-	9	-	2	-
Balance as at Dec. 31, 2025	31	112,412	48	1,974	30	40

Financial assets measured at amortized cost

	Stage 1		Stage 2		Stage 3		POCI assets	
€ million	Loss allowances	Gross carrying amount	Loss allowances	Gross carrying amount	Loss allowances	Gross carrying amount	Loss allowances	Gross carrying amount
Balance as at Jan. 1, 2024	263	397,607	506	41,967	1,457	3,325	18	133
Restatements according to IAS 8	-	-101,463	-	-	-	-	-	-
Balance restated as at Jan. 1, 2024	263	296,144	506	41,967	1,457	3,325	18	133
Change in loan drawdowns/ net addition (+)/net reversal (-)	33	31,238	-42	-3,470	37	-750	-11	-5
Change to financial assets due to transfer between stages	151	-8,337	-348	6,323	197	2,014	-	-
Transfer from stage 1	-61	-14,635	60	14,515	1	120	-	-
Transfer from stage 2	208	6,251	-445	-8,478	236	2,227	-	-
Transfer from stage 3	4	47	36	286	-41	-333	-	-
Use of loss allowances/directly recognized impairment losses	-	-	-2	-	-258	-48	-5	-8
Changes to models/risk parameters	-180	-	439	-	511	-	18	-
Additions	114	-	844	-	855	-	38	-
Reversals	-294	-	-405	-	-344	-	-21	-
Modifications	-	-	-	2	-	-	-	-
Modification gains	-	1	-	2	-	-	-	-
Amortization, fair value changes, and other changes in measurement	-	551	-	30	-	8	-	1
Positive change in fair value of POCI assets	-	-	-	-	-	-	-	29
Exchange differences and other changes	1	157	1	77	54	42	-	6
Changes in the scope of consolidation	-	-	-	40	-	-	-	-
Addition of subsidiaries	-	-	-	40	-	-	-	-
Balance as at Dec. 31, 2024	267	319,753	555	44,969	1,998	4,591	20	156
Change in loan drawdowns/ net addition (+)/net reversal (-)	47	20,354	-45	-5,844	-66	-1,662	2	372
Change to financial assets due to transfer between stages	157	-8,596	-343	7,202	185	1,394	-	-
Transfer from stage 1	-69	-16,191	68	16,029	1	161	-	-
Transfer from stage 2	222	7,553	-435	-9,054	213	1,501	-	-
Transfer from stage 3	5	42	25	227	-29	-269	-	-
Use of loss allowances/directly recognized impairment losses	-	-	-2	-	-599	-55	-6	-8
Changes to models/risk parameters	-198	-	485	-	346	-	67	-
Additions	111	-	934	-	766	-	86	-
Reversals	-309	-	-449	-	-420	-	-19	-
Modifications	-	-	1	1	-	1	-	-
Modification gains	-	-	1	1	2	2	-	-
Modification losses	-	-	-	-1	-1	-1	-	-
Amortization, fair value changes, and other changes in measurement	-	-655	-	-110	-	-31	-	-1
Positive change in fair value of POCI assets	-	-	-	-	-	-	-	33
Exchange differences and other changes	-	-567	-2	-118	-	34	-	2
Changes in the scope of consolidation	-	-7	-	2	-	-	-	-
Addition of subsidiaries	-	1	-	2	-	-	-	-
Derecognition of subsidiaries	-	-7	-	-	-	-	-	-
Balance as at Dec. 31, 2025	274	330,283	648	46,101	1,865	4,272	83	552

The undiscounted expected credit losses on purchased or originated credit-impaired assets measured at amortized cost that were recognized for the first time during the reporting period totaled €223 million (2024: €67 million).

Held-for-sale financial assets measured at amortized cost

	Stage 1		Stage 2		Stage 3	
	Loss allowances	Gross carrying amount	Loss allowances	Gross carrying amount	Loss allowances	Gross carrying amount
€ million						
Balance as at Jan. 1, 2024	8	1,560	2	115	15	30
Change in loan drawdowns/ net addition (+)/net reversal (-)	-	26	-	-2	-	-1
Change to financial assets due to transfer between stages	1	-8	2	6	-3	1
Transfer from stage 1	-	-36	-	35	-	1
Transfer from stage 2	-	27	-	-33	-	6
Transfer from stage 3	1	2	2	5	-3	-6
Changes to models/risk parameters	-1	-	-2	-	3	-
Additions	-	-	-	-	3	-
Reversals	-1	-	-2	-	-	-
Amortization, fair value changes, and other changes in measurement	-	-23	-	-2	-	-
Exchange differences and other changes	-	-52	-	-4	-	-1
Changes in scope of consolidation	-7	-1,504	-2	-113	-14	-29
Derecognition of subsidiaries	-7	-1,504	-2	-113	-14	-29
Balance as at Dec. 31, 2024	-	-	-	-	-	-

Finance leases

	Stage 1		Stage 2		Stage 3	
	Loss allowances	Gross carrying amount	Loss allowances	Gross carrying amount	Loss allowances	Gross carrying amount
€ million						
Balance as at Jan. 1, 2024	1	394	3	63	3	6
Change in loan drawdowns/ net addition (+)/net reversal (-)	-1	-51	-3	-22	-1	-4
Change to finance leases due to transfer between stages	1	-23	-1	17	-	6
Transfer from stage 1	-	-63	-	63	-	1
Transfer from stage 2	1	40	-1	-47	-	7
Transfer from stage 3	-	-	-	1	-	-1
Changes to models/risk parameters	1	-	3	-	1	-
Additions	2	-	5	-	4	-
Reversals	-1	-	-2	-	-3	-
Balance as at Dec. 31, 2024	1	320	2	58	3	7
Change in loan drawdowns/ net addition (+)/net reversal (-)	-	-61	-1	-16	1	-8
Change to finance leases due to transfer between stages	1	-12	-1	5	-	7
Transfer from stage 1	-	-43	-	42	-	2
Transfer from stage 2	1	30	-1	-38	1	8
Transfer from stage 3	-	1	-	2	-1	-3
Changes to models/risk parameters	-1	-	1	-	-1	-
Additions	-	-	3	-	2	-
Reversals	-1	-	-2	-	-3	-
Balance as at Dec. 31, 2025	1	247	2	48	3	7

Financial guarantee contracts and loan commitments

€ million	Stage 1		Stage 2		Stage 3		POCI assets	
	Loss allowances	Nominal amount	Loss allowances	Nominal amount	Loss allowances	Nominal amount	Loss allowances	Nominal amount
Balance as at Jan. 1, 2024	54	80,932	85	12,056	104	332	-	7
Change in loan drawdowns/ net addition (+)/net reversal (-)	-8	449	-16	-1,655	5	-54	24	194
Change to financial guarantee contracts and loan commitments due to transfer between stages	9	-1,504	-7	1,245	-2	258	-	-
Transfer from stage 1	-9	-2,886	9	2,786	-	100	-	-
Transfer from stage 2	18	1,381	-25	-1,552	8	172	-	-
Transfer from stage 3	-	1	9	12	-9	-14	-	-
Changes to models/risk parameters	6	-	38	-	82	-	4	-
Additions	29	-	77	-	117	-	10	-
Reversals	-22	-	-39	-	-35	-	-5	-
Amortization, fair value changes, and other changes in measurement	-	159	-	17	-	2	-	-
Exchange differences and other changes	-2	-259	3	-18	-6	-	-2	-
Balance as at Dec. 31, 2024	59	79,777	102	11,646	183	539	27	201
Change in loan drawdowns/ net addition (+)/net reversal (-)	7	3,716	10	-625	-47	-391	55	188
Change to financial guarantee contracts and loan commitments due to transfer between stages	9	-2,330	-13	2,100	5	231	-	-
Transfer from stage 1	-10	-4,052	10	4,020	-	32	-	-
Transfer from stage 2	18	1,717	-24	-1,930	6	213	-	-
Transfer from stage 3	1	5	1	10	-2	-15	-	-
Changes to models/risk parameters	-11	-	45	-	41	-	18	-
Additions	23	-	97	-	106	-	22	-
Reversals	-34	-	-52	-	-65	-	-4	-
Amortization, fair value changes, and other changes in measurement	-	-300	-	-31	-	-7	-	-
Exchange differences and other changes	-1	677	-	17	-11	-	-10	-
Balance as at Dec. 31, 2025	62	81,539	143	13,107	171	371	89	389

Held-for-sale financial guarantee contracts and loan commitments

The nominal values of the financial guarantee contracts and loan commitments classified as held for sale in stage 1 had amounted to €14 million as at January 1, 2024. There had been net additions of €4 million in 2024. Following the sale of Fundamenta-Laskáskassa Lakástrakárékpénztár Zrt., Budapest, Hungary, in 2024, there were no longer any financial guarantee contracts and loan commitments classified as held for sale as at December 31, 2025.

Contractual modifications and derecognitions

The negotiation or modification of contractually agreed cash flows relating to a financial asset leads to a modified asset.

In the case of modifications that do not lead to the derecognition of the financial asset (non-substantial contractual modifications), the modifications of the contractually agreed cash flows are recognized in profit or loss as a modification gain or loss in the amount of the difference between the original gross carrying amount (taking account of any amortization or impairment) and the modified present value, calculated on the basis of the modified cash flows discounted with the original effective interest rate. If contractual modifications are credit-risk-related non-substantial contractual modifications, previously recognized loss allowances are used in the first instance. Any remaining difference is recognized under gains/losses from loss allowances. Gains/losses from market-related non-substantial contractual modifications are recognized as a modification gain or loss within net interest income.

If substantial modifications are made to the contract for a financial asset, the existing financial asset is derecognized and a new financial asset is recognized. These modifications are recognized in gains/losses from loss allowances. When the financial asset is derecognized, the previously recognized loss allowance is then used. The derecognition may potentially result in gains or losses on derecognition.

In 2025, contractually agreed cash flows from financial assets allocated to stage 2 or stage 3 of the loss allowance model were modified. The amortized costs of these financial assets amounted to €1,686 million (December 31, 2024: €350 million). The modifications resulted in a modification loss of €1 million (2024: modification gain of €1 million).

The gross carrying amount of financial assets whose contractually agreed cash flows were modified and that had been allocated to stage 2 or stage 3 in the loss allowance model since initial recognition but were transferred to stage 1 during the reporting period amounted to €38 million (December 31, 2024: €1 million). Across all classes, the outstanding contractually agreed amount for financial assets on which impairment was recognized in the reporting year and that are still subject to enforcement measures stood at €177 million as at the reporting date (December 31, 2024: €150 million).

Maximum exposure to credit risk

The DZ BANK Group is exposed to credit risk from financial instruments. The maximum exposure to credit risk is represented by the fair value, amortized cost, or nominal amount of financial instruments. The following collateral is held to reduce the exposure to this maximum credit risk:

AS AT DECEMBER 31, 2025

	Maximum exposure to credit risk
€ million	
FINANCIAL ASSETS MEASURED AT FAIR VALUE	160,023
Financial assets measured at fair value through profit or loss	45,598
Financial assets mandatorily measured at fair value through profit or loss	41,803
Financial assets designated as at fair value through profit or loss	3,795
Financial assets measured at fair value through other comprehensive income	114,426
Financial assets mandatorily measured at fair value through other comprehensive income	114,426
of which credit-impaired	
FINANCIAL ASSETS MEASURED AT AMORTIZED COST	450,362
of which credit-impaired	
FINANCE LEASES	296
of which credit-impaired	
FINANCIAL GUARANTEE CONTRACTS AND LOAN COMMITMENTS	96,079
of which credit-impaired	

of which secured with:					
Guarantees, indemnities, risk subparticipations	Credit insurance	Land charges, mortgages, registered ship and aircraft mortgages	Pledged loans and advances, assignments, other pledged assets	Financial collateral	Other collateral
1,787	-	13,817	570	6,357	1,362
167	-	2	24	104	-
32	-	2	24	104	-
135	-	-	-	-	-
1,620	-	13,815	547	6,254	1,362
1,620	-	13,815	547	6,254	1,362
-	-	131	-	-	-
6,200	4,614	111,393	1,328	9,648	1,227
81	111	1,355	118	88	1
2	-	-	3	-	-
2	-	-	2	-	-
343	2,794	1,619	610	38	-
156	-	10	20	-	-

AS AT DECEMBER 31, 2024

	Maximum exposure to credit risk
€ million	
FINANCIAL ASSETS MEASURED AT FAIR VALUE	163,494
Financial assets measured at fair value through profit or loss	46,998
Financial assets mandatorily measured at fair value through profit or loss	42,827
Financial assets designated as at fair value through profit or loss	4,171
Financial assets measured at fair value through other comprehensive income	116,496
Financial assets mandatorily measured at fair value through other comprehensive income	116,496
of which credit-impaired	
FINANCIAL ASSETS MEASURED AT AMORTIZED COST	446,663
of which credit-impaired	
FINANCE LEASES	379
of which credit-impaired	
FINANCIAL GUARANTEE CONTRACTS AND LOAN COMMITMENTS	92,795
of which credit-impaired	

AS AT DECEMBER 31, 2024

	Maximum exposure to credit risk
€ million	
Non-current assets and disposal groups classified as held for sale from financial assets measured at fair value	21

of which secured with:					
Guarantees, indemnities, risk subparticipations	Credit insurance	Land charges, mortgages, registered ship and aircraft mortgages	Pledged loans and advances, assignments, other pledged assets	Financial collateral	Other collateral
1,787	-	14,070	614	5,983	1,485
234	-	1	15	308	1
59	-	1	15	308	1
175	-	-	-	-	1
1,553	-	14,069	599	5,675	1,484
1,553	-	14,069	599	5,675	1,484
-	-	196	-	-	-
6,338	4,354	112,066	1,352	9,702	1,613
93	202	1,048	150	76	1
1	-	-	6	-	-
1	-	-	3	-	-
313	2,212	1,527	435	31	11
160	61	40	19	-	-

of which secured with:					
Guarantees, indemnities, risk subparticipations	Credit insurance	Land charges, mortgages, registered ship and aircraft mortgages	Pledged loans and advances, assignments, other pledged assets	Financial collateral	Other collateral
-	-	-	-	-	-

A range of different collateral is held in the traditional lending business to reduce the exposure to the maximum credit risk. Specifically, this collateral includes mortgages on residential and commercial real estate, guarantees (including indemnities and credit insurance), financial security (e.g. certain fixed-income securities, shares, and investment fund units), blanket and individual assignments of trade receivables, and various types of physical collateral. Generally, cash collateral, high-quality government bonds, and Pfandbriefe are held in the trading business in accordance with the collateral policy to reduce the risk attaching to OTC derivatives. Some financial instruments in stage 3 are not written down because they are fully covered by collateral.

A residual value method is used to determine changes in fair value attributable to changes in credit risk. As a result of changes in credit risk, the fair value of financial assets designated as at fair value through profit or loss rose by €3 million in 2025 (2024: rise of €52 million). The cumulative change in fair value attributable to changes in credit risk amounted to a net loss of €3 million (2024: net loss of €1 million).

The credit risk associated with financial assets designated as at fair value through profit or loss was mitigated as at the reporting date by financial guarantee contracts with a value of €66 million (December 31, 2024: €78 million) furnished by affiliated banks.

Credit risk concentrations

The credit risk from financial instruments to which the DZ BANK Group is exposed is broken down by sector using the Deutsche Bundesbank industry codes and by geographic region using the annually updated country groups published by the International Monetary Fund (IMF). Volumes, measured on the basis of fair values and gross carrying amounts of financial assets and the credit risk from financial guarantee contracts and loan commitments, are broken down using the following credit rating classes:

- Investment grade: equates to internal rating classes 1A–3A
- Non-investment grade: equates to internal rating classes 3B–4E
- Default: equates to internal rating classes 5A–5E
- Not rated: no rating necessary or not classified

‘Not rated’ comprises counterparties for which a rating classification is not required.

AS AT DECEMBER 31, 2025

€ million		Financial sector	Public sector	Corporates	Retail	Industry conglomerates	Other
Investment grade							
Fair value	Stage 1	52,192	32,045	13,193	11,315	1,165	-
	Stage 2	16	-	1,220	-	-	216
Gross carrying amount	Stage 1	233,548	17,497	45,757	61,949	7,106	-
	Stage 2	1,731	1	22,470	2,613	4,096	-
	POCI assets	-	-	2	-	-	-
Nominal amount	Stage 1	31,858	427	27,347	3,211	4,483	10
	Stage 2	361	-	7,859	16	84	-
Non-investment grade							
Fair value	Stage 1	-	840	654	87	-	-
	Stage 2	3	109	365	44	-	-
	Stage 3	-	-	3	-	-	-
Gross carrying amount	Stage 1	945	335	8,448	10,379	469	-
	Stage 2	492	6	7,128	4,643	69	-
	POCI assets	-	-	7	-	-	-
Nominal amount	Stage 1	406	306	5,581	591	142	-
	Stage 2	180	-	4,133	46	14	-

AS AT DECEMBER 31, 2024

€ million		Financial sector	Public sector	Corporates	Retail	Industry conglomerates	Other
Investment grade							
Fair value	Stage 1	51,725	30,292	15,923	11,564	1,157	-
	Stage 2	17	-	1,317	-	-	177
Gross carrying amount	Stage 1	235,311	15,689	45,286	62,574	7,198	-
	Stage 2	1,789	1	23,834	1,221	4,326	-
	POCI assets	-	-	3	-	-	-
Nominal amount	Stage 1	32,168	440	25,348	3,622	4,934	14
	Stage 2	69	-	7,054	15	112	-
Non-investment grade							
Fair value	Stage 1	-	948	815	93	-	-
	Stage 2	11	117	334	28	-	-
	Stage 3	-	-	7	-	-	-
Gross carrying amount	Stage 1	910	235	8,744	11,181	6	-
	Stage 2	470	7	6,466	3,330	7	-
	Stage 3	-	-	-	2	-	-
	POCI assets	-	-	2	-	-	-
Nominal amount	Stage 1	348	362	5,609	468	-	-
	Stage 2	219	-	3,521	33	82	-

AS AT DECEMBER 31, 2025

€ million		Financial sector	Public sector	Corporates	Retail	Industry conglomerates	Other
Default							
Fair value	Stage 3	8	-	-	29	-	-
Gross carrying amount	Stage 3	340	37	2,555	739	38	-
	POCI assets	71	-	382	-	-	-
Nominal amount	Stage 3	11	-	346	7	4	-
	POCI assets	-	-	389	-	-	-
Not rated							
Fair value	Stage 1	616	54	-	-	251	-
Gross carrying amount	Stage 1	5,883	420	2,899	7,591	886	-
	Stage 2	882	6	261	1,443	299	9
	Stage 3	1	-	15	553	-	-
	POCI assets	-	-	-	90	-	-
Nominal amount	Stage 1	1,079	-	1,683	4,258	159	-
	Stage 2	156	-	119	139	-	-
	Stage 3	-	-	2	1	-	-

AS AT DECEMBER 31, 2024

€ million		Financial sector	Public sector	Corporates	Retail	Industry conglomerates	Other
Default							
Fair value	Stage 3	11	-	126	23	-	-
Gross carrying amount	Stage 3	389	36	2,964	619	72	-
	POCI assets	-	-	75	-	-	-
Nominal amount	Stage 3	8	65	457	6	-	-
	POCI assets	-	-	201	-	-	-
Not rated							
Fair value	Stage 1	1,273	139	100	-	300	-
Gross carrying amount	Stage 1	3,200	233	2,366	8,041	443	-
	Stage 2	1,391	7	534	1,331	283	31
	Stage 3	1	-	17	498	-	-
	POCI assets	-	-	-	76	-	-
Nominal amount	Stage 1	877	-	1,408	4,085	96	-
	Stage 2	231	-	195	113	-	-
	Stage 3	-	-	2	1	-	-

AS AT DECEMBER 31, 2025

€ million		Germany	Other industrialized countries	Advanced economies	Emerging markets	Supranational institutions
Investment grade						
Fair value	Stage 1	40,314	56,369	1,686	3,539	8,000
	Stage 2	588	845	-	20	-
Gross carrying amount	Stage 1	315,630	40,415	3,965	3,833	2,014
	Stage 2	28,017	2,826	66	1	-
	POCI assets	2	-	-	-	-
Nominal amount	Stage 1	55,633	9,685	397	1,420	200
	Stage 2	7,180	1,080	60	-	-
Non-investment grade						
Fair value	Stage 1	248	476	-	857	-
	Stage 2	226	187	-	109	-
	Stage 3	-	3	-	-	-
Gross carrying amount	Stage 1	16,688	1,554	36	2,199	100
	Stage 2	9,998	1,252	30	1,058	-
	POCI assets	7	-	-	-	-
Nominal amount	Stage 1	4,265	1,533	138	1,090	-
	Stage 2	2,862	832	34	644	-

AS AT DECEMBER 31, 2024

€ million		Germany	Other industrialized countries	Advanced economies	Emerging markets	Supranational institutions
Investment grade						
Fair value	Stage 1	39,200	58,069	2,059	3,710	7,623
	Stage 2	506	978	-	28	-
Gross carrying amount	Stage 1	317,165	37,230	5,194	4,878	1,592
	Stage 2	27,845	3,158	113	55	-
	POCI assets	3	-	-	-	-
Nominal amount	Stage 1	56,062	9,432	181	851	-
	Stage 2	6,711	523	11	6	-
Non-investment grade						
Fair value	Stage 1	274	645	-	937	-
	Stage 2	272	157	-	60	-
	Stage 3	-	7	-	-	-
Gross carrying amount	Stage 1	17,265	1,353	46	2,412	-
	Stage 2	8,175	1,266	49	790	-
	Stage 3	2	-	-	-	-
	POCI assets	2	-	-	-	-
Nominal amount	Stage 1	3,720	1,577	258	1,231	-
	Stage 2	2,460	1,009	-	386	-

AS AT DECEMBER 31, 2025

		Germany	Other industrialized countries	Advanced economies	Emerging markets
€ million					
Default					
Fair value	Stage 3	27	9	-	-
Gross carrying amount	Stage 3	3,242	216	14	237
	POCI assets	370	83	-	-
Nominal amount	Stage 3	340	9	19	-
	POCI assets	389	-	-	-
Not rated					
Fair value	Stage 1	126	796	-	-
Gross carrying amount	Stage 1	10,826	6,543	13	298
	Stage 2	1,901	973	3	22
	Stage 3	458	108	-	3
	POCI assets	75	14	-	1
Nominal amount	Stage 1	5,613	1,306	-	259
	Stage 2	407	7	-	-
	Stage 3	3	-	-	-

AS AT DECEMBER 31, 2024

		Germany	Other industrialized countries	Advanced economies	Emerging markets
€ million					
Default					
Fair value	Stage 3	149	11	-	-
Gross carrying amount	Stage 3	3,345	312	20	403
	POCI assets	75	-	-	-
Nominal amount	Stage 3	415	8	20	93
	POCI assets	201	-	-	-
Not rated					
Fair value	Stage 1	205	1,564	43	-
Gross carrying amount	Stage 1	11,043	3,017	23	199
	Stage 2	2,400	935	3	240
	Stage 3	418	96	-	2
	POCI assets	65	10	-	1
Nominal amount	Stage 1	5,378	1,082	1	5
	Stage 2	326	131	-	84
	Stage 3	2	-	-	-

» 85 Maturity analysis

AS AT DECEMBER 31, 2025

€ million	≤ 1 month	> 1 month – 3 months	> 3 months – 1 year	> 1 year – 5 years	> 5 years	Indefinite
Financial assets	125,610	25,103	57,004	207,957	254,792	28,381
Cash and cash equivalents	73,584	-	-	-	-	-
Loans and advances to banks	25,086	11,012	22,661	54,430	45,857	-
Loans and advances to customers	21,850	9,701	23,845	89,971	91,888	79
Derivatives used for hedging (positive fair values)	4	15	66	393	518	-
Financial assets held for trading	840	1,442	3,336	10,345	10,881	3,200
of which non-derivative financial assets held for trading	595	752	2,031	5,999	4,051	3,200
of which derivatives (positive fair values)	245	690	1,305	4,346	6,831	-
Investments	1,637	1,427	3,555	29,312	27,599	4,433
Investments held by insurance companies	756	1,484	3,389	23,505	78,048	20,597
of which non-derivative investments held by insurance companies	743	1,479	3,359	23,454	77,913	20,597
of which derivatives (positive fair values)	13	5	31	51	135	-
Other assets	1,853	21	153	1	1	73
Financial liabilities	-142,992	-27,140	-49,923	-126,780	-107,589	-64,476
Deposits from banks	-81,673	-8,623	-16,689	-48,849	-38,561	-110
Deposits from customers	-55,014	-3,581	-8,909	-5,776	-17,192	-61,454
Debt certificates issued including bonds	-5,265	-13,082	-18,872	-47,768	-34,072	-
Derivatives used for hedging (negative fair values)	-3	-38	-71	-235	-218	-
Financial liabilities held for trading	-529	-1,418	-5,095	-20,281	-13,970	-377
of which non-derivative financial liabilities held for trading	-320	-682	-3,756	-16,131	-5,323	-377
of which derivatives (negative fair values)	-209	-736	-1,339	-4,151	-8,647	-
Other liabilities	-497	-392	-142	-738	-979	-2,530
of which non-derivative other liabilities	-369	-381	-139	-714	-954	-2,530
of which derivatives (negative fair values)	-128	-11	-3	-24	-24	-1
Subordinated capital	-10	-6	-145	-3,133	-2,597	-5
Financial guarantee contracts and loan commitments	-89,421	-164	-467	-456	-111	-4,787
Financial guarantee contracts	-12,986	-27	-3	-16	-8	-
Loan commitments	-76,435	-137	-463	-440	-103	-4,787

AS AT DECEMBER 31, 2024

€ million	≤ 1 month	> 1 month – 3 months	> 3 months – 1 year	> 1 year – 5 years	> 5 years	Indefinite
Financial assets	126,643	21,527	56,070	202,107	261,496	26,317
Cash and cash equivalents	81,344	-	-	-	-	-
Loans and advances to banks	17,358	9,093	22,199	52,256	50,657	-
Loans and advances to customers	22,516	7,838	23,443	89,180	91,372	12
Derivatives used for hedging (positive fair values)	16	23	93	354	378	-
Financial assets held for trading	1,018	1,710	3,350	9,382	13,365	2,128
of which non-derivative financial assets held for trading	413	943	2,072	3,998	4,923	2,128
of which derivatives (positive fair values)	605	767	1,278	5,384	8,442	-
Investments	1,255	1,566	3,539	30,143	27,543	3,646
Investments held by insurance companies	586	1,269	3,294	20,791	78,180	20,458
of which non-derivative investments held by insurance companies	576	1,271	3,264	20,761	78,143	20,456
of which derivatives (positive fair values)	10	-2	30	31	38	2
Other assets	2,550	27	153	2	-	73
Financial liabilities	-148,845	-25,357	-49,396	-120,402	-114,286	-65,513
Deposits from banks	-80,221	-8,053	-16,978	-44,282	-41,849	-194
Deposits from customers	-59,987	-4,085	-7,309	-6,189	-17,695	-62,524
Debt certificates issued including bonds	-7,301	-11,071	-18,980	-45,583	-33,341	-
Derivatives used for hedging (negative fair values)	-12	-28	-85	-295	-272	-
Financial liabilities held for trading	-828	-1,622	-5,314	-21,977	-16,292	-314
of which non-derivative financial liabilities held for trading	-302	-903	-3,141	-15,750	-6,827	-314
of which derivatives (negative fair values)	-526	-720	-2,173	-6,227	-9,465	-
Other liabilities	-491	-487	-296	-764	-1,038	-2,476
of which non-derivative other liabilities	-386	-369	-244	-736	-985	-2,476
of which derivatives (negative fair values)	-105	-119	-52	-28	-53	-
Subordinated capital	-5	-10	-434	-1,312	-3,799	-5
Financial guarantee contracts and loan commitments	-85,832	-343	-388	-779	-119	-4,702
Financial guarantee contracts	-12,109	-30	-13	-16	-4	-
Loan commitments	-73,723	-312	-375	-763	-115	-4,702

The maturity analysis shows contractually agreed cash inflows with a plus sign and contractually agreed cash outflows with a minus sign. In the case of financial guarantee contracts and loan commitments, the potential cash outflows are shown.

The contractual maturities do not match the estimated actual cash inflows and cash outflows, especially in the case of financial guarantee contracts and loan commitments. The management of liquidity risk based on expected and unexpected cash flows is described in chapter VI.6.2.5 'Risk management' of the risk report in the group management report.

The maturity analysis for lease liabilities in accordance with IFRS 16.58 is presented in note 100.

» 86 Issuance activity

The following table shows the new issues, early repurchases, and repayments upon maturity in connection with issuance activity for unregistered paper, broken down by line item.

€ million	2025			2024		
	New issues	Repurchases	Repayments	New issues	Repurchases	Repayments
DEBT CERTIFICATES ISSUED INCLUDING BONDS	49,910	-2,096	-46,852	66,170	-2,073	-59,831
Bonds issued	16,704	-2,096	-16,102	18,042	-1,731	-17,961
Mortgage Pfandbriefe	5,731	-398	-3,530	3,966	-21	-3,459
Public-sector Pfandbriefe	197	-2	-223	1,178	-	-120
Other bonds	10,776	-1,696	-12,349	12,898	-1,710	-14,382
Other debt certificates issued	33,205	-	-30,750	48,128	-343	-41,870
FINANCIAL LIABILITIES HELD FOR TRADING	11,898	-1,035	-9,150	11,229	-905	-10,416
SUBORDINATED CAPITAL	739	-34	-271	209	-3	-70
Total	62,547	-3,164	-56,273	77,608	-2,982	-70,317

The transactions shown under other debt certificates issued all relate to commercial paper. The transactions presented under financial liabilities held for trading are carried out using bonds issued, including share certificates, index-linked certificates, and other debt certificates.

F Insurance business disclosures

» 87 Insurance revenue

€ million	2025	2024
INSURANCE REVENUE NOT UNDER THE PREMIUM ALLOCATION APPROACH	3,646	3,488
Changes to the liability for remaining coverage that are recognized in profit or loss	3,193	3,054
Reversal of expected incurred claims and other insurance service expenses through profit or loss	2,504	2,382
Release of the risk adjustment through profit or loss	125	124
Recognition of the CSM in profit or loss based on provision of service	658	600
Experience adjustment for premium receipts	-93	-51
Amortization of insurance acquisition cash flows	453	434
INSURANCE REVENUE UNDER THE PREMIUM ALLOCATION APPROACH	9,323	8,678
Total	12,970	12,165

» 88 Presentation of income and expense in the insurance business

Insurance finance income or expenses, recognized in profit or loss and in other comprehensive income, from insurance contracts and reinsurance contracts

€ million	2025	2024
Insurance finance income or expenses from insurance contracts	-1,690	-6,333
Changes in the fair value of underlying items relating to insurance contracts with direct participation features	-1,022	-4,230
Interest accretion effects	-894	-1,806
Effects of changes in the discount rate	19	-164
Foreign exchange gains and losses, net	207	-134
Insurance finance income or expenses from reinsurance contracts held	21	9
Interest accretion effects	21	9
Total	-1,669	-6,325
of which recognized in profit or loss	-2,636	-5,494
of which recognized in other comprehensive income	966	-829

The portion of the net foreign exchange gains and losses recognized in profit or loss, which amounted to a net gain of €217 million (2024: net loss of €144 million), is included in other non-insurance gains and losses within gains and losses on investments held by insurance companies and other insurance company gains and losses in the income statement.

Insurance finance income or expenses includes, firstly, the effect of the time value of money resulting from discounting with the locked-in yield curve for insurance contracts without direct participation features and, secondly, the effect of changes in the time value of money resulting from insurance contracts with direct participation features whose underlying items are assigned to the category 'financial assets measured at fair value through profit or loss'.

In exercise of the option of recognizing the relevant share of insurance finance income or expenses in other comprehensive income instead of in profit or loss, a net expense of €2,230 million was recognized in other comprehensive income for insurance contracts with direct participation features (2024: net expense of €4,767 million), thereby minimizing volatility in the income statement. The basis of calculation for exercising the aforementioned option amounted to €2,828 million (2024: €5,890 million).

For insurance contracts without direct participation features, the impact of the measurement-related volatilities of equity and liabilities on profit or loss were also reduced.

Investment income recognized in other comprehensive income in connection with insurance contracts measured under the modified retrospective approach or the fair value approach

The reserve from other comprehensive income changed as a result of investment income in connection with insurance contracts measured under the modified retrospective approach or the fair value approach as follows:

€ million	2025	2024
Balance as at Jan. 1	-4,913	-5,385
Net change in fair value recognized in other comprehensive income	-1,042	157
Reclassified to the income statement in the reporting period	158	488
Deferred taxes for the reporting period	-132	-172
Balance as at Dec. 31	-5,929	-4,913

» 89 Change in the carrying amounts of insurance contract liabilities

The following tables show the change in the carrying amounts of the liability for remaining coverage and the liability for incurred claims:

	Liability for remaining coverage		Liability for incurred claims			Total
	Excluding the loss component	Loss component	No premium allocation approach	Premium allocation approach: present value of expected cash flows	Premium allocation approach: risk adjustment	
€ million						
Carrying amount of insurance contract liabilities as at Jan. 1, 2025	98,001	481	4,156	8,606	95	111,339
Balance as at Jan. 1, 2025	98,001	481	4,156	8,606	95	111,338
OVERALL CHANGE RECOGNIZED IN PROFIT OR LOSS AND IN OTHER COMPREHENSIVE INCOME	-17,292	-122	9,132	7,096	4	-1,182
Insurance service result from insurance contracts	-11,564	-123	1,855	6,960	3	-2,869
Insurance revenue	-12,970	-	-	-	-	-12,970
Insurance contracts measured using the modified retrospective approach at the transition date	-1,980	-	-	-	-	-1,980
Insurance contracts measured using the fair value approach at the transition date	-116	-	-	-	-	-116
All other insurance contracts	-10,873	-	-	-	-	-10,873
Insurance service expenses	1,406	-123	1,855	6,960	3	10,101
Incurred claims and other insurance service expenses	-	-16	1,823	6,041	71	7,919
Amortization of insurance acquisition cash flows	1,406	-	-	-	-	1,406
Changes in the fulfillment cash flows relating to the liability for incurred claims	-	-	32	919	-68	884
Changes that relate to future service under onerous contracts	-	-107	-	-	-	-107
Expenses for/income from investment components	-7,317	-	7,232	85	-	-
Insurance finance income or expenses	1,538	11	208	139	1	1,897
Other	51	-10	-163	-88	-1	-210
CONSOLIDATION EFFECTS	7	-	-	-	-	7
CHANGES RESULTING FROM CASH FLOWS	19,939	-	-9,436	-7,051	-	3,453
Premium income	21,568	-	-	-	-	21,568
Insurance acquisition cash flows	-1,629	-	-	-	-	-1,629
Incurred claims paid and other insurance service expenses paid	-	-	-9,436	-7,051	-	-16,486
Balance as at Dec. 31, 2025	100,655	359	3,852	8,652	98	113,616
Carrying amount of insurance contract liabilities as at Dec. 31, 2025	100,655	359	3,852	8,652	98	113,616

	Liability for remaining coverage		Liability for incurred claims			Total
	Excluding the loss component	Loss component	No premium allocation approach	Premium allocation approach: present value of expected cash flows	Premium allocation approach: risk adjustment	
€ million						
Carrying amount of insurance contract assets as at Jan. 1, 2024	-1	-	-	-	-	-1
Carrying amount of insurance contract liabilities as at Jan. 1, 2024	92,568	464	3,854	8,170	92	105,150
Balance as at Jan. 1, 2024	92,568	464	3,854	8,170	92	105,149
OVERALL CHANGE RECOGNIZED IN PROFIT OR LOSS AND IN OTHER COMPREHENSIVE INCOME	-12,752	17	9,651	7,476	2	4,395
Insurance service result from insurance contracts	-10,853	25	2,234	6,982	-5	-1,617
Insurance revenue	-12,165	-	-	-	-	-12,165
Insurance contracts measured using the modified retrospective approach at the transition date	-2,117	-	-	-	-	-2,117
Insurance contracts measured using the fair value approach at the transition date	-82	-	-	-	-	-82
All other insurance contracts	-9,966	-	-	-	-	-9,966
Insurance service expenses	1,312	25	2,234	6,982	-5	10,548
Incurred claims and other insurance service expenses	-	-17	1,975	6,299	64	8,322
Amortization of insurance acquisition cash flows	1,312	-	-	-	-	1,312
Changes in the fulfillment cash flows relating to the liability for incurred claims	-	-	258	683	-69	872
Changes that relate to future service under onerous contracts	-	42	-	-	-	42
Expenses for/income from investment components	-7,178	-	7,097	81	-	-
Insurance finance income or expenses	5,606	2	207	379	6	6,200
Other	-327	-10	113	34	1	-188
CONSOLIDATION EFFECTS	29	-	-	-	-	29
CHANGES RESULTING FROM CASH FLOWS	18,156	-	-9,350	-7,040	-	1,766
Premium income	19,720	-	-	-	-	19,720
Insurance acquisition cash flows	-1,564	-	-	-	-	-1,564
Incurred claims paid and other insurance service expenses paid	-	-	-9,350	-7,040	-	-16,389
Balance as at Dec. 31, 2024	98,001	481	4,156	8,606	95	111,338
Carrying amount of insurance contract liabilities as at Dec. 31, 2024	98,001	481	4,156	8,606	95	111,339

The following tables show the change in the carrying amounts of the reinsurance contract assets relating to the liability for remaining coverage and the liability for incurred claims:

	Liability for remaining coverage		Liability for incurred claims			Total
	Excluding the loss component	Loss component	No premium allocation approach	Premium allocation approach: present value of expected cash flows	Premium allocation approach: risk adjustment	
€ million						
Carrying amount of reinsurance contract assets as at Jan. 1, 2025	32	-	3	272	4	312
Carrying amount of reinsurance contract liabilities as at Jan. 1, 2025	-2	-	-	-	-	-1
Balance as at Jan. 1, 2025	31	-	3	272	4	310
Overall change recognized in profit or loss and in other comprehensive income	-336	-	26	99	-	-212
Net income/expenses from reinsurance contracts held	-375	-	26	79	-1	-271
Change in reinsurers' credit risk	-	-	-	6	-	6
Insurance finance income or expenses from reinsurance contracts held	7	-	-	14	-	21
Other	32	-	-	-1	-	32
Changes resulting from cash flows	364	-	-25	-124	-	215
Premiums paid for reinsurance contracts held	364	-	-	-	-	364
Incurred claims recovered and other insurance service expenses recovered under reinsurance contracts held	-	-	-25	-124	-	-149
Balance as at Dec. 31, 2025	59	-	4	247	4	313
Carrying amount of reinsurance contract assets as at Dec. 31, 2025	59	-	4	247	4	313

	Liability for remaining coverage		Liability for incurred claims			Total
	Excluding the loss component	Loss component	No premium allocation approach	Premium allocation approach: present value of expected cash flows	Premium allocation approach: risk adjustment	
€ million						
Carrying amount of reinsurance contract assets as at Jan. 1, 2024	34	-	3	324	8	368
Carrying amount of reinsurance contract liabilities as at Jan. 1, 2024	-2	-	-	-	-	-1
Balance as at Jan. 1, 2024	32	-	3	324	8	366
Overall change recognized in profit or loss and in other comprehensive income	-309	-	18	84	-3	-211
Net income/expenses from reinsurance contracts held	-306	-	18	77	-3	-215
Change in reinsurers' credit risk	-	-	-	-2	-	-2
Insurance finance income or expenses from reinsurance contracts held	-1	-	-	9	-	9
Other	-2	-	-	-	-	-2
Changes resulting from cash flows	308	-	-18	-136	-	155
Premiums paid for reinsurance contracts held	308	-	-	-	-	308
Incurred claims recovered and other insurance service expenses recovered under reinsurance contracts held	-	-	-18	-136	-	-153
Balance as at Dec. 31, 2024	31	-	3	272	4	310
Carrying amount of reinsurance contract assets as at Dec. 31, 2024	32	-	3	272	4	312
Carrying amount of reinsurance contract liabilities as at Dec. 31, 2024	-2	-	-	-	-	-1

The following tables show the change in the insurance contracts for which the premium allocation approach is not applied:

	Present value of expected cash flows	Risk adjustment	Insurance contracts measured using the modified retrospective approach at the transition date	CSM Insurance contracts measured using the fair value approach at the transition date	All other insurance contracts	Total
€ million						
Carrying amount of insurance contract liabilities as at Jan. 1, 2025	95,041	933	3,325	94	2,710	102,102
Balance as at Jan. 1, 2025	95,041	933	3,325	94	2,710	102,102
OVERALL CHANGE RECOGNIZED IN PROFIT OR LOSS AND IN OTHER COMPREHENSIVE INCOME	-567	118	26	-4	624	196
Insurance service result	-1,582	96	133	-26	142	-1,239
Changes that relate to current service	-564	-99	-165	-9	-484	-1,321
Amortization of the CSM in profit or loss based on provision of service	-	-	-165	-9	-484	-658
Release of the risk adjustment through profit or loss	-	-99	-	-	-	-99
Deviation from budgeted figures	-564	-	-	-	-	-564
Changes that relate to future service	-1,083	227	298	-17	625	50
New business	-756	147	-	-	697	88
Changes in estimates that adjust the CSM	-288	79	298	-17	-72	-
Changes in estimates that result in losses on onerous contracts or reversals of such losses	-40	2	-	-	-	-38
Changes that relate to past service	65	-32	-	-	-	32
Change in the liability for incurred claims	65	-32	-	-	-	32
Insurance finance income or expenses	1,305	30	-107	22	500	1,750
Other	-290	-7	-	-	-18	-315
CHANGES RESULTING FROM CASH FLOWS	2,106	-	-	-	-	2,106
Premium income	12,213	-	-	-	-	12,213
Insurance acquisition cash flows	-671	-	-	-	-	-671
Incurred claims paid and other insurance service expenses paid	-9,436	-	-	-	-	-9,436
Balance as at Dec. 31, 2025	96,580	1,052	3,351	90	3,333	104,405
Carrying amount of insurance contract liabilities as at Dec. 31, 2025	96,580	1,052	3,351	90	3,333	104,405

	Present value of expected cash flows	Risk adjustment	CSM			Total
			Insurance contracts measured using the modified retrospective approach at the transition date	Insurance contracts measured using the fair value approach at the transition date	All other insurance contracts	
€ million						
Carrying amount of insurance contract liabilities as at Jan. 1, 2024	90,163	810	3,032	107	2,282	96,394
Balance as at Jan. 1, 2024	90,163	810	3,032	107	2,282	96,394
OVERALL CHANGE RECOGNIZED IN PROFIT OR LOSS AND IN OTHER COMPREHENSIVE INCOME	3,972	123	293	-13	428	4,803
Insurance service result	2,817	16	-1,975	-60	-1,624	-825
Changes that relate to current service	-326	-170	-146	-13	-441	-1,096
Amortization of the CSM in profit or loss based on provision of service	-	-	-146	-13	-441	-600
Release of the risk adjustment through profit or loss	-	-170	-	-	-	-170
Deviation from budgeted figures	-326	-	-	-	-	-326
Changes that relate to future service	2,850	221	-1,830	-47	-1,182	13
New business	-676	132	-	-	641	97
Changes in estimates that adjust the CSM	3,610	90	-1,830	-47	-1,824	-
Changes in estimates that result in losses on onerous contracts or reversals of such losses	-84	-1	-	-	-	-85
Changes that relate to past service	292	-34	-	-	-	258
Change in the liability for incurred claims	292	-34	-	-	-	258
Insurance finance income or expenses	1,361	103	2,275	47	2,031	5,816
Other	-207	4	-7	-	21	-188
CHANGES RESULTING FROM CASH FLOWS	905	-	-	-	-	905
Premium income	10,910	-	-	-	-	10,910
Insurance acquisition cash flows	-655	-	-	-	-	-655
Incurred claims paid and other insurance service expenses paid	-9,350	-	-	-	-	-9,350
Balance as at Dec. 31, 2024	95,041	933	3,325	94	2,710	102,102
Carrying amount of insurance contract liabilities as at Dec. 31, 2024	95,041	933	3,325	94	2,710	102,102

The following tables show the change in the reinsurance contracts for which the premium allocation approach is not applied:

	Present value of expected cash flows	Risk adjustment	Insurance contracts measured using the modified retrospective approach at the transition date	CSM Insurance contracts measured using the fair value approach at the transition date	All other insurance contracts	Total
€ million						
Carrying amount of reinsurance contract assets as at Jan. 1, 2025	-69	5	76	7	9	29
Carrying amount of reinsurance contract liabilities as at Jan. 1, 2025	-1	-	1	-	-	-
Balance as at Jan. 1, 2025	-70	5	77	7	9	29
OVERALL CHANGE RECOGNIZED IN PROFIT OR LOSS AND IN OTHER COMPREHENSIVE INCOME	-2	1	-3	1	3	-
Insurance service result	-5	-	-6	1	3	-6
Changes that relate to current service	1	-	-4	-	-4	-7
CSM recognized in profit or loss	-	-	-4	-	-4	-7
Deviation from budgeted figures	1	-	-	-	-	1
Changes that relate to future service	-6	1	-2	1	7	-
Changes in estimates that adjust the CSM	-2	-	-2	1	2	-
New business	-5	1	-	-	4	-
Changes that relate to past service	1	-	-	-	-	1
Change in the liability for incurred claims	1	-	-	-	-	1
Insurance finance income or expenses	3	-	4	-	-	7
Other	-	-	-1	-	-	-1
CHANGES RESULTING FROM CASH FLOWS	7	-	-	-	-	7
Premiums paid for reinsurance contracts held	32	-	-	-	-	32
Incurred claims recovered and other insurance service expenses recovered under reinsurance contracts held	-25	-	-	-	-	-25
Balance as at Dec. 31, 2025	-64	6	74	8	13	36
Carrying amount of reinsurance contract assets as at Dec. 31, 2025	-64	6	74	8	13	36

	Present value of expected cash flows	Risk adjustment	CSM			Total
			Insurance contracts measured using the modified retrospective approach at the transition date	Insurance contracts measured using the fair value approach at the transition date	All other insurance contracts	
€ million						
Carrying amount of reinsurance contract assets as at Jan. 1, 2024	-55	5	63	8	11	33
Balance as at Jan. 1, 2024	-55	5	63	8	11	33
OVERALL CHANGE RECOGNIZED IN PROFIT OR LOSS AND IN OTHER COMPREHENSIVE INCOME	-20	-	13	-1	-2	-10
Insurance service result	-17	-	6	-1	3	-8
Changes that relate to current service	1	-	-3	-1	-3	-7
CSM recognized in profit or loss	-	-	-3	-1	-3	-8
Deviation from budgeted figures	1	-	-	-	-	1
Changes that relate to future service	-17	1	9	1	7	-
Changes in estimates that adjust the CSM	-12	-	9	1	3	-
New business	-5	1	-	-	4	-
Insurance finance income or expenses	-4	-	3	-	-	-1
Other	1	-	4	-	-6	-1
CHANGES RESULTING FROM CASH FLOWS	5	-	-	-	-	5
Premiums paid for reinsurance contracts held	23	-	-	-	-	23
Incurred claims recovered and other insurance service expenses recovered under reinsurance contracts held	-18	-	-	-	-	-18
Balance as at Dec. 31, 2024	-70	5	77	7	9	29
Carrying amount of reinsurance contract assets as at Dec. 31, 2024	-69	5	76	7	9	29
Carrying amount of reinsurance contract liabilities as at Dec. 31, 2024	-1	-	1	-	-	-

» 90 Fair values of underlying items relating to contracts with direct participation features

The following table shows the fair values of the underlying items:

€ million	Dec. 31, 2025	Dec. 31, 2024
Investments	97,353	96,362
Investment property	2,586	2,995
Investments in subsidiaries	295	330
Investments in joint ventures	70	71
Investments in associates	12	12
Mortgage loans	10,714	11,015
Promissory notes and loans	4,567	4,978
Registered bonds	4,934	5,069
Other loans	461	141
Variable-yield securities	9,823	9,955
Fixed-income securities	39,845	39,435
Derivatives (positive fair values)	144	56
Other investments	12	181
Assets related to unit-linked contracts	23,889	22,125
Other	421	791
Total	97,774	97,153

As at the reporting date, the underlying items relating to investment contracts with direct participation features mainly consisted of a share of the total investment portfolio of each insurance company. An exact assignment of the investments to the insurance contract liabilities for the total portfolio or individual

subportfolios is neither possible nor envisaged in the German insurance market, with the exception of unit-linked insurance contracts. Consequently, the amounts of the underlying items in life insurance are determined using the insurance cash flows pursuant to IFRS 17, i.e. the fulfillment cash flows less the risk adjustment, and the present value of the companies' future share of gross profit plus costs that cannot be attributed directly. In health insurance, equity calculated in accordance with commercial law is also taken into account owing to the rules on policyholder participation. These components thus contain all future payments from the underlying items.

» 91 Effects of initial measurement

The following table shows the effects on the measurement components of the insurance and reinsurance contracts recognized for the first time in the financial year for which the premium allocation approach is not applied:

€ million	2025		2024	
	Non-onerous contracts	Onerous contracts	Non-onerous contracts	Onerous contracts
LOSSES RECOGNIZED AT INITIAL MEASUREMENT OF INSURANCE CONTRACTS	-	88	-	97
Present value of claims/costs/insurance acquisition cash flows	6,607	4,208	5,207	3,684
Insurance acquisition cash flows	271	361	239	361
Incurred claims and other insurance service expenses	6,335	3,847	4,968	3,324
Present value of premiums	-7,400	-4,171	-5,937	-3,630
Risk adjustment	96	51	89	43
CSM	697	-	641	-
LOSSES RECOGNIZED AT INITIAL MEASUREMENT OF REINSURANCE CONTRACTS	-	-	-	-
Present value of claims/costs/insurance acquisition cash flows	-4	-	-4	-
Present value of premiums	8	-	9	-
Risk adjustment	-1	-	-1	-
CSM	-4	-	-4	-

» 92 Expected recognition of the contractual service margin in profit or loss

The following table shows when the CSM remaining as at the reporting date is likely to be recognized in profit or loss:

€ million	Dec. 31, 2025		Dec. 31, 2024	
	Insurance contracts	Reinsurance contracts	Insurance contracts	Reinsurance contracts
≤ 1 year	472	-9	369	-5
> 1 year – 2 years	390	-9	333	-7
> 2 years – 3 years	366	-5	288	-6
> 3 years – 4 years	343	-4	271	-6
> 4 years – 5 years	323	-4	278	-6
> 5 years – 10 years	1,357	-18	1,176	-20
> 10 years – 20 years	1,793	-28	1,606	-26
> 20 years – 30 years	937	-11	927	-11
> 30 years – 40 years	457	-4	495	-4
> 40 years – 50 years	225	-1	250	-2
> 50 years	111	-	134	-

Claims rate trend for direct non-life insurance business including claim settlement costs

[illegible][illegible]

The following table shows the change in the gross liability for incurred claims in inward reinsurance business and payments made against the original liability:

The following table shows the change in the net liability for incurred claims in inward reinsurance business and payments made against the original liability:

[illegible]

» 94 Yield curves

The following table shows the yield curves as at the latest measurement date used to measure the cash flows for insurance contracts and for reinsurance contracts held:

Percent	1 year		5 years		10 years		15 years		20 years	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
EUR	2.50	2.80	2.97	2.87	3.44	2.96	3.69	3.03	3.79	2.95
GBP	3.88	4.95	4.07	4.71	4.53	4.70	4.85	4.86	5.02	4.93
JPY	1.24	0.99	1.90	1.42	2.38	1.65	2.79	1.97	3.16	2.26
USD	3.75	4.64	3.81	4.65	4.27	4.66	4.58	4.72	4.72	4.70
ZAR	7.00	8.13	7.21	8.64	8.31	10.05	9.00	10.95	9.17	11.07

» 95 Risk and capital management

Maturity analysis disclosures pursuant to IFRS 17.132(b) and IFRS 17.132(c) can be found in this note in the notes to the consolidated financial statements. Further disclosures on the nature and extent of risks arising from insurance contracts (IFRS 17.121-132) are included in the risk report in the group management report in chapter VI.6 'Liquidity adequacy' and in chapters VI.15 'Actuarial risk' and VI.16 'Market risk'.

The disclosures published in the risk report form part of the content of these notes to the consolidated financial statements.

Maturity analysis

The following table contains an analysis of the remaining undiscounted contractual net cash flows for insurance contracts, by estimated maturity. Liabilities for remaining coverage measured under the premium allocation approach are excluded from this analysis.

€ million	Dec. 31, 2025	Dec. 31, 2024
≤ 1 year	7,107	6,429
> 1 year – 2 years	5,249	4,981
> 2 years – 3 years	4,626	3,931
> 3 years – 4 years	4,250	3,847
> 4 years – 5 years	5,256	3,801
> 5 years – 10 years	23,349	23,156
> 10 years – 20 years	41,763	36,035
> 20 years – 30 years	47,596	37,123
> 30 years – 40 years	38,135	29,969
> 40 years – 50 years	26,322	21,401
> 50 years	33,666	28,088

The insurance contract liabilities repayable on demand amounted to €67,414 million (December 31, 2024: €65,514 million).

Sensitivity analysis

For internal and external reporting purposes, sensitivity analyses are carried out in accordance with IFRS 17.125 in conjunction with IFRS 17.128 in order to quantify the impact on equity and on profit or loss. This

sensitivity analysis contains 4 scenarios that simulate the potential impact on insurance assets and liabilities measured in accordance with IFRS 17.

Interest-rate scenario

Expert appraisals from the Economic Roundtable are used as the basis for determining the ranges to be examined in the interest-rate scenario. The information from the Economic Roundtable is analyzed on an ongoing basis to ascertain whether any adjustments are needed for future reporting-date-related sensitivity analyses. For 10-year government bonds of the Federal Republic of Germany, the insurance sensitivities are calculated with a shift in interest rates of plus or minus 50 basis points.

Currency scenario

The basis for determining the ranges to be examined in the currency scenario is the assumption that the exchange rate for the US dollar – which acts as a reserve currency, especially in international reinsurance business – will change by plus or minus 10 percent.

Equity scenario

The basis for determining the ranges to be examined in the equity scenario is the assumption that the prices of the equities held as at the reporting date will change by plus or minus 10 percent. This scenario is mainly relevant to personal insurance, in which the variable fee approach is used for the stochastic modeling of future policyholder participation and any changes in share prices affect both the measurement of liabilities under IFRS 17 and the amount of other comprehensive income/loss.

Claims scenario

The claims scenario is based on the assumption that direct insurance business and inward reinsurance business in the non-life segment are affected, in particular, by a change in the cash flows of the liability for incurred claims of plus or minus 1 percent. For the liability for remaining coverage and the fulfillment cash flows for the loss component, the claims rate is adjusted by plus or minus 1 percent. This results in, for example, an increase or decrease in claim payments, leading to measurement effects on the insurance contract assets and liabilities measured using the premium allocation approach or under the general measurement model in profit or loss and in other comprehensive income.

The following table shows the sensitivity of profit or loss before taxes and equity before taxes to a change in the underlying parameters. Correlation effects between individual parameters are not considered.

€ million	Dec. 31, 2025		Dec. 31, 2024	
	Change in profit or loss before taxes	Change in equity before taxes	Change in profit or loss before taxes	Change in equity before taxes
Increase in interest rates of 50 basis points	16	103	-7	106
Decrease in interest rates of 50 basis points	-13	-110	7	-122
Increase in equity prices of 10 percent	14	11	11	10
Decrease in equity prices of 10 percent	-15	-14	-12	-12
Increase in exchange rate of 10 percent	-121	-120	-128	-127
Decrease in exchange rate of 10 percent	121	120	128	127
Increase in claims risk of 1 percent	-146	-141	-159	-160
Decrease in claims risk of 1 percent	148	141	156	157

G Other disclosures

» 96 Contingent liabilities

€ million	Dec. 31, 2025	Dec. 31, 2024
Contingent liabilities arising from contributions to the resolution fund for CRR credit institutions	-	169
Contingent liabilities in respect of litigation risk	3	2
Other contingent liabilities	-	2
Total	3	172

The contingent liabilities arising from contributions to the resolution fund for CRR credit institutions had consisted of irrevocable payment commitments (IPCs) of €169 million before the ruling by the Court of Justice of the European Union (CJEU), the highest competent court. In the ruling dated November 13, 2025, the CJEU decided that the institution must pay the irrevocably committed amount so that the cash collateral provided by the institution can be returned. The DZ BANK Group cannot avoid its obligation to contribute by handing back its banking license. This was taken into consideration under provisions as at the balance sheet date; see note 66.

In addition, the contingent liabilities in respect of litigation risk comprise a small number of court proceedings relating to different cases. Where provisions have been recognized for particular claims, no contingent liabilities have to be recognized.

» 97 Financial guarantee contracts and loan commitments

€ million	Dec. 31, 2025	Dec. 31, 2024
Financial guarantee contracts	13,040	12,173
Loan guarantees	6,835	6,006
Letters of credit	813	822
Other guarantees and warranties	5,392	5,345
Loan commitments	82,366	79,990
Credit facilities to banks	25,304	26,442
Credit facilities to customers	45,206	38,403
Guarantee credits	1,885	1,653
Letters of credit	333	315
Global limits	9,639	13,176
Total	95,406	92,163

The amounts shown for financial guarantee contracts and loan commitments are the nominal values of the commitment in each case.

» 98 Trust activities

Assets held and liabilities entered into as part of trust activities do not satisfy the criteria for recognition on the balance sheet. The following table shows the breakdown for trust activities:

€ million	Dec. 31, 2025	Dec. 31, 2024
Trust assets	1,339	1,603
Loans and advances to banks	1,279	1,529
Loans and advances to customers	6	12
Investments	54	63
Trust liabilities	1,339	1,603
Deposits from banks	1,000	1,292
Deposits from customers	338	311

Trust assets and trust liabilities each include trust loans amounting to €1,000 million (December 31, 2024: €1,292 million).

» 99 Business combinations

On April 19, 2024, the R+V subgroup acquired, through its subsidiary Assimoco S.p.A., Milan, Italy, (Assimoco), 51.0 percent of the shares in BCC Assicurazioni from BCC Banca Iccrea, Rome, Italy, for strategic reasons. There is a purchase option to buy a further 19.0 percent of the shares in BCC Assicurazioni. Because of the expected increase in importance, the stake was included in the scope of consolidation as at January 1, 2025 on a fully consolidated basis.

BCC Assicurazioni is a provider of non-life insurance products that are sold through Italian cooperative banks.

The cost recognized for the acquisition of BCC Assicurazioni was calculated from the consideration transferred of €45 million, the purchase option at a value of €32 million, and further consideration of €64 million to be transferred in the future under an earn-out agreement. The net assets stood at €139 million at the date of first-time consolidation, of which €42 million was attributable to non-controlling interests. The difference of €43 million between the cost and the share of the remeasured net assets was recognized as goodwill. This essentially represents the intangible strengths and the potential future benefits of access to a highly-promising, fast-growing market that Assimoco expects to gain from BCC Assicurazioni.

The net assets acquired predominantly consisted of investments held by insurance companies of €96 million, other assets of €218 million, insurance contract liabilities of €96 million, income tax liabilities of €58 million, and other liabilities of €22 million. Other assets mainly comprised intangible assets of €178 million and reinsurance contract assets of €37 million.

The value of the purchase option had increased to €37 million as at December 31, 2025 owing to the unwinding of the discount. The further consideration to be transferred in the future under an earn-out agreement declined to €61 million on the basis of an updated business plan and countervailing effects from the unwinding of the discount. The gains and losses resulting from these changes are included in other non-insurance gains and losses.

In 2025, an impairment loss of €1 million was recognized in the income statement for intangible assets identified in the past in connection with business combinations (2024: €7 million).

Goodwill is allocated to the DZ BANK Group's operating segments, each of which constitutes a cash-generating unit. As at the balance sheet date, goodwill of €155 million was allocated to the UMH subgroup operating segment (December 31, 2024: €155 million) and goodwill of €43 million to the R+V subgroup operating segment (December 31, 2024: €0 million).

Goodwill is regularly tested for possible impairment in the last quarter of the financial year. If there are any indications of possible impairment, more frequent impairment tests are also carried out. In an impairment test, the carrying amount of the goodwill-bearing cash-generating unit is, by definition, compared with the relevant recoverable amount. The recoverable amount to be used is the higher of value in use and fair value less costs to sell. The carrying amount is equivalent to the equity attributable to the goodwill-bearing cash-generating unit. For the purposes of the test, the goodwill is notionally increased by the amount attributable to non-controlling interests. If the recoverable amount exceeds the carrying amount, no impairment of the goodwill is recognized.

For the UMH subgroup operating segment, the recoverable amount is determined as the value in use of the goodwill-bearing entity. For the R+V subgroup operating segment, the recoverable amount is the fair value less costs to sell, which is determined using a market-oriented measurement method based on multipliers commonly used in the market by comparable companies.

The value in use for a goodwill-bearing entity is produced by discounting the forecast future cash flows back to the date of the impairment test. The discount rate (before taxes) used for the UMH subgroup operating segment in 2025, which was determined on the basis of the capital asset pricing model, was 17.4 percent (2024: 17.4 percent); the corresponding discount rate (before taxes) used for the R+V subgroup operating segment was 13.9 percent. The discount rate is derived from a risk-free basic interest rate plus a risk premium. The risk premium contains a markup for the relevant sector risk plus a further markup for business risk. The beta factor is derived from a suitable group of similar companies.

The economic data used for the 4-year planning horizon in both operating segments includes GDP growth for Germany of 1.00 percent in 2026 and increasing growth rates of between 1.50 percent and 1.75 percent in the years to 2029, combined with inflation rates of around 2.25 percent.

The other basic assumptions underlying the preparation of financial planning and the resulting forecasts of future cash flows consist of the following elements in the UMH subgroup operating segment:

- The assessment of market conditions for the asset management business is carried out separately for each asset class (fixed-income securities, equities, and tangible assets). Overall, however, returns are expected to be robust because interest rates have fallen.
- With regard to net inflows in the different areas of business, the assumption is that retail clients will increasingly turn to fund products in order to build up wealth and that the institutional client business will see a small rise in market share.
- It is also assumed that productivity will go up slightly and that increases in staff expenses and operating costs will normalize, leading to moderate growth of administrative expenses and an improvement in the cost/income ratio during the planning period.

The basic assumptions are determined using an overall assessment based on past experience, current market and economic conditions, and assessments of future market trends. Future cash flows beyond the end of the 4-year period were estimated on the basis of a constant rate of growth of 0.5 percent (2024: 0.5 percent) for the UMH subgroup operating segment.

The cash flows in the UMH subgroup operating segment are forecast in accordance with a particular model. In this model, income from asset management is estimated on the basis of the expected volume of fund assets at the start of the planning horizon plus the expected volume of net inflows in the planning horizon, and an assumption about the annual returns of individual asset classes, taking account of the economic situation.

Administrative expenses are determined on the basis of headcount planning, required external resources, project and capital expenditure planning, and changes in factor prices, while also taking account of historical data and inflation forecasts.

The other basic assumptions underlying the preparation of financial planning and the resulting forecasts of future cash flows consist of the following elements in the R+V subgroup operating segment:

- The assessment of market conditions is carried out separately for each division. Given that the insurance service result has stabilized in the motor vehicle insurance business, expenses for onerous contracts are expected to decrease in the non-life insurance division. The level of interest rates will continue to support the business performance of the life insurance division.
- During the planning period, efficiency measures will cause the expense ratio to fall significantly. Prime costs will increase at a slower rate than premium growth during the planning period.

The basic assumptions are determined using an overall assessment based on past experience, current market and economic conditions, and assessments of future market trends. Future cash flows beyond the end of the 4-year period were estimated using a constant rate of growth of 0.5 percent for the R+V subgroup operating segment.

In the R+V subgroup operating segment, the forecast for each division is provided by actuaries and takes account of the subgroup's specified core objectives. The forecast is based on the current level of in-force business, taking account of the economic situation.

No impairment requirement arose in the UMH subgroup operating segment in 2025 and 2024. This was also the case in the R+V subgroup operating segment in 2025.

Sensitivity analyses are carried out in which parameters that are particularly relevant to the calculation of value in use (for the UMH subgroup operating segment) and of fair value less costs to sell (for the R+V subgroup operating segment) are modified within a plausible range of values. No impairment requirement arose for either of the operating segments in any of the aforementioned scenarios.

» 100 Leases

DZ BANK Group as lessor

The underlying assets in leases in which the DZ BANK Group is the lessor can be subdivided into the following classes: land and buildings, and office furniture and equipment.

For the most part, the land and buildings asset class consists of commercial real estate, including parking areas. A small proportion is accounted for by residential real estate. Lease assets in the office furniture and equipment asset class are motor vehicles, IT and office equipment, production machinery, medical technology devices, and photovoltaic installations.

Finance leases

Within the DZ BANK Group, the VR Smart Finanz subgroup is also active as a lessor. The companies in the VR Smart Finanz subgroup enter into leases with customers, for example for motor vehicles, production machinery, photovoltaic installations, and office equipment. Some of the leases include purchase options or extension and purchase options; they have terms of 1 to 18 years.

In addition to the underlying assets financed by the leases, further items of collateral such as guarantees, repurchase agreements, and residual value guarantees are contractually agreed in order to reduce the risk. Lease assets are also monitored, for example by means of on-site inspections.

The following table shows the reconciliation of the gross investment to the net investment:

€ million	Dec. 31, 2025	Dec. 31, 2024
Gross investment	330	419
Up to 1 year	113	132
More than 1 year and up to 2 years	86	107
More than 2 years and up to 3 years	59	76
More than 3 years and up to 4 years	38	50
More than 4 years and up to 5 years	20	28
More than 5 years	15	27
less unearned finance income	-29	-34
Net investment	301	385
less present value of unguaranteed residual values	-10	-12
Present value of minimum lease payment receivables	291	373

The change in the present value of the minimum lease payment receivables was largely attributable to expiring finance leases and partial repayments at the request of customers.

Gains on disposals of €1 million were recognized in 2025 (2024: €1 million). Losses on disposals amounted to €1 million (2024: €1 million). They are reported under interest income in note 33 together with the financial income derived from the net investment in the lease.

Operating leases

Leases are in place for commercial and residential real estate, including parking areas. The leases normally include extension options. A small number of leases are also entered into for office furniture and equipment.

The following table shows a breakdown by asset class of the carrying amounts of the underlying assets in the leases, comprising investment property and items of property, plant and equipment, as at the reporting date:

€ million	Dec. 31, 2025	Dec. 31, 2024
Land and buildings	3,761	4,057
Office furniture and equipment	8	10
Total	3,768	4,066

Income from operating leases amounted to €295 million in the reporting year (2024: €310 million), the bulk of which comprised rental income from investment property held by the insurance companies.

As at the reporting date, the breakdown of the total amount of minimum lease payments expected to be received from non-cancelable operating leases in the future was as follows:

€ million	Dec. 31, 2025	Dec. 31, 2024
Total future minimum lease payments under non-cancelable leases	1,150	1,205
Up to 1 year	282	273
More than 1 year and up to 2 years	176	159
More than 2 years and up to 3 years	142	144
More than 3 years and up to 4 years	115	118
More than 4 years and up to 5 years	88	97
More than 5 years	347	414

DZ BANK Group as lessee

The underlying assets in leases in which the DZ BANK Group is the lessee can be subdivided into the following classes: land and buildings, and office furniture and equipment.

Leases involving the land and buildings asset class in which the DZ BANK Group is the lessee relate to the leasing of offices and business premises (including parking) for the group's own business operations. Some of these leases include extension and termination options. The lease terms are up to 20 years. There are also a small number of leases for office furniture and equipment. These include leases for motor vehicles, bicycles, and workplace equipment. The lease terms are up to 5 years.

Rights to use underlying assets in leases are included under property, plant and equipment, investment property, and right-of-use assets, and under other assets. The following table shows the changes in the carrying amounts of the right-of-use assets, broken down by class of underlying asset:

€ million	Land and buildings	Office furniture and equipment
Carrying amounts as at Jan. 1, 2024	582	36
Additions	48	29
Revaluation	2	-
Depreciation	-88	-21
Impairment losses	-2	-
Disposals	-14	-2
Changes attributable to currency translation	2	-
Carrying amounts as at Dec. 31, 2024	529	43
Additions	17	39
Revaluation	-1	-1
Depreciation	-83	-24
Impairment losses	-4	-
Disposals	-7	-2
Changes attributable to currency translation	-5	-
Carrying amounts as at Dec. 31, 2025	447	54

Lease liabilities of €530 million were recognized under other liabilities and insurance companies' other liabilities (December 31, 2024: €608 million).

The interest expense for lease liabilities is disclosed in notes 33 and 39.

The following table shows a breakdown of the contractual maturities for lease liabilities:

€ million	Dec. 31, 2025	Dec. 31, 2024
Up to 1 year	98	100
More than 1 year and up to 3 years	171	179
More than 3 years and up to 5 years	149	150
More than 5 years	160	216

The total cash outflows for lease liabilities in 2025 amounted to €156 million (2024: €146 million).

The following income and expenses have been recognized in the income statement for rights to use underlying assets in leases:

€ million	2025	2024
Expenses relating to short-term leases	-1	-1
Expenses relating to leases for low-value assets	-16	-20
Expenses relating to variable lease payments not included in the lease liability	-9	-9
Income from subleasing right-of-use assets	14	16

The expenses relating to short-term leases relate primarily to leases for motor vehicles as well as real estate with lease terms between 2 and 12 months. Expenses relating to leases for low-value assets mainly relate to the office furniture and equipment asset class.

The lease commitments could give rise to potential future cash outflows as a result of variable lease payments, extension options, or termination options. These potential cash outflows have not been included in the measurement of the lease liability because, under current assessments, it is not possible to determine with a sufficient degree of reliability whether, and to what extent, the variable components will materialize or will be used. Within the DZ BANK Group, there are variable lease payments of this nature in connection with utilities related to real estate leases. The entities in the DZ BANK Group estimate that variable lease payments, extension options, and termination rights contractually provided for in leases could give rise to future cash outflows of €535 million (2024: €513 million). As at the reporting date, there were also future commitments amounting to €13 million (December 31, 2024: €1 million) arising from leases that had been signed by the entities in the DZ BANK Group but that had not yet commenced. In 2025, these leases related to IT systems, real estate used for the group's own business operations, and motor vehicles; in 2024, they had related to motor vehicles.

Taking account of the contractual term, the incremental borrowing rate of interest is mainly determined on the basis of observable risk-free yield curves, supplemented by liquidity spreads, credit spreads and, if applicable, a currency markup. The term to maturity of the lease liabilities is based on the initial contractual term of the lease. If leases contain termination or extension options, the probability of these options being exercised is assessed using objective criteria or on the basis of expert opinion.

» 101 Disclosures on revenue from contracts with customers

Disclosures on revenue from contracts with customers, broken down by operating segment

2025

€ million	BSH	R+V	TeamBank
Income type			
Fee and commission income from securities business	-	-	-
Fee and commission income from asset management	-	-	-
Fee and commission income from payments processing including card processing	-	-	-
Fee and commission income from lending business and trust activities	-	-	5
Fee and commission income from financial guarantee contracts and loan commitments	-	-	-
Fee and commission income from international business	-	-	-
Fee and commission income from building society operations	39	-	-
Other fee and commission income	87	-	4
Fee and commission income in gains and losses on investments held by insurance companies and other insurance company gains and losses	-	60	-
Other income in gains and losses on investments held by insurance companies and other insurance company gains and losses	-	100	-
Other operating income	44	-	6
Total	170	160	14
Main geographical markets			
Germany	170	153	14
Rest of Europe	-	6	-
Rest of world	-	-	-
Total	170	160	14
Type of revenue recognition			
At a point in time	135	20	14
Over a period of time	36	140	-
Total	170	160	14

	UMH	DZ BANK – CICB	DZ HYP	DZ PRIVAT- BANK	VR Smart Finanz	Other/ Consolidation	Total
	4,024	529	-	232	-	-108	4,677
	32	-	-	452	-	-5	479
	-	309	-	2	-	65	376
	-	125	7	-	-	97	233
	-	108	6	-	-	-3	110
	-	13	-	-	-	-	13
	-	-	-	-	-	-	39
	-	73	-	5	4	29	201
	-	-	-	-	-	-1	59
	-	-	-	-	-	-	100
	17	-	-	-	-	37	104
	4,073	1,156	13	691	4	111	6,391
	2,939	1,082	13	74	4	82	4,532
	1,133	2	-	617	-	29	1,788
	-	72	-	-	-	-	72
	4,073	1,156	13	691	4	111	6,391
	332	416	10	231	4	161	1,323
	3,740	740	3	460	-	-51	5,068
	4,073	1,156	13	691	4	111	6,391

2024

€ million	BSH	R+V	TeamBank
Income type			
Fee and commission income from securities business	-	-	-
Fee and commission income from asset management	-	-	-
Fee and commission income from payments processing including card processing	-	-	-
Fee and commission income from lending business and trust activities	-	-	4
Fee and commission income from financial guarantee contracts and loan commitments	-	-	-
Fee and commission income from international business	-	-	-
Fee and commission income from building society operations	37	-	-
Other fee and commission income	74	-	28
Fee and commission income in gains and losses on investments held by insurance companies and other insurance company gains and losses	-	59	-
Other income in gains and losses on investments held by insurance companies and other insurance company gains and losses	-	108	-
Other operating income	44	-	8
Total	155	166	40
Main geographical markets			
Germany	153	156	40
Rest of Europe	2	10	-
Rest of world	-	-	-
Total	155	166	40
Type of revenue recognition			
At a point in time	121	21	40
Over a period of time	34	145	-
Total	155	166	40

	UMH	DZ BANK – CICB	DZ HYP	DZ PRIVAT- BANK	VR Smart Finanz	Other/ Consolidation	Total
	3,854	490	-	207	-	-108	4,443
	28	-	-	369	-	-4	392
	-	301	-	2	-	69	372
	-	119	10	-	-	76	209
	-	111	5	-	-	-2	115
	-	13	-	-	-	-	13
	-	-	-	-	-	-	37
	-	68	-	4	5	5	184
	-	-	-	-	-	-2	57
	-	-	-	-	-	-	108
	15	-	-	-	-	21	88
	3,896	1,104	15	582	5	54	6,019
	2,872	1,021	15	54	5	36	4,352
	1,025	1	-	528	-	19	1,586
	-	81	-	-	-	-	81
	3,896	1,104	15	582	5	54	6,019
	325	397	12	207	5	49	1,177
	3,571	706	3	375	-	6	4,841
	3,896	1,104	15	582	5	54	6,019

Receivables, contract assets, and contract liabilities

Receivables from contracts with customers in which the recognized income is not subject to calculation using the effective interest method are accounted for in application of the rules in IFRS 15. Contract assets and contract liabilities are also recognized as a result of circumstances in which the fulfillment of the counter-performance is conditional on something other than the passage of time.

Changes in receivables and contract liabilities from contracts with customers

€ million	Loans and advances to banks	Loans and advances to customers	Other receivables (other assets)	Contract liabilities (other liabilities)
Balance as at Jan. 1, 2024	26	127	217	-
Additions	154	674	3,839	2
Derecognitions	-140	-646	-3,778	-1
Balance as at Dec. 31, 2024	40	155	278	2
Additions	123	956	4,448	-
Derecognitions	-108	-923	-4,429	-1
Balance as at Dec. 31, 2025	55	188	297	-

Performance obligations

Performance obligations are satisfied predominantly over a period of time. Within any year, performance obligations over time are billed mainly on a monthly or quarterly basis. Performance obligations related to a point in time are satisfied when the service in question has been performed. The related fees are normally due after the service has been provided. In the property development business, the performance obligation is satisfied gradually with the completion of the individual stages of construction. The consideration does not vary for the most part.

» 102 Government grants

Government grants of €28 million were deducted from the carrying amount of investment property held by insurance companies (December 31, 2024: €28 million). The grants are non-interest-bearing, low-interest or forgivable loans. In addition, income subsidies of €2 million were recognized in profit or loss (2024: €2 million).

» 103 Letters of comfort

DZ BANK has issued letters of comfort for its subsidiaries DZ PRIVATBANK S.A., Strassen, Luxembourg, (since January 2, 2026: DZ PRIVATBANK AG, Frankfurt am Main) and DZ HYP. Except in the event of political risk, DZ BANK has thus undertaken to ensure, in proportion to its shareholding, that these companies are able to meet their contractual obligations.

DZ BANK has also issued a letter of comfort for Deucalion Ltd., George Town, Cayman Islands. Liability under the letter of comfort exists in connection with the winding-up obligation for winding-up costs.

These entities are identified in the list of DZ BANK's shareholdings (note 114) as being covered by a letter of comfort.

» 104 Employees

Average number of employees by employee group:

	2025	2024
Full-time employees	26,615	26,193
Part-time employees	7,829	7,643
Total	34,444	33,837

» 105 Provisions for defined benefit plans

The provisions for defined benefit plans, which are recognized under provisions and other liabilities (provisions for defined benefit plans of insurance companies), predominantly result from pension plans that no further employees can join (closed plans). There are also defined benefit pension plans for members of boards of managing directors. The majority of new employees in Germany are offered defined contribution pension plans, for which it is not generally necessary to recognize a provision. The expense for defined contribution pension plans came to €23 million for the insurance companies (2024: €21 million) and €22 million for the other group entities (2024: €20 million). Outside Germany, there continue to be both defined contribution and defined benefit plans that are open to new employees. The proportion of the group's total obligations accounted for by obligations outside Germany is not material, as can be seen from the table below.

Present value of defined benefit obligations

The present value of the defined benefit obligations is broken down by risk category as follows:

€ million	Provisions		Other liabilities	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Final-salary-dependent plans	1,998	2,185	-	-
Germany	1,916	2,100	-	-
Other countries	83	85	-	-
Defined benefit contributory plans	1,020	1,077	1,413	1,530
Germany	804	842	1,411	1,528
Other countries	216	235	1	2
Accessorial plans	88	85	-	-
Germany	88	85	-	-
Total	3,107	3,347	1,413	1,530

The level of market interest rates for investment-grade fixed-income corporate bonds is a significant risk factor for all plans because the discount rate determined from these rates significantly affects the amount of the obligations.

Final-salary-dependent plans are pension obligations to employees, the amount of which depends on the employee's final salary before the pension trigger event occurs and that, for the most part, can be assumed to constitute a lifelong payment obligation. Section 16 (1) of the German Occupational Pensions Act (BetrAVG) requires employers in Germany to review every 3 years whether the pension amount needs to be adjusted to reflect the change in consumer prices or net wages (adjustment review obligation). The main risk factors in the measurement of final-salary-dependent pension plans are longevity, changes in salary, inflation risk, and the discount rate. Longevity, changes in salary, and inflation risk affect the amount of benefits.

The majority of defined benefit contributory plans comprise obligations to pay fixed capital amounts or amounts at fixed interest rates. An annuitization option exists for around half of the obligations. As a result, there may be lifelong payment obligations as well as lump-sum payments and installments. With the exception of the obligations managed through R+V Pensionsversicherung a.G., the contributions for most obligations are linked to remuneration. The majority of these plans are closed.

A considerable share of the volume is attributable to obligations managed through R+V Pensionsversicherung a.G., which have been treated as defined benefit pension plans since December 31, 2021. The phase of low interest rates, which prevailed until part way through 2022, and the related granting of initial fund loans by companies in the DZ BANK Group to R+V Pensionsversicherung a.G. in 2021 had necessitated a reassessment of the probability of drawdown by the pension providers on the basis of their subsidiary liability. Furthermore, a change to the accounting treatment had been required due to the rules of IDW AcP HFA 50 – IAS 19 – M1. If the value of the plan assets exceeds the present value of the defined benefit obligations, the notional surplus is not recognized as an asset and instead reduces the plan assets to the present value of the defined benefit obligations via the asset ceiling mechanism. This is because the plan assets cannot flow back to the extended initial fund's sponsor entities.

Accessorial plans are when the employer commits to a benefit that essentially corresponds to the benefit that is provided when an insured event occurs if the contributions are invested in a financial product of a third-party pension provider or insurer. The amount of the pension benefits therefore depends on the pension plan of the third-party pension provider, which is directly exposed to the risk factors longevity, changes in salary, and market interest-rate risk. Provided that economic conditions remain favorable, accessorial plans are almost risk free for the employer.

The pension plans agreed in Germany are not subject to minimum funding requirements. Minimum funding is required for some pension plans outside Germany owing to local regulations.

Actuarial assumptions

The 2018 G mortality tables published by Professor Dr. Klaus Heubeck are used to estimate average life expectancy in the context of measuring defined benefit obligations in Germany. Outside Germany, the measurement of defined benefit obligations is based on the Pri-2012 Private Retirement Plans Mortality Table in the United States, the S3PMA LT for males and S3PFA LT for females in the United Kingdom, the mortality tables pursuant to BVG 2020 GT in Switzerland, and the Dutch Prognosis Table AG2022 in the Netherlands. In July 2025, the process for determining the discount rate was refined owing to the expansion of the bond universe. If the process had not been refined, the discount rate would have been 20 basis points lower and the present value of the defined benefit obligations would therefore have been €59 million higher under provisions and €34 million higher under other liabilities.

The following actuarial assumptions are used:

Percent	Provisions		Other liabilities	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Weighted salary increases	1.97	2.11	2.25	2.25
Weighted pension increases	1.85	1.95	2.10	2.20

The uniform discount rate used for the defined benefit obligations in the eurozone was 4.10 percent (December 31, 2024: 3.40 percent).

Sensitivity analysis

The following table shows the sensitivity of the present value of the defined benefit obligations to changes in the actuarial parameters. The effects shown are based on an isolated change to one parameter, with the other parameters remaining constant. Correlation effects between individual parameters are not considered.

€ million	Provisions		Other liabilities	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Change in the present value of defined benefit obligations as at balance sheet date if				
the discount rate were 50 basis points higher	-146	-175	-78	-92
the discount rate were 50 basis points lower	162	192	87	102
the future salary increase were 50 basis points higher	12	15	-	-
the future salary increase were 50 basis points lower	-11	-15	-	-
the future pension increase were 25 basis points higher	52	59	6	7
the future pension increase were 25 basis points lower	-47	-56	-6	-7
life expectancy were 1 year higher ¹⁾	103	118	36	40
life expectancy were 1 year lower ¹⁾	-105	-121	-37	-44

¹⁾ The estimate for beneficiaries is calculated by modifying the Heubeck tables for a 65-year-old man.

The duration of the defined benefit obligations as at December 31, 2025 was 11.07 years under provisions (December 31, 2024: 11.89 years) and 12.46 years under other liabilities (December 31, 2024: 12.69 years).

Plan assets

Defined benefit obligations are offset by plan assets. The changes in the funded status of the defined benefit obligations were as follows:

€ million	Provisions		Other liabilities	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Present value of defined benefit obligations funded by plan assets	2,580	2,776	1,362	1,477
Present value of defined benefit obligations not funded by plan assets	527	571	50	53
Present value of defined benefit obligations	3,107	3,347	1,413	1,530
less fair value of plan assets	-2,691	-2,730	-1,713	-1,713
Asset ceiling	79	58	379	286
Defined benefit obligations (net)	495	675	79	103
Recognized surplus	117	54	-	-
Provisions for defined benefit obligations	612	729	79	103
Reimbursement rights recognized as assets	7	6	2	3

Of the plan assets under provisions, assets of €1,697 million (December 31, 2024: €1,731 million) are attributable to contractual trust arrangements (CTAs) at DZ BANK and BSH. DZ BANK AG provided additional funding of €4 million (2024: €206 million). The two CTAs are managed as trust assets by DZ BANK Pension Trust e.V., Frankfurt am Main. The investment committee for each CTA defines the investment policy and strategy for the asset management company. Plan assets in the United States and United Kingdom are also managed by independent trusts. In Luxembourg, the assets are transferred to a pension fund and, in Switzerland, to a foundation. Trustees/administrators are responsible for the administration and management of the pension plans and for compliance with regulatory requirements.

The plan assets under other liabilities consist of assets at pension providers and in reinsured pension schemes.

The asset ceiling equates almost entirely to the amount of the notional surplus, i.e. the amount by which the fair value of the plan assets exceeds the present value of the defined benefit obligations resulting from the pension obligations managed through R+V Pensionsversicherung a.G.

The fair value of the plan assets is broken down by asset class as follows:

AS AT DECEMBER 31, 2025

	Provisions		Other liabilities without quoted market price in an active market
	with quoted market price in an active market	without quoted market price in an active market	
€ million			
Cash and money market investments	-	35	-
Bonds and other fixed-income securities	1,289	-	-
Shares	176	-	-
Investment fund units	304	235	-
Derivatives	8	-	-
Land and buildings	-	5	-
Entitlements arising from insurance policies	-	172	239
Investments of R+V Pensionsversicherung a.G.	-	290	1,474
Other assets	-	178	-
Total	1,776	915	1,713

AS AT DECEMBER 31, 2024

	Provisions		Other liabilities without quoted market price in an active market
	with quoted market price in an active market	without quoted market price in an active market	
€ million			
Cash and money market investments	-	45	-
Bonds and other fixed-income securities	1,326	-	-
Shares	201	-	-
Investment fund units	332	233	-
Derivatives	-6	-	-
Land and buildings	-	5	-
Entitlements arising from insurance policies	-	167	234
Investments of R+V Pensionsversicherung a.G.	-	290	1,479
Other assets	-	136	-
Total	1,854	877	1,713

The plan assets included under bonds and other fixed-income securities and under investments of R+V Pensionsversicherung a.G. continue to be predominantly invested in bonds and other fixed-income securities. If market interest rates fall, the prices of the fixed-income assets rise. However, if market interest rates rise (as occurred in the year under review), the prices of the fixed-income assets fall. This reflects the direction of interest-rate sensitivity of the defined benefit obligations and reduces risk to a certain extent. The fixed-income investments in the form of Pfandbriefe, government bonds, and corporate bonds are generally of high quality. A small proportion of non-investment-grade corporate bonds are held. The bulk of the investments (particularly Pfandbriefe and government bonds) are of prime quality (AAA to AA). The defined benefit obligations and the plan assets are largely in the euro, US dollar, and pound sterling currency areas. If the defined benefit obligations and the plan assets are in different currencies, derivative hedges are entered into in order to hedge the currency risk. As at December 31, 2025, the plan assets included €125 million of the group's own, transferable financial instruments (December 31, 2024: €145 million). The real estate and other assets contained in the plan assets are not used by the companies themselves. The other investments are

predominantly floating-rate securities (equities and investment fund units) from around the world, entitlements arising from insurance contracts, short-term investments, other shareholdings, and real estate assets.

Contributions to plan assets of €26 million under provisions (2025: €26 million) and €26 million under other liabilities (2025: €28 million) are expected for 2026.

Defined benefit obligations (net)

The following table shows the changes in the defined benefit obligations (net), comprising the present value of the defined benefit obligations, the fair value of the plan assets, and the change in the asset ceiling:

PROVISIONS

€ million	Present value of defined benefit obligations	Fair value of plan assets	Asset ceiling	Defined benefit obligations (net)
Balance as at Jan. 1, 2024	3,416	-2,440	51	1,027
Current service cost	49	-	-	49
Interest income/expense	107	-78	2	31
Return on plan assets (excluding interest income)	-	-22	-	-22
Actuarial gains (-)/losses (+) due to changes in financial assumptions	-113	-	-	-113
Actuarial gains (-)/losses (+) arising from experience adjustments	54	-	-	54
Changes in the effect of the asset ceiling (excluding interest income/expense)	-	-	5	5
Past service cost	-21	-	-	-21
Contributions from employers	-	-224	-	-224
Contributions from beneficiaries (employees)	6	-6	-	-
Pension benefits paid including plan settlements	-159	44	-	-115
of which ongoing	-155	41	-	-114
of which as part of plan settlements	-4	3	-	-1
Plan takeovers	2	-1	-	1
Changes attributable to currency translation	5	-4	-	1
Balance as at Dec. 31, 2024	3,347	-2,730	58	675
Current service cost	47	-	-	47
Interest income/expense	110	-91	2	21
Return on plan assets (excluding interest income)	-	43	-	43
Actuarial gains (-)/losses (+) due to changes in financial assumptions	-268	-	-	-268
Actuarial gains (-)/losses (+) arising from experience adjustments	35	-	-	35
Changes in the effect of the asset ceiling (excluding interest income/expense)	-	-	19	19
Contributions from employers	-	-21	-	-21
Contributions from beneficiaries (employees)	6	-6	-	-
Pension benefits paid including plan settlements	-168	108	-	-60
of which ongoing	-165	107	-	-58
of which as part of plan settlements	-3	1	-	-2
Plan takeovers	5	-2	-	3
Changes attributable to currency translation	-8	7	-	0
Balance as at Dec. 31, 2025	3,107	-2,691	79	495

OTHER LIABILITIES

€ million	Present value of defined benefit obligations	Fair value of plan assets	Asset ceiling	Defined benefit obligations (net)
Balance as at Jan. 1, 2024	1,573	-1,715	267	125
Current service cost	26	-	-	26
Interest income/expense	49	-54	9	4
Return on plan assets (excluding interest income)	-	31	-	31
Actuarial gains (-)/losses (+) due to changes in financial assumptions	-43	-	-	-43
Actuarial gains (-)/losses (+) arising from experience adjustments	-4	-	-	-4
Changes in the effect of the asset ceiling (excluding interest income/expense)	-	-	11	11
Contributions from beneficiaries (employees)	-	-36	-	-36
Pension benefits paid including plan settlements	-70	61	-	-9
Balance as at Dec. 31, 2024	1,530	-1,713	286	103
Current service cost	24	-	-	24
Interest income/expense	51	-58	10	3
Return on plan assets (excluding interest income)	-	32	-	32
Actuarial gains (-)/losses (+) due to changes in financial assumptions	-127	-	-	-127
Actuarial gains (-)/losses (+) arising from experience adjustments	7	-	-	7
Changes in the effect of the asset ceiling (excluding interest income/expense)	-	-	83	83
Contributions from beneficiaries (employees)	-	-37	-	-37
Pension benefits paid including plan settlements	-72	63	-	-9
Balance as at Dec. 31, 2025	1,413	-1,713	379	79

The transactions to be recognized in profit or loss are included in staff expenses.

The actuarial gains to be recognized in other comprehensive income that were due to changes in the financial assumptions used to calculate the present value of the defined benefit obligations under provisions and other liabilities primarily resulted from the increase in the underlying discount rate to 4.1 percent as at December 31, 2025 (December 31, 2024: increase to 3.40 percent). Moreover, in-year adjustments to current pension entitlements of employees at a number of group entities caused the markup calculated for inflation-driven higher pension adjustments to decrease to 0.0 percent (2024: 1.0 percent), while the lowering of the annuity trend actuarial parameter from 1.95 percent to 1.85 percent and from 2.2 percent to 2.1 percent resulted in further actuarial gains that had to be recognized in other comprehensive income.

DZ BANK AG provided additional funding for the CTA plan assets of €4 million (2024: €206 million) (provisions).

The change in the carrying amounts is largely attributable to the accounting treatment of the pension obligations managed through R+V Pensionsversicherung a.G. The asset ceiling almost exclusively affects plan assets resulting from the initial recognition of the pension obligations managed through R+V Pensionsversicherung a.G. as defined benefit pension plans.

Multi-employer plans

Along with other financial institutions in Germany, entities of the DZ BANK Group are members of organizations such as BVV Versicherungsverein des Bankgewerbes a.G., Berlin, (BVV) and BVV Versorgungskasse des Bankgewerbes e.V., Berlin, (BVVeV). These pension providers provide retirement benefits to eligible employees in Germany. These include plans into which both employers and employees make regular contributions that are usually calculated by applying a contribution rate (as a percentage) to the monthly gross income of the current employees and adding the employer contribution. The tariffs of the pension providers cover both fixed annuity payments with policyholder participation and capital payments. The member entities participate in a settlement class containing the actuarial risk of all pension beneficiaries. There are no agreements about the distribution of deficits or surpluses if the plan is wound up or if a member entity withdraws from the plan. As at December 31, 2025, the two BVV pension providers did not disclose any

deficit or asset shortfall. Each member entity is liable only for its own employment-law obligations in accordance with the insurance terms and conditions, benefit plans, and articles of association. The pension provider cannot allocate the assets in question and the defined benefit obligations relating to current and former employees to the individual member entities. The multi-employer defined benefit plans are therefore accounted for as if they were defined contribution plans in accordance with IAS 19.34. Of the 761 entities (December 31, 2024: 759) that are members of the BVV, 5 are DZ BANK Group entities (December 31, 2024: 5). As had also been the case a year earlier, under 1 percent of the policyholders and pensioners covered by the BVV and BVVeV are attributable to pension entitlements for current or former employees or to recipients of current benefits provided by the DZ BANK Group.

Obligations with minimum funding requirements outside Germany

Measured using the present value of the defined benefit obligations, a volume of €284 million was attributable to plans outside Germany that are subject to minimum funding requirements (December 31, 2024: €305 million). Occupational pension provision in Luxembourg is governed by the Luxembourg Occupational Pensions Act of June 8, 1999 in its most recent version dated January 1, 2019. DZ PRIVATBANK S.A. and IPC Luxemburg have decided to manage occupational pension provision through a pension fund. The legally independent pension fund is subject to the Luxembourg Pension Fund Act of July 13, 2005. The pension plan at DZ BANK's London branch is bound by the funding rules of the United Kingdom's Pensions Regulator. The pension obligations for employees of DZ BANK's New York branch are governed by the minimum funding requirements pursuant to the US Employee Retirement Income Security Act (ERISA). The rules laid down by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (Swiss BVG) apply to DZ PRIVATBANK Schweiz and IPC Schweiz.

» 106 Auditor fees

The total fees charged for 2025 by the independent auditors of the consolidated financial statements, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC), Frankfurt am Main, its affiliates, and other firms in the international PwC network are broken down by type of service as follows:

€ million	2025		2024	
	Total	of which Germany	Total	of which Germany
Auditing services	20.5	18.4	21.3	18.6
Other attestation services	5.6	4.8	5.7	5.0
Other services	0.5	0.5	0.5	0.4
Total	26.7	23.6	27.5	24.0

The fees for auditing services comprise expenses relating to the audit of the consolidated financial statements and group management report of DZ BANK as well as the audits of the annual financial statements and management reports of DZ BANK and consolidated subsidiaries carried out by the auditors of the consolidated financial statements. The fees for auditing services also comprise expenses relating to the review by the auditor of the condensed interim consolidated financial statements and interim group management report. The fees for other attestation services comprise the fees charged for the limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) in respect of the non-financial statement pursuant to sections 315b to 315c HGB, the audit in accordance with section 89 of the German Securities Trading Act (WpHG), and for other audits for which the auditors' professional seal must or can be applied, mainly in connection with regulatory requirements. The fees for other services predominantly include fees for consultancy services.

» 107 Remuneration for the Board of Managing Directors and Supervisory Board of DZ BANK

In 2025, overall remuneration for DZ BANK's Board of Managing Directors from the group in accordance with IAS 24.17 amounted to €12.2 million (2024: €14.3 million). This total is broken down into short-term employee benefits of €8.9 million (2024: €10.3 million), post-employment benefits of €1.7 million (2024: €2.1 million), and share-based payments of €1.6 million (2024: €1.9 million). The remuneration for the Board of Managing Directors in 2025 and 2024 included the total bonus awarded to the Board of Managing Directors for the year in question. Supervisory Board remuneration amounted to €1.0 million (2024: €1.0 million) and consisted of payments due in the short term.

The remuneration for the Board of Managing Directors included contributions of €0.4 million (2024: €0.6 million) to defined contribution pension plans. DZ BANK has defined benefit obligations for the members of the Board of Managing Directors amounting to €15.2 million (December 31, 2024: €27.3 million).

In 2025, the total remuneration for the Board of Managing Directors of DZ BANK for the performance of their duties at DZ BANK and its subsidiaries pursuant to section 314 (1) no. 6a HGB was €11.0 million (2024: €12.8 million), while the total remuneration for the Supervisory Board for the performance of these duties amounted to €1.0 million (2024: €1.0 million).

The total remuneration paid to former members of the Board of Managing Directors or their surviving dependants pursuant to section 314 (1) no. 6b HGB amounted to €9.7 million in 2025 (2024: €9.4 million). DZ BANK has defined benefit obligations for former members of the Board of Managing Directors or their surviving dependants amounting to €129.0 million (December 31, 2024: €129.2 million).

» 108 Share-based payment transactions

The entities in the DZ BANK Group have entered into share-based payment agreements with the members of the Board of Managing Directors and with certain other salaried employees.

BSH has entered into agreements governing variable remuneration paid over several years with the members of its Board of Managing Directors, the managing directors of Schwäbisch Hall Kreditservice GmbH, the heads of division, and a group of selected managers (risk takers). Share-based remuneration is granted if the variable remuneration amounts to €50,000 or more. The amount of variable remuneration depends on the achievement of agreed targets. The targets for the members of BSH's Board of Managing Directors are measured over a period of several years and include the main targets in the corporate strategy; the targets for all other risk takers are measured over a period of one year. The parameters factored into the remuneration are management-related KPIs that are important to a building society. If the variable remuneration amounts to €50,000 or more, 20 percent of it is paid immediately in the following year and 20 percent after a one-year retention period. 60 percent of the bonus is deferred over a period of up to 5 years, with each payment made after a subsequent retention period of one year. During both the deferral period and the retention period, all amounts earmarked for deferred payment are pegged to the change in the enterprise value of the building society. The enterprise value is determined each year by means of a business valuation. If the enterprise value falls, then the deferred bonus components are reduced according to specified bands. A rise in the value does not lead to an increase in the deferred remuneration. Negative contributions to profits are taken into account when setting bonuses and setting pro rata deferrals and at the end of the retention period, which may cause the variable remuneration to be reduced or not be paid. For a period of up to 2 years after the end of a deferral period, a bonus installment already paid can be clawed back, and the entitlement to bonus payments can be canceled, if the managing directors or risk takers have played a significant part in, or were responsible for, conduct that led to substantial losses or material regulatory sanctions for the institution or if the

managing directors or risk takers were in serious breach of relevant external or internal rules regarding suitability and conduct.

The following table shows the changes in unpaid remuneration components at BSH:

€ million	Board of Managing Directors	Risk takers
Unpaid share-based payments as at Jan. 1, 2024	2.1	0.7
Remuneration granted	0.8	0.3
Payment of remuneration granted in 2023	-0.2	-0.1
Payment of remuneration granted in previous years	-0.4	-0.1
Unpaid share-based payments as at Dec. 31, 2024	2.3	0.8
Remuneration granted	0.7	0.4
Payment of remuneration granted in 2024	-0.2	-0.1
Payment of remuneration granted in previous years	-0.5	-0.1
Unpaid share-based payments as at Dec. 31, 2025	2.3	1.1

R+V has entered into agreements governing variable remuneration paid over several years with the members of its Board of Managing Directors and a group of selected salaried employees (risk takers). The amount of variable remuneration depends on the achievement of agreed targets. A proportion of 60 percent of the variable remuneration for members of the Board of Managing Directors, and 40 percent of that for the selected salaried employees, depends on the change in value of the shares in R+V Versicherung AG. In these arrangements, the share value equates to the fair market value of the unlisted shares in R+V Versicherung AG as at December 31 of the year in question. The portion of the bonus subject to payout restrictions will be paid out after 3 years without any reduction if the share value equates to more than 85 percent of the value at the end of the baseline year. If the share value is between 75 percent and 85 percent of this figure, the bonus portion subject to payout restrictions is reduced by half. If the share value falls below 75 percent, payment of the part of the bonus subject to payout restrictions is canceled in full.

The following table shows the changes in unpaid remuneration components at R+V:

€ million	Board of Managing Directors	Risk takers
Unpaid share-based payments as at Jan. 1, 2024	3.0	0.3
Remuneration granted	1.3	0.1
Payment of remuneration granted in previous years	-0.9	-0.1
Unpaid share-based payments as at Dec. 31, 2024	3.3	0.3
Remuneration granted	1.3	0.1
Payment of remuneration granted in previous years	-1.0	-
Reduction of share-based payments	-	-0.1
Unpaid share-based payments as at Dec. 31, 2025	3.6	0.3

TeamBank has entered into agreements governing variable remuneration paid over several years with the members of its Board of Managing Directors and risk takers. The amount of variable remuneration depends on the achievement of agreed targets. 20 percent of the variable remuneration is paid immediately in the following year after it has been set. Another 20 percent is subject to a retention period of one calendar year. The remaining 60 percent is paid in 5 tranches, each of 12 percent, within 5 calendar years. The variable remuneration is dependent on the long-term changes in the enterprise value of TeamBank. The value is determined using the income capitalization approach.

The following table shows the changes in unpaid remuneration components at TeamBank:

€ million	Board of Managing Directors	Risk takers
Unpaid share-based payments as at Jan. 1, 2024	1.5	0.3
Remuneration granted	0.4	0.1
Payment of remuneration granted in 2023	-0.1	-
Payment of remuneration granted in previous years	-0.3	-
Unpaid share-based payments as at Dec. 31, 2024	1.5	0.3
Remuneration granted	0.4	0.1
Payment of remuneration granted in 2024	-0.1	-
Payment of remuneration granted in previous years	-0.4	-
Reduction of share-based payments	-0.1	-
Unpaid share-based payments as at Dec. 31, 2025	1.4	0.3

DZ BANK has entered into agreements governing variable remuneration paid over several years with the members of its Board of Managing Directors, heads of division, and a group of selected salaried employees (risk takers). The amount of variable remuneration depends on the achievement of agreed targets. In the case of members of the Board of Managing Directors and heads of division, 80 percent of the total variable remuneration is deferred over a period of up to 6 years from when the bonus is determined. For risk takers below the level of head of division with variable remuneration of more than €130,000, 80 percent of the total variable remuneration is deferred over a period of up to 5 years from when the bonus is determined. For risk takers below the level of head of division with variable remuneration of more than €50,000 and up to €130,000, 70 percent of the total variable remuneration is deferred over a period of up to 5 years from when the bonus is determined. Amounts are paid out after taking into account deferral and retention periods. The deferred portion of the variable remuneration may be reduced or even fully withdrawn if there is an adverse change in the value of DZ BANK shares or if there are negative contributions to profits from DZ BANK, individual divisions, or individual activities. A rise in the value of DZ BANK shares does not lead to an increase in the deferred remuneration. The value of the shares is determined each year by means of an independent business valuation. The deferred portion of the variable remuneration for members of the Board of Managing Directors is reduced by 50 percent if the share price falls by between 7.5 percent and 12.5 percent. If the share price drops by more than 12.5 percent, the deferred portion of the variable remuneration is canceled. In the case of heads of division and risk takers below the level of head of division, the deferred portion of the variable remuneration is reduced by 25 percent if the share price falls by between 15 percent and 20 percent. If the share price drops by between 20 percent and 25 percent, the deferred portion of the variable remuneration is reduced by 50 percent. If the share price drops by more than 25 percent, the deferred portion of the variable remuneration is canceled. If the change in the share price does not reach the specified threshold values, the deferred portion of the variable remuneration is not reduced as a result of the change in the share price. Based on a value per DZ BANK share of €8.05 as at December 31, 2020, a value per share of €8.80 as at December 31, 2021, a value per share of €9.05 as at December 31, 2022, a value per share of €10.45 as at December 31, 2023, a value per share of €11.70 as at December 31, 2024, and a value per share of €13.50 as at December 31, 2025, it can currently be assumed that the deferred remuneration will be paid in full. No options have been granted for these groups of employees.

The following table shows the changes in unpaid remuneration components at DZ BANK:

€ million	Board of Managing Directors	Risk takers
Unpaid share-based payments as at Jan. 1, 2024	3.4	10.1
Remuneration granted	1.7	3.9
Payment of remuneration granted in 2023	-0.5	-1.9
Payment of remuneration granted in previous years	-1.0	-4.3
Unpaid share-based payments as at Dec. 31, 2024	3.7	7.9
Remuneration granted	1.9	4.1
Payment of remuneration granted in 2024	-0.4	-2.0
Payment of remuneration granted in previous years	-1.3	-4.1
Unpaid share-based payments as at Dec. 31, 2025	3.8	5.8

DZ HYP has entered into agreements governing variable remuneration paid over several years with the members of its Board of Managing Directors. The level of variable performance-based remuneration is based on the achievement of quantitative and qualitative targets derived from the corporate strategy in the form of group, bank, area of board responsibility, and individual targets. 20 percent of the variable remuneration is paid immediately in the following year after the annual financial statements have been adopted and the variable remuneration has been set by the Supervisory Board. Payment of the remaining 80 percent of the bonus set for the previous year is spread out over a period of up to 6 years in total, taking into account deferral and retention periods. All amounts earmarked for deferred payment are linked to the long-term performance of DZ HYP because they are pegged to its enterprise value, which is calculated using the income capitalization approach. Negative contributions to profits are taken into account when setting bonuses and pro rata deferrals, which may cause the variable remuneration to be reduced or canceled.

The heads of division are classified as risk takers. Individual contractual agreements on variable performance-based remuneration have been reached with the heads of division. The variable performance-based remuneration is set with reference to a contractually agreed target bonus. Quantitative and qualitative targets derived from the corporate strategy in the form of group, overall bank, divisional, and individual targets are assessed and used to determine the actual bonus level. If the variable performance-based remuneration amounts to €50,000 or exceeds a third of the total annual remuneration, only 20 percent of the variable remuneration is paid immediately in the following year. The other 80 percent of the bonus set is deferred over a period of up to 6 years. 50 percent of the total bonus amount set is pegged to the long-term performance of DZ HYP, which is calculated on the basis of the enterprise value. Negative contributions to profits are taken into account when setting bonuses and pro rata deferrals.

The following table shows the changes in unpaid remuneration components at DZ HYP:

€ million	Board of Managing Directors	Risk takers
Unpaid share-based payments as at Jan. 1, 2024	1.0	0.5
Remuneration granted	0.4	0.1
Payment of remuneration granted in 2023	-0.1	-0.1
Payment of remuneration granted in previous years	-0.1	-0.1
Unpaid share-based payments as at Dec. 31, 2024	1.3	0.4
Remuneration granted	0.4	0.1
Payment of remuneration granted in 2024	-0.1	-0.1
Payment of remuneration granted in previous years	-0.3	-0.1
Unpaid share-based payments as at Dec. 31, 2025	1.3	0.4

DZ PRIVATBANK has entered into arrangements about the payment of variable remuneration components with the members of its Board of Managing Directors and a group of selected salaried employees (risk takers). The amount of variable remuneration depends on the achievement of agreed targets. 80 percent of the total variable remuneration is deferred over a period of up to 6 years from when the bonus is determined. Amounts are paid out after taking into account deferral and retention periods. All deferred payouts are linked to the long-term change in the enterprise value of DZ PRIVATBANK. The enterprise value is determined each year by means of a business valuation. Negative contributions to profits are taken into account when setting bonuses, when setting each pro rata deferred bonus, and when setting the pro rata deferred bonus at the end of the retention period, which may cause the variable remuneration to be reduced or not be paid.

The following table shows the changes in unpaid remuneration components at DZ PRIVATBANK:

€ million	Board of Managing Directors	Risk takers
Unpaid share-based payments as at Jan. 1, 2024	3.5	0.5
Remuneration granted	1.1	-
Payment of remuneration granted in 2023	-0.1	-
Payment of remuneration granted in previous years	-0.3	-0.1
Unpaid share-based payments as at Dec. 31, 2024	4.1	0.4
Remuneration granted	0.9	-
Payment of remuneration granted in 2024	-0.2	-
Payment of remuneration granted in previous years	-0.4	-0.1
Reduction of share-based payments	-0.4	-
Unpaid share-based payments as at Dec. 31, 2025	4.0	0.3

In addition to a basic salary, the remuneration system for the Board of Managing Directors of VR Smart Finanz includes a variable remuneration component. It is determined on the basis of quantitative and qualitative targets derived from the corporate strategy in the form of group, entity, area of board responsibility, and individual targets. A three-year period is applied as the basis for calculating target achievement. The maximum variable remuneration is set in the event of full achievement of each individual target. 20 percent of the bonus achieved is paid immediately in the following year after the annual financial statements have been adopted and the bonus has been set by the Supervisory Board. Another 20 percent is subject to a retention period of one calendar year. Payment of the remaining 60 percent of the bonus set by the Supervisory Board for the previous financial year is spread over a period of 5 calendar years in 5 tranches, each of 12 percent, taking into account deferral and retention periods. All amounts earmarked for deferred payment are linked to the long-term performance of VR Smart Finanz because they are pegged to its enterprise value, which is calculated using the income capitalization approach. Negative contributions to profits are taken into account when setting the amount of variable remuneration and pro rata deferrals, which may cause the variable remuneration to be reduced or canceled.

The following table shows the changes in unpaid remuneration components at VR Smart Finanz:

€ million	Board of Managing Directors
Unpaid share-based payments as at Jan. 1, 2024	1.1
Remuneration granted	0.4
Payment of remuneration granted in 2023	-0.1
Payment of remuneration granted in previous years	-0.2
Reduction of share-based payments	-0.1
Unpaid share-based payments as at Dec. 31, 2024	1.0
Remuneration granted	0.4
Payment of remuneration granted in previous years	-0.2
Reduction of share-based payments	-0.4
Unpaid share-based payments as at Dec. 31, 2025	0.8

In 2025, the agreements described above gave rise to expenses for share-based payment transactions in the DZ BANK Group of €12.8 million (2024: €14.6 million) and income from the reversal of provisions for share-based payments of €1.9 million (2024: €2.3 million). As at December 31, 2025, the provisions recognized for share-based payment transactions in the DZ BANK Group amounted to €62.5 million (December 31, 2024: €63.1 million).

» 109 Related party disclosures

DZ BANK enters into transactions with related parties (persons or entities) as part of its ordinary business activities. All of this business is transacted on an arm's length basis. Most of these transactions involve typical banking products and financial services.

Transactions with related parties (entities)

€ million	Dec. 31, 2025	Dec. 31, 2024
Loans and advances to banks	4	34
to joint ventures	4	34
Loans and advances to customers	138	155
to subsidiaries	30	40
to joint ventures	15	14
to associates	59	73
to pension plans for the benefit of employees	33	28
Financial assets held for trading	2	1
of other related parties (entities)	2	1
Investments	-	5
of joint ventures	-	5
Investments held by insurance companies	419	406
of subsidiaries	239	251
of pension plans for the benefit of employees	180	155
Property, plant and equipment, and investment property	2	2
of subsidiaries	2	2
Other assets	57	42
of subsidiaries	53	39
of joint ventures	3	2
of associates	1	-
of pension plans for the benefit of employees	1	1
Deposits from banks	174	67
owed to subsidiaries	4	-
owed to joint ventures	170	67
Deposits from customers	301	282
owed to subsidiaries	172	151
owed to associates	15	15
owed to other related parties (entities)	115	116
Financial liabilities held for trading	4	5
of other related parties (entities)	4	5
Insurance contract liabilities	-	5
of subsidiaries	-	5
Other liabilities	13	19
of subsidiaries	7	9
of joint ventures	-	1
of pension plans for the benefit of employees	6	9
Subordinated capital	22	28
of pension plans for the benefit of employees	22	28
Contingent liabilities	-	2
of subsidiaries	-	2

€ million	Dec. 31, 2025	Dec. 31, 2024
Financial guarantee contracts	13	23
for subsidiaries	13	22
Loan commitments	909	962
to subsidiaries	53	64
to joint ventures	350	350
to associates	1	2
to pension plans for the benefit of employees	504	546

Income of €3 million (2024: income of €5 million) in the total reported net interest income and expenses of €13 million (2024: income of €25 million) in the total reported net income from insurance business were attributable to transactions with related parties (entities). The balance of income and expenses included in the total reported net fee and commission income amounted to income of €3 million (2024: income of €3 million).

Transactions with related parties (persons)

Related parties (persons) are key management personnel who are directly or indirectly responsible for the planning, management, and supervision of the activities of DZ BANK, as well as their close family members. For the purposes of IAS 24, the DZ BANK Group considers the members of the Board of Managing Directors and the members of the Supervisory Board to be key management personnel. As at December 31, 2025, the DZ BANK Group's loans and loan commitments to related parties (persons) amounted to €1.5 million (December 31, 2024: €0.6 million).

Like unrelated parties, key management personnel and their close family members also have the option of obtaining further financial services from the DZ BANK Group, for example in the form of insurance contracts, home savings contracts, and leases. Where they make use of this option, the transactions are carried out on an arm's-length basis.

» 110 Board of Managing Directors

Dr. Cornelius Riese

(Chief Executive Officer)

Responsibilities: Cooperative Banks/Verbund;
Communications & Marketing; Group Audit;
Legal; Strategy & Group Development
(including Sustainability Coordination)

Stefan Beismann

(Member of the Board of Managing Directors since August 1, 2025)

Responsibilities: Corporate Banking Baden-Württemberg; Corporate Banking Bavaria; Corporate Banking North and East; Corporate Banking West/Central; Investment Promotion; Central Corporate Banking

Souâd Benkredda

Responsibilities: Capital Markets Trading; Capital Markets Institutional Clients; Capital Markets Retail Clients; Group Treasury Structured Finance

Uwe Berghaus

(Member of the Board of Managing Directors until July 31, 2025)

Dr. Christian Brauckmann

Responsibilities: IT; Operations & Depository Bank; Payments & Accounts; Services & Organisation; Transaction Management

Ulrike Brouzi

Responsibilities: Bank Finance; Compliance; Group Finance; Group Financial Services

Johannes Koch

Responsibilities: Group Human Resources; Research and Economics; Strategy & Group Development (including Sustainability Coordination)

Michael Speth

Responsibilities: Group Risk Controlling; Group Risk Control & Services; Credit

Thomas Ullrich

(Member of the Board of Managing Directors until June 30, 2025)

» 111 General Executive Managers

Stefan Beismann

(January 1 to July 31, 2025)

Dr. Imke Jacob

» 112 Supervisory Board

Henning Deneke-Jöhrens

(Chairman of the Supervisory Board)

Chief Executive Officer

Volksbank eG Hildesheim-Lehrte-Pattensen

Ulrich Birkenstock

(Deputy Chairman of the Supervisory Board)

Employee

R+V Allgemeine Versicherung AG

Dr. Gerhard Walther

(Deputy Chairman of the Supervisory Board)

Chief Executive Officer

VR-Bank Mittelfranken Mitte eG

Uwe Barth

Spokesman of the Board of Managing Directors (ret.)

Volksbank Freiburg eG

(Member of the Supervisory Board until May 21, 2025)

Dirk Dejewski

Co-Spokesman of the Board of Managing Directors

VR Bank zwischen den Meeren eG

(Member of the Supervisory Board since May 21, 2025)

Pia Erning

Employee

DZ BANK AG

Deutsche Zentral-Genossenschaftsbank

Deria Gomm

Labor union secretary

Codetermination division

ver.di Bundesverwaltung

(Member of the Supervisory Board since May 21, 2025)

Timm Häberle

Chief Executive Officer

VR-Bank Ludwigsburg eG

Dr. Peter Hanker

Spokesman of the Board of Managing Directors

Volksbank Mittelhessen eG

Andrea Hartmann

Employee

Bausparkasse Schwäbisch Hall AG

Pilar Herrero Lerma

Employee

DZ BANK AG

Deutsche Zentral-Genossenschaftsbank

Dr. Dierk Hirschel

Head of the Economic Policy Division

ver.di Bundesverwaltung

Josef Hodrus

Spokesman of the Board of Managing Directors

Volksbank Allgäu-Oberschwaben eG

Marija Kolak

President

Bundesverband der Deutschen Volksbanken
und Raiffeisenbanken e.V. (BVR)

Sascha Monschauer

Chief Executive Officer

VR Bank RheinAhrEifel eG

Dr. Florian Müller

Member of the Board of Managing Directors
Volksbank Sauerland eG

Elke Müller-Jordan

Chief Executive Officer
Heidenheimer Volksbank eG
(Member of the Supervisory Board since May 21, 2025)

Wolfgang Nett

Sales Director
Union Investment Privatfonds GmbH
(Member of the Supervisory Board until February 28, 2025)

Jan Picklaps

Employee
Reisebank AG
(Member of the Supervisory Board since March 1, 2025)

Rolf Dieter Pogacar

Employee
R+V Allgemeine Versicherung AG

Michael Sauer

Customer and Sales Director North
R+V Allgemeine Versicherung AG

Stephan Schack

Member of the Board of Managing Directors (until August 1, 2025)
Volksbank Raiffeisenbank eG, Itzehoe
(Member of the Supervisory Board until May 21, 2025)

Sigrid Stenzel

Freelance employee
ver.di Niedersachsen-Bremen
(Member of the Supervisory Board until May 21, 2025)

Stefan Wittmann

Labor union secretary
Banking industry expert group
ver.di Bundesverwaltung

Supervisory Board committees

Nominations Committee

Henning Deneke-Jöhrens, Chairman
Ulrich Birkenstock*, Deputy Chairman
Pia Erning*
Timm Häberle
Andrea Hartmann*, member since March 1, 2025
Wolfgang Nett*, member until February 28, 2025
Dr. Gerhard Walther

Remuneration Control Committee

Henning Deneke-Jöhrens, Chairman
Ulrich Birkenstock*, Deputy Chairman
Pia Erning*
Dr. Peter Hanker
Andrea Hartmann*, member since March 1, 2025
Wolfgang Nett*, member until February 28, 2025
Dr. Gerhard Walther

Mediation Committee

Henning Deneke-Jöhrens, Chairman
Ulrich Birkenstock*, Deputy Chairman
Dr. Dierk Hirschel*
Dr. Gerhard Walther

Audit Committee

Timm Häberle, Chairman
Henning Deneke-Jöhrens
Pia Erning*
Dr. Peter Hanker
Andrea Hartmann*
Marija Kolak
Dr. Florian Müller, member since May 21, 2025
Rolf Dieter Pogacar*
Stephan Schack, member until May 21, 2025
Dr. Gerhard Walther

Risk Committee

Dr. Peter Hanker, Chairman
Henning Deneke-Jöhrens
Timm Häberle
Andrea Hartmann*
Pilar Herrero Lerma*
Dr. Dierk Hirschel*
Josef Hodrus
Sascha Monschauer
Michael Sauer*
Dr. Gerhard Walther

*Employee representatives.

» 113 Mandates on supervisory bodies

Within DZ BANK

As at December 31, 2025, members of the Board of Managing Directors and employees also held mandates on the statutory supervisory bodies of major companies. These and other notable mandates are listed below. Companies that are fully consolidated in the consolidated financial statements are indicated with an asterisk (*).

Members of the Board of Managing Directors

Dr. Cornelius Riese
(Chief Executive Officer)

Bausparkasse Schwäbisch Hall AG, Schwäbisch Hall (*)
Chairman of the Supervisory Board

R+V Versicherung AG, Wiesbaden (*)
Chairman of the Supervisory Board

TeamBank AG Nürnberg, Nuremberg (*)
Chairman of the Supervisory Board

Union Asset Management Holding AG, Frankfurt am Main (*)
Chairman of the Supervisory Board

Stefan Beismann

DZ HYP AG, Hamburg and Münster (*)
Member of the Supervisory Board

EDEKABANK AG, Hamburg
Member of the Supervisory Board

Souâd Benkredda

R+V Lebensversicherung AG, Wiesbaden (*)
Member of the Supervisory Board

Dr. Christian Brauckmann

Atruvia AG, Frankfurt am Main
Member of the Supervisory Board

Deutsche WertpapierService Bank AG, Frankfurt am Main
Deputy Chairman of the Supervisory Board

DZ PRIVATBANK S.A., Strassen (*)
(since January 2, 2026: DZ PRIVATBANK AG, Frankfurt am Main)
Deputy Chairman of the Supervisory Board

Ulrike Brouzi

Bausparkasse Schwäbisch Hall AG, Schwäbisch Hall (*)
Member of the Supervisory Board

R+V Allgemeine Versicherung AG, Wiesbaden (*)
Member of the Supervisory Board

R+V Lebensversicherung AG, Wiesbaden (*)
Member of the Supervisory Board

Salzgitter AG, Salzgitter
Member of the Supervisory Board

Union Asset Management Holding AG, Frankfurt am Main (*)
Member of the Supervisory Board

Johannes Koch

DZ HYP AG, Hamburg and Münster (*)
Chairman of the Supervisory Board

DZ PRIVATBANK S.A., Strassen (*)
(since January 2, 2026: DZ PRIVATBANK AG, Frankfurt am Main)
Chairman of the Supervisory Board

VR Smart Finanz AG, Eschborn (*)
Chairman of the Supervisory Board

Michael Speth

BAG Bankaktiengesellschaft, Hamm
Member of the Supervisory Board

DZ HYP AG, Hamburg and Münster (*)
Member of the Supervisory Board

R+V Versicherung AG, Wiesbaden (*)
Member of the Supervisory Board

VR Smart Finanz AG, Eschborn (*)
Deputy Chairman of the Supervisory Board

DZ BANK employees

Matthias Bergner

Deutsche WertpapierService Bank AG, Frankfurt am Main
Member of the Supervisory Board

Rolf Büscher

Reisebank AG, Frankfurt am Main (*)
Deputy Chairman of the Supervisory Board

Gottfried Finken

AKA Ausfuhrkredit-Gesellschaft mbH, Frankfurt am Main
Member of the Supervisory Board

Dr. Imke Jacob

Deutsche WertpapierService Bank AG, Frankfurt am Main
Member of the Supervisory Board

TeamBank AG Nürnberg, Nuremberg (*)
Deputy Chairwoman of the Supervisory Board

VR Payment GmbH, Frankfurt am Main (*)
Chairwoman of the Supervisory Board

Dr. Holger Kumm

VR Payment GmbH, Frankfurt am Main (*)
Member of the Supervisory Board

Andrea Meier

Reisebank AG, Frankfurt am Main (*)
Member of the Supervisory Board

VR Payment GmbH, Frankfurt am Main (*)
Member of the Supervisory Board

Gregor Roth

Reisebank AG, Frankfurt am Main (*)
Chairman of the Supervisory Board

Eva-Maria Strube

Deutsche WertpapierService Bank AG, Frankfurt am Main
Member of the Supervisory Board

Reisebank AG, Frankfurt am Main (*)
Member of the Supervisory Board

Peter Tenbohlen

Deutsche WertpapierService Bank AG, Frankfurt am Main
Member of the Supervisory Board

Maria Valdes Stauber

Banco Cooperativo Español S.A., Madrid
Member of the Board of Directors

Dagmar Werner

Banco Cooperativo Español S.A., Madrid
Member of the Board of Directors

In the DZ BANK Group

As at December 31, 2025, members of the Boards of Managing Directors and employees also held mandates on the statutory supervisory bodies of the following major companies in Germany. Companies that are fully consolidated in the consolidated financial statements are indicated with an asterisk (*).

Mike Kammann Chief Executive Officer Bausparkasse Schwäbisch Hall AG	Schwäbisch Hall Kreditservice GmbH, Schwäbisch Hall (*) Chairman of the Supervisory Board
Claudia Klug General Executive Manager Bausparkasse Schwäbisch Hall AG	Schwäbisch Hall Facility Management GmbH, Schwäbisch Hall (*) Chairwoman of the Supervisory Board
Dr. Dirk Otterbach Senior manager Bausparkasse Schwäbisch Hall AG	Schwäbisch Hall Facility Management GmbH, Schwäbisch Hall (*) Member of the Supervisory Board
Dr. Norbert Rollinger Chief Executive Officer R+V Versicherung AG	Condor Lebensversicherungs-AG, Hamburg (*) Chairman of the Supervisory Board
	KRAVAG-ALLGEMEINE Versicherungs-AG, Hamburg (*) Chairman of the Supervisory Board
	KRAVAG-LOGISTIC Versicherungs-AG, Hamburg (*) Chairman of the Supervisory Board
	R+V Allgemeine Versicherung AG, Wiesbaden (*) Chairman of the Supervisory Board
	R+V Krankenversicherung AG, Wiesbaden (*) Chairman of the Supervisory Board
	R+V Lebensversicherung AG, Wiesbaden (*) Chairman of the Supervisory Board
	R+V Pensionsfonds AG, Wiesbaden (*) Chairman of the Supervisory Board
	Union Asset Management Holding AG, Frankfurt am Main (*) Member of the Supervisory Board

Claudia Andersch

Member of the Board of Managing Directors
R+V Versicherung AG

Condor Lebensversicherungs-AG, Hamburg (*)
Member of the Supervisory Board

R+V Pensionsfonds AG, Wiesbaden (*)
Deputy Chairwoman of the Supervisory Board

R+V Pensionskasse AG, Wiesbaden (*)
Chairwoman of the Supervisory Board

Volker Buchem

Member of the Board of Managing Directors
R+V Versicherung AG

KRAVAG-ALLGEMEINE Versicherungs-AG, Hamburg (*)
Member of the Supervisory Board

KRAVAG-LOGISTIC Versicherungs-AG, Hamburg (*)
Member of the Supervisory Board

R+V Pensionskasse AG, Wiesbaden (*)
Deputy Chairman of the Supervisory Board

CHEMIE Pensionsfonds AG, Wiesbaden (*)
Member of the Supervisory Board

Dr. Klaus Endres

Member of the Board of Managing Directors
R+V Versicherung AG

Securitas Holding GmbH, Berlin
Member of the Supervisory Board

Sprint Sanierung GmbH, Cologne
Chairman of the Supervisory Board

Jens Hasselbacher

Member of the Board of Managing Directors
R+V Versicherung AG

R+V Krankenversicherung AG, Wiesbaden (*)
Deputy Chairman of the Supervisory Board

R+V Pensionskasse AG, Wiesbaden (*)
Member of the Supervisory Board

Marc René Michallet

Member of the Board of Managing Directors
R+V Versicherung AG

CHEMIE Pensionsfonds AG, Wiesbaden (*)
Member of the Supervisory Board

Condor Lebensversicherungs-AG, Hamburg (*)
Deputy Chairman of the Supervisory Board

GWG Gesellschaft für Wohnungs- und Gewerbebau
Baden-Württemberg AG, Stuttgart (*)
Chairman of the Supervisory Board

KRAVAG-ALLGEMEINE Versicherungs-AG, Hamburg (*)
Member of the Supervisory Board

KRAVAG-LOGISTIC Versicherungs-AG, Hamburg (*)
Member of the Supervisory Board

R+V Pensionsfonds AG, Wiesbaden (*)
Member of the Supervisory Board

Dragica Mischler

Member of the Board of Managing Directors
R+V Versicherung AG

KRAVAG-ALLGEMEINE Versicherungs-AG, Hamburg (*)
Member of the Supervisory Board

KRAVAG-LOGISTIC Versicherungs-AG, Hamburg (*)
Member of the Supervisory Board

Dr. Holger Nieswandt

Member of the Board of Managing Directors
R+V Versicherung AG

KRAVAG-ALLGEMEINE Versicherungs-AG, Hamburg (*)
Member of the Supervisory Board

KRAVAG-LOGISTIC Versicherungs-AG, Hamburg (*)
Member of the Supervisory Board

R+V Direktversicherung AG, Wiesbaden (*)
Member of the Supervisory Board

Christian Polenz

Chief Executive Officer
TeamBank AG Nürnberg

SCHUFA Holding AG, Wiesbaden
Chairman of the Supervisory Board

Hans Joachim Reinke

Chief Executive Officer
Union Asset Management Holding AG

Union Investment Institutional GmbH, Frankfurt am Main (*)
Deputy Chairman of the Supervisory Board

Union Investment Privatfonds GmbH, Frankfurt am Main (*)
Chairman of the Supervisory Board

Union Investment Real Estate GmbH, Hamburg (*)
Deputy Chairman of the Supervisory Board

Sonja Albers

Member of the Board of Managing Directors
Union Asset Management Holding AG

Union Investment Service Bank AG, Frankfurt am Main (*)
Chairwoman of the Supervisory Board

Union Investment Services & IT GmbH, Frankfurt am Main (*)
Chairwoman of the Supervisory Board

Dr. Frank Engels

Member of the Board of Managing Directors
Union Asset Management Holding AG

Quoniam Asset Management GmbH, Frankfurt am Main (*)
Chairman of the Supervisory Board

Union Investment Institutional Property GmbH, Hamburg (*)
Chairman of the Supervisory Board

Union Investment Privatfonds GmbH, Frankfurt am Main (*)
Deputy Chairman of the Supervisory Board

Union Investment Real Estate GmbH, Hamburg (*)
Chairman of the Supervisory Board

Union Investment Service Bank AG, Frankfurt am Main (*)
Deputy Chairman of the Supervisory Board

Giovanni Gay

Member of the Board of Managing Directors
Union Asset Management Holding AG

Union Investment Services & IT GmbH, Frankfurt am Main (*)
Deputy Chairman of the Supervisory Board

André Haagmann

Member of the Board of Managing Directors
Union Asset Management Holding AG

Union Investment Institutional GmbH, Frankfurt am Main (*)
Chairman of the Supervisory Board

Union Investment Institutional Property GmbH, Hamburg (*)
Deputy Chairman of the Supervisory Board

Dr. Daniel Günnewig

Employee
Union Asset Management Holding AG

Union Investment Service Bank AG, Frankfurt am Main (*)
Member of the Supervisory Board

Harald Rieger

Member of the Board of Managing Directors
Union Investment Institutional GmbH

Quoniam Asset Management GmbH, Frankfurt am Main (*)
Deputy Chairman of the Supervisory Board

Dr. Michael Bütter

Chief Executive Officer
Union Investment Real Estate GmbH

Union Investment Institutional Property GmbH, Hamburg (*)
Member of the Supervisory Board

Dr. Gunter Haueisen

Chief Executive Officer
ZBI GmbH

Quoniam Asset Management GmbH, Frankfurt am Main (*)
Member of the Supervisory Board

Hans-Peter Hesse

Member of the Board of Managing Directors
ZBI GmbH

ZBI Fondsmanagement GmbH, Erlangen (*)
Deputy Chairman of the Supervisory Board

Fabian John

Member of the Board of Managing Directors
ZBI GmbH

ZBI Fondsmanagement GmbH, Erlangen (*)
Chairman of the Supervisory Board

» 114 List of shareholdings

SUBSIDIARIES

Name	Location	Shareholding	Voting rights, if different	Equity in € '000	Profit/loss in € '000
APZ Beteiligungs GmbH 1)	Darmstadt	88.50	100.00	24,360	-1,359 *
APZ CarMotion GmbH 1)	Fischamend, Austria	100.00		339	-247 *
APZ GmbH 1)	Darmstadt	100.00		7,021	- *
APZ Mobility GmbH i.L. 1)	Darmstadt	100.00		-	76 *
APZ Smart Repair GmbH 1)	Munich	100.00		139	- *
Assimoco S.p.A. 1)	Milan, Italy	66.77		508,171	22,878 *
Assimoco Vita S.p.A. 1)	Milan, Italy	100.00		399,965	31,129 *
Attrax Financial Services S.A. 1)	Senningerberg, Luxembourg	100.00		106,797	41,992 *
Aufbau und Handelsgesellschaft mbH 1)	Stuttgart	94.90		525	- *
AXICA Kongress- und Tagungszentrum Pariser Platz 3 GmbH 4)	Berlin	100.00		26	- *
axytos Finance Holding GmbH 1)	Langen	100.00		4,169	72 *
axytos GmbH 1)	Langen	100.00		-	-1,563 *
axytos Software GmbH 1)	Langen	100.00		-	234 *
axytovento GmbH 1)	Langen	100.00		-	18 *
BankingGuide GmbH	Düsseldorf	60.00		1,319	516 *
BAUFINEX GmbH 1)	Schwäbisch Hall	70.00		3,298	2,037
BAUFINEX Service GmbH 1)	Berlin	50.00	75.00	25	-
Bausparkasse Schwäbisch Hall Aktiengesellschaft - Bausparkasse der Volksbanken und Raiffeisenbanken - 4)	Schwäbisch Hall	97.61		1,812,302	-
BCC Assicurazioni S.p.A. 1)	Milan, Italy	51.00		14,734	-9,851 *
Blitz D25-196 GmbH 1)	Munich	100.00		n/a	n/a
Blitz D25-197 GmbH 1)	Munich	100.00		n/a	n/a
BWG Baugesellschaft Württembergischer Genossenschaften mbH 1)	Stuttgart	94.78		9,965	- *
carexpert Kfz-Sachverständigen GmbH 1)	Mainz	60.00		2,139	304 *
CHEMIE Pensionsfonds AG 1)	Wiesbaden	100.00		35,818	3,000 *
CI CONDOR Immobilien GmbH 1)	Hamburg	100.00		20,100	- *
compertis Beratungsgesellschaft für betriebliches Vorsorgemanagement mbH 1)	Wiesbaden	100.00		4,271	813 *
Condor Dienstleistungs GmbH 1)	Hamburg	100.00		645	27 *
Condor Lebensversicherungs-Aktiengesellschaft 1)	Hamburg	94.98		51,742	- *
Consorzio Caes Italia S.C.S. 1)	Milan, Italy	87.72		530	65 *
Deucalion Limited 3)	George Town, Cayman Islands	-		1,302	3,043 *
Dilax Beteiligungs Verwaltungsgesellschaft mbH 1)	Berlin	100.00		24	- *
DVB Fontainburg Aviation Capital Services Ltd (Cayman Islands)	Grand Cayman, Cayman Islands	-		-	- **
DVB Transport Finance Limited i.L.	London, UK	100.00		32,887	-459 *
DVG Deutsche Vermögensverwaltungs-Gesellschaft mit beschränkter Haftung 4)	Frankfurt am Main	100.00		82	- *
DZ BANK Kunststiftung gGmbH	Frankfurt am Main	100.00		82	- *
DZ BANK Sao Paulo Representacao Ltda.	São Paulo, Brazil	100.00		455	20 *
DZ Beteiligungsgesellschaft mbH Nr. 11 4)	Frankfurt am Main	100.00		4,220	-
DZ Beteiligungsgesellschaft mbH Nr. 18 4)	Frankfurt am Main	100.00		57,237	-
DZ Beteiligungsgesellschaft mbH Nr. 21 4)	Frankfurt am Main	100.00		25	-
DZ Beteiligungsgesellschaft mbH Nr. 22	Frankfurt am Main	100.00		31	-2 *
DZ Beteiligungsgesellschaft mbH Nr. 23 4)	Frankfurt am Main	100.00		25	-
DZ CompliancePartner GmbH 4)	Neu-Isenburg	100.00		2,086	-
DZ FINANCIAL MARKETS LLC	New York, USA	100.00		9,300	1,252 *
DZ Gesellschaft für Grundstücke und Beteiligungen mbH 4)	Frankfurt am Main	100.00		5,293	-
DZ HYP AG 3) 4)	Hamburg/Münster	96.43		1,127,331	-
DZ PRIVATBANK (Schweiz) AG 1)	Zurich, Switzerland	100.00		215,447	19,628
DZ PRIVATBANK S.A. (since January 2, 2026: DZ PRIVATBANK AG) 3)	Strassen, Luxembourg (since January 2, 2026: Frankfurt am Main)	92.70		1,326,771	74,704
DZ Versicherungsvermittlung Gesellschaft mbH 4)	Frankfurt am Main	100.00		51	- *
easymize GmbH 1)	Wiesbaden	100.00		761	-1,729 *
Englische Strasse 5 GmbH 1)	Wiesbaden	90.00		15,456	596 *
FKS-NAVIGIUM GmbH 1)	Eschborn	100.00		599	4,591
GAF Active Life 1 Renditebeteiligungs-GmbH & Co. KG i.L. 1)	Nidderau	96.56		3,418	-267 *
GAF Active Life 2 Renditebeteiligungs-GmbH & Co. KG 1)	Nidderau	95.03		76,988	4,640 **
GENO Broker GmbH 4)	Frankfurt am Main	100.00		10,000	-
Genoflex GmbH 1)	Nuremberg	70.00		925	295 *
GMS Holding GmbH 1)	Paderborn	88.89	75.00	21,130	-1,251 *

SUBSIDIARIES

Name	Location	Shareholding	Voting rights, if different	Equity in € '000	Profit/loss in € '000
GMS Management und Service GmbH 1)	Frankfurt am Main	100.00		485	-228 *
GWG 1. Wohn GmbH & Co. KG 1)	Stuttgart	100.00		2,000	1,313 *
GWG 2. Wohn GmbH & Co. KG 1)	Stuttgart	100.00		3,000	247 *
GWG 3. Wohn GmbH & Co. KG 1)	Stuttgart	100.00		7,000	2,014 *
GWG 4. Wohn GmbH & Co. KG 1)	Stuttgart	100.00		9,000	1,704 *
GWG Beteiligungsgesellschaft mbH 1)	Stuttgart	100.00		32	1 *
GWG Gesellschaft für Wohnungs- und Gewerbebau Baden- Württemberg AG 1)	Stuttgart	91.62		409,022	14,548 *
GWG Hausbau GmbH 1)	Stuttgart	94.48		2,750	- *
GWG ImmoInvest GmbH 1)	Stuttgart	94.90		13,324	152 *
GWG Wohnpark Sendling GmbH 1)	Stuttgart	94.00		4,028	- *
HMV GmbH 1)	Erlangen	100.00		55	- *
HumanProtect Consulting GmbH 1)	Cologne	100.00		835	111 *
Ihr Autoputzmeister Service GmbH 1)	Graz, Austria	100.00		834	214 **
IMPETUS Bietergesellschaft mbH 4)	Düsseldorf	100.00		37,963	-
INFINDO Development GmbH 1)	Wiesbaden	100.00		100,552	3,135 *
IPConcept (Luxemburg) S.A. 1)	Strassen, Luxembourg	100.00		21,470	11,390
IPConcept (Schweiz) AG 1)	Zurich, Switzerland	100.00		7,418	131
KRAVAG Umweltschutz und Sicherheitstechnik GmbH 1)	Hamburg	100.00		452	11 *
KRAVAG-ALLGEMEINE Versicherungs-Aktiengesellschaft 1)	Hamburg	100.00		155,690	12,739 *
KRAVAG-LOGISTIC Versicherungs-Aktiengesellschaft 1)	Hamburg	51.00		257,507	22,344 *
MD Aviation Capital Pte. Ltd. i.L.	Singapore, Singapore	100.00		1,152	1,188 *
MDAC 6 Pte Ltd. i.L.	Singapore, Singapore	100.00		16	1,318 *
MIRADOR Development GmbH 1)	Wiesbaden	100.00		115,178	3,130 *
MSU Management-, Service- und Unternehmensberatung GmbH 1)	Landau in der Pfalz	60.00		785	-116 *
Pascon GmbH i.L. 1)	Wiesbaden	100.00		44	-4 *
PDZ Personaldienste & Zeitarbeit GmbH 4)	Darmstadt	100.00		60	-
Pension Consult-Beratungsgesellschaft für Altersvorsorge mbH 1)	Wiesbaden	100.00		1,103	145 *
Phoenix Beteiligungsgesellschaft mbH 4)	Düsseldorf	100.00		5,849	-
Quoniam Asset Management GmbH 1)	Frankfurt am Main	97.60	100.00	23,060	71 *
R+V AIFM S.à.r.l. 1)	Munsbach, Luxembourg	100.00		5,138	1,974 *
R+V Allgemeine Versicherung Aktiengesellschaft 1) 4)	Wiesbaden	95.00		1,065,937	- *
R+V Dienstleistungs GmbH 1)	Wiesbaden	100.00		791	11 *
R+V KOMPOSIT Holding GmbH 1) 4)	Wiesbaden	100.00		2,115,763	- *
R+V Krankenversicherung AG 1)	Wiesbaden	100.00		173,485	20,000 *
R+V Lebensversicherung Aktiengesellschaft 1)	Wiesbaden	100.00		1,206,933	- *
R+V Mannheim P2 GmbH 1)	Wiesbaden	94.00		53,763	1,776 *
R+V Pensionsfonds AG 1)	Wiesbaden	100.00		42,403	2,600 *
R+V Pensionskasse AG 1)	Wiesbaden	100.00		124,478	900 *
R+V Personen Holding GmbH 1)	Wiesbaden	100.00		1,273,172	200,316 *
R+V Rechtsschutz-Schadenregulierungs-GmbH 1)	Wiesbaden	100.00		403	126 *
R+V Service Center GmbH 1) 4)	Wiesbaden	100.00		2,869	- *
R+V Service Holding GmbH 1) 4)	Wiesbaden	100.00		231,783	- *
R+V Treuhand GmbH 1)	Wiesbaden	100.00		2,652	1,474 *
R+V Versicherung AG 4)	Wiesbaden	92.35		2,397,253	-
RC II S.a.r.l. 1)	Munsbach, Luxembourg	90.00		10,750	602 *
Reisebank AG 4)	Frankfurt am Main	100.00		19,267	-
RUV Agenturberatungs GmbH 1)	Wiesbaden	100.00		574	306 *
RV AIP S.C.S. SICAV-SIF 1)	Munsbach, Luxembourg	99.00		10	1 *
RV AIP S.C.S. SICAV-SIF - RV TF 2 Infra Debt 1)	Munsbach, Luxembourg	97.55		692,544	34,127 *
RV AIP S.C.S. SICAV-SIF - RV TF 6 Infra Debt II 1)	Munsbach, Luxembourg	98.40		572,341	21,190 *
RV AIP S.C.S. SICAV-SIF - RV TF 7 Private Equity 1)	Munsbach, Luxembourg	99.01		219,401	255 *
RV AIP S.C.S. SICAV-SIF - RV TF 8 Acquisition Financing Large Cap 1)	Munsbach, Luxembourg	99.00		133,755	1,299 *
RV AIP S.C.S. SICAV-SIF - RV TF Acquisition Financing 1)	Munsbach, Luxembourg	98.67		401,365	20,930 *
RV AIP S.C.S. SICAV-SIF - TF 3 Primaries 1)	Munsbach, Luxembourg	99.25		88,360	-6,270 *
RV AIP S.C.S. SICAV-SIF - TF 4 Secondaries 1)	Munsbach, Luxembourg	99.25		87,075	834 *
RV AIP S.C.S. SICAV-SIF - TF 5 Co-Investments 1)	Munsbach, Luxembourg	99.25		99,585	-577 *
RV Securitisation I S.à.r.l. 1)	Senningerberg, Luxembourg	100.00		12	- *
RVL Grundstücks GmbH & Co. KG 1)	Wiesbaden	100.00		361,319	-31,704 *
RVL Grundstücksverwaltung GmbH 1)	Wiesbaden	100.00		26	3 *
Schwäbisch Hall Facility Management GmbH - Gebäude und mehr - 1)	Schwäbisch Hall	100.00		5,154	294
Schwäbisch Hall Kreditservice GmbH 1) 4)	Schwäbisch Hall	100.00		18,775	-
Schwäbisch Hall Wohnen GmbH 1)	Schwäbisch Hall	100.00		2,104	314
SERVICE 1 GmbH 1)	Paderborn	100.00		5,636	-870 *
Sprint Sanierung GmbH 1)	Cologne	100.00		7,987	-11,341 *
STARTRAIFF GmbH 1)	Wiesbaden	100.00		1,451	-1,992 *

SUBSIDIARIES

Name	Location	Shareholding	Voting rights, if different	Equity in € '000	Profit/loss in € '000
Taiping Fontainburg DVB Aviation Capital L.P. i.L.	Grand Cayman, Cayman Islands	-		76,923	694 **
TeamBank AG Nürnberg 2) 4)	Nuremberg	93.01		529,510	-
UI Infrastruktur Management SARL 1)	Senningerberg, Luxembourg	100.00		61	8 *
UI Management S.à r.l. 1)	Senningerberg, Luxembourg	100.00		18	1 *
UI Private Debt Management S.à r.l. 1)	Senningerberg, Luxembourg	100.00		12	- *
UI Vario: 2 issued by Union Investment Luxembourg S.A.	Senningerberg, Luxembourg	-		n/a	n/a
UII Anzinger Strasse 29 Verwaltung LP GmbH 1)	Hamburg	100.00		64	9 *
UII Issy 3 Moulins SARL 1)	Paris, France	100.00		12	12 *
UII MS Immobilien GP GmbH 1)	Hamburg	100.00		38	3 *
UII MS Immobilien Verwaltung LP GmbH 1)	Hamburg	100.00		63	10 *
UII PSD KN ImmoInvest GP GmbH 1)	Hamburg	100.00		214	30 *
UII SCE Management GP GmbH 1)	Hamburg	100.00		182	76 *
UII Verwaltungsgesellschaft mbH 1)	Hamburg	100.00		24	-1 *
UIN Union Investment Institutional Fonds Nr. 817 1)	Frankfurt am Main	-		3,282,176	-2,175 **
UIR Verwaltungsgesellschaft mbH 1)	Hamburg	100.00		83	1 *
UIW Austria Verwaltungs GmbH 1)	Erlangen	100.00		31	8 *
UMB Unternehmens-Managementberatungs GmbH 1)	Wiesbaden	100.00		5,918	1,665 *
Union Asset Management Holding AG 2)	Frankfurt am Main	96.61		2,615,000	685,964
Union Investment Austria GmbH 1)	Vienna, Austria	100.00		20,500	3,487 *
Union Investment Institutional GmbH 1) 4)	Frankfurt am Main	100.00		103,970	-
Union Investment Institutional Property GmbH 1)	Hamburg	90.00		41,357	7,606 *
Union Investment Luxembourg S.A. 1)	Senningerberg, Luxembourg	100.00		548,903	158,675 *
Union Investment Privatfonds GmbH 1) 4)	Frankfurt am Main	100.00		980,942	-
Union Investment Real Estate Asia Pacific Pte. Ltd. 1)	Singapore, Singapore	100.00		2,322	1,823 *
Union Investment Real Estate Austria AG 1)	Vienna, Austria	94.50		10,058	2,867 *
Union Investment Real Estate France SAS 1)	Paris, France	100.00		3,195	1,563 *
Union Investment Real Estate GmbH 2)	Hamburg	94.50		205,600	71,026 *
Union Investment Service Bank AG 1) 4)	Frankfurt am Main	100.00		133,115	-
Union Investment Services & IT GmbH 1) 4) 5)	Frankfurt am Main	100.00		23,123	-
Unterstützungskasse der Condor Versicherungsgesellschaften GmbH 1)	Hamburg	100.00		26	- *
URA Verwaltung GmbH 1)	Vienna, Austria	100.00		23	-4 *
VisualVest GmbH 1) 4)	Frankfurt am Main	100.00		43,525	-
VR Consultingpartner GmbH 1) 4)	Frankfurt am Main	100.00		1,078	-
VR Equity Gesellschaft für regionale Entwicklung in Bayern mbH 1)	Frankfurt am Main	100.00		5,379	75
VR Equitypartner Beteiligungskapital GmbH & Co. KG UBG 2)	Frankfurt am Main	100.00		44,501	6,035
VR Equitypartner GmbH 4)	Frankfurt am Main	100.00		69,070	-
VR Factoring GmbH 4)	Frankfurt am Main	100.00		104,385	-
VR GbR 2)	Frankfurt am Main	100.00		231,605	86,638
VR HYP GmbH 1)	Hamburg	100.00		25	-1 *
VR Kreditservice GmbH 1) 4)	Hamburg	100.00		25	-
VR Makler GmbH 1)	Hannover	100.00		295	-909 *
VR Mittelstandskapital GmbH i. L. 2)	Düsseldorf	100.00		3,903	-8
VR Payment GmbH 4)	Frankfurt am Main	100.00		118,103	-
VR Real Estate GmbH 1)	Hamburg	100.00		25	-1 *
VR Smart Finanz AG 4)	Eschborn	100.00		211,070	-
VR Smart Finanz Bank GmbH 1) 4)	Eschborn	100.00		250,147	-
VR Smart Finanz Beteiligungs GmbH 1)	Eschborn	100.00		98,838	976
VR Smart Guide GmbH 1)	Eschborn	100.00		163	-2,392
VR WERT Gesellschaft für Immobilienbewertung mbH 1) 4)	Hamburg	100.00		100	- *
WBS Wohnwirtschaftliche Baubetreuungs- und Servicegesellschaft mbH 1)	Stuttgart	94.90		27,660	1,630 *
ZBI Fondsmanagement GmbH 1)	Erlangen	100.00		8,133	- *
ZBI Fondsverwaltungs GmbH 1)	Erlangen	100.00		248	1 *
ZBI GmbH 1)	Erlangen	94.90		-37,849	-42,726 *
ZBI Immobilienmanagement GmbH 1)	Erlangen	100.00		11,913	- *
ZBI Professional Fondsverwaltungs GmbH 1)	Erlangen	100.00		286	15 *
ZBI Regiofonds Wohnen GF GmbH 1)	Erlangen	100.00		7	- *
ZBI Regiofonds Wohnen GmbH 1)	Erlangen	100.00		18	1 *
ZBI Vorsorge - Plan Wohnen GF GmbH 1)	Erlangen	100.00		25	1 *
ZBI Vorsorge - Plan Wohnen GmbH 1)	Erlangen	100.00		24	1 *
ZBI Wohnen Plus Verwaltungs GmbH 1)	Erlangen	100.00		22	1 *
ZBI WohnWert Verwaltungs GmbH 1)	Erlangen	100.00		16	- *
ZBVV - Zentral Boden Vermietung und Verwaltung GmbH 1)	Erlangen	100.00		6,061	- *

JOINT VENTURES

Name	Location	Shareholding	Voting rights, if different	Equity in € '000	Profit/loss in € '000
BAU + HAUS Management GmbH 1)	Wiesbaden	50.00		8,584	925 *
BEA Union Investment Management Limited 1)	Hong Kong, Hong Kong	49.00		57,736	2,564 *
Blitz 24-216 GmbH 1)	Munich	42.60		53,920	-20 *
Deutsche WertpapierService Bank AG	Frankfurt am Main	50.00		428,947	54,152
DZ BANK Galerie im Stadel Kunstverwaltungsgesellschaft mbH	Frankfurt am Main	50.00		23	-3 *
Norafin Verwaltungs GmbH 1)	Mildenaun	44.72	46.81	31,207	1,643 *
Prvá stavebná sporiteľ'na, a.s. 1)	Bratislava, Slovakia	32.50		335,709	17,519
Smart Access Holding GmbH 1)	Villingen-Schwenningen	35.00		29,025	-1,402 *
Trustlog GmbH 1)	Hamburg	50.00		5,969	-1,632 *
VAD Beteiligungen GmbH	Berlin	25.16		49,913	-16 *
Versicherungs-Vermittlungsgesellschaft des Sächsischen Landesbauernverbandes mbH 1)	Dresden	50.00		225	9 *
Versicherungs-Vermittlungsgesellschaft mbH des Bauernverbandes Mecklenburg-Vorpommern e.V. (VVB) 1)	Neubrandenburg	50.00		395	23 *
Versicherungs-Vermittlungsgesellschaft mbH des Landesbauernverbandes Brandenburg (VVB) 1)	Teltow	50.00		39	6 *
Versicherungs-Vermittlungsgesellschaft mbH des Landesbauernverbandes Sachsen-Anhalt e.V. (VVB) 1)	Magdeburg	50.00		77	2 *
Zhong De Zuh Fang Chu Xu Yin Hang (Sino-German-Bausparkasse) Ltd. 1)	Tianjin, China	24.90		382,597	1,035

ASSOCIATES

Name	Location	Shareholding	Voting rights, if different	Equity in € '000	Profit/loss in € '000
Accso - Accelerated Solutions GmbH 1)	Darmstadt	25.19	25.57	6,348	1,629
adorsys GmbH & Co. KG 1)	Nuremberg	25.89		3,224	1,424 *
adorsys Verwaltungs GmbH 1)	Nuremberg	25.90		35	1 *
aku.beteiligung GmbH 1)	Aalen	46.04		6,596	-34 *
Bankenkonsortium der Zenit GmbH, GbR	Düsseldorf	33.30		-	- *
bbv-service Versicherungsmakler GmbH 1)	Munich	25.20		2,711	474 *
Berlin-AI Management S.à r.l. 1)	Senningerberg, Luxembourg	20.00		13	1
Blitz SKB GmbH 1)	Giessen	41.76		39,766	-1,847 *
Cygn Labs Group GmbH 1)	Heilbronn	26.03		2,263	-8,944 *
DeSign Verbund GmbH 1)	Hochstadt am Main	49.80		2,326	-711 *
DITTRICH + CO Holding GmbH 1)	Frankfurt am Main	49.85		9,905	-12 *
Dr. Förster Holding GmbH i.L. 1)	Neu-Isenburg	20.06		-	-1,632 *
FREUNDE DER EINTRACHT FRANKFURT Aktiengesellschaft	Frankfurt am Main	32.05		7,651	1 *
GBS Beteiligungsgesellschaft mbH 1)	Bayreuth	42.33		12,186	-81 *
GHM MPP Reserve GmbH 1)	Remscheid	50.00		935	-24 *
GHM MPP Verwaltungs GmbH 1)	Remscheid	50.00		226	-19 *
Glas Strack Holding GmbH 1)	Bochum	51.06	49.90	9,283	81 **
HERO Group GmbH 1)	Frankfurt am Main	49.45	49.90	15,651	-416 *
Impleco GmbH 1)	Berlin	41.07		5,167	-4,540
Informatik Consulting Systems Holding GmbH 1)	Stuttgart	49.83	49.43	10,470	1,527 **
Interni Erwerbsgesellschaft mbH 1)	Düsseldorf	49.90		37,043	-7,062 *
Kapitalbeteiligungsgesellschaft für die mittelständische Wirtschaft in Nordrhein-Westfalen mbH - KRG -	Neuss	16.15		8,064	1,029 *
KTP Holding GmbH 1)	Bous	16.80	24.96	104,521	49,021 *
Kunststoffpartner Verwaltung GmbH 1)	Villingen-Schwenningen	49.00		21,076	1,750 *
MeinPlus GmbH	Wiesbaden	25.09		-3,249	-1,736 *
paydirekt GmbH i.L.	Frankfurt am Main	33.33		10,186	-36,165 *
payfree GmbH 1)	Düsseldorf	60.00		4,417	-1,442 *
Pesca Management GmbH 1)	Munich	49.30		12,662	-304 *
riparo gmbh 1)	Holzerlingen	25.00		4,238	2,191 *
Solectrix Holding GmbH 1)	Fürth	48.15		15,936	-284 *
TF H III Technologiefonds Hessen Gesellschaft mit beschränkter Haftung	Wiesbaden	25.00		5,744	561 *
TF H IV Technologiefonds Hessen GmbH & Co. KG	Wiesbaden	21.74		2,164	-598 *
Treuhand- und Finanzierungsgesellschaft für Wohnungs- und Bauwirtschaft mit beschränkter Haftung. Treufinanz	Düsseldorf	33.14		1,190	-87 *
TRUUCO Beteiligungs GmbH 2)	Frankfurt am Main	49.00		8,179	-5 *
TRUUCO GmbH 2)	Frankfurt am Main	35.93		14,116	-7,981 *
VR Unternehmerkapital GmbH 1)	Frankfurt am Main	49.00		21	-4 **
Wallee Group AG 1)	Winterthur, Switzerland	32.23		35,888	-3,575 *
Weisshaar Holding GmbH 1) 6)	Deisslingen	84.94	49.92	n/a	n/a

SHAREHOLDINGS OF 20% OR MORE

Name	Location	Shareholding	Voting rights, if different	Equity in € '000	Profit/loss in € '000
amberra GmbH 2)	Hamburg	20.00		8,906	-4,697 *
Assiconf S.r.l. 1)	Turin, Italy	20.00		128	35 *
Bürgschaftsbank Brandenburg GmbH	Potsdam	25.31		44,573	3,910 *
Bürgschaftsbank Mecklenburg-Vorpommern GmbH	Schwerin	30.67		18,036	244 *
Bürgschaftsbank Sachsen-Anhalt GmbH	Magdeburg	29.61		18,032	475 *
Bürgschaftsbank Thüringen GmbH	Erfurt	22.13		29,157	447 *
Finattem II GmbH & Co. KG 1)	Frankfurt am Main	20.20		534	-177 *
GENOPACE GmbH 1)	Berlin	27.49		200	- *
Kreditgarantiegemeinschaft in Baden-Württemberg Verwaltungs-GmbH	Stuttgart	20.00		1,023	- *
Technology DZ Venture Capital Fund I GmbH & Co. KG i.L. 1)	Munich	34.33		7,822	-109 *
TF H Technologie-Finanzierungsfonds Hessen Gesellschaft mit beschränkter Haftung (TF H GmbH) i.L.	Wiesbaden	33.33		115	-36 *
VBI Beteiligungs GmbH i.L. 1)	Vienna, Austria	24.50		708	-44 *
VR-NetWorld GmbH 2)	Bonn	43.48		8,781	849 *

SHAREHOLDINGS OF LESS THAN 20%

Name	Location	Shareholding	Voting rights, if different	Equity in € '000	Profit/loss in € '000
ABE Clearing S.A.S a Capital Variable	Paris, France	2.08		54,372	4,587 *
AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung	Frankfurt am Main	0.31		300,921	13,200 *
amberra Fonds GmbH & Co. KG	Berlin	1.92		n/a	n/a
Architrave GmbH 1)	Berlin	10.42		-	- **
assistance partner GmbH & Co. KG 1)	Munich	5.01		1,997	847 *
Atruvia AG 2)	Frankfurt am Main	0.35		505,009	46,297 *
Atruvia Beteiligungs GmbH & Co. KG Nord 2)	Münster	2.48		119,883	3,000 *
Banco Cooperativo Español S.A.	Madrid, Spain	12.03		780,921	65,213 *
BayBG Bayerische Beteiligungsgesellschaft mbH	Munich	9.38		278,690	9,431 *
Bayerische Raiffeisen-Beteiligungs-Aktiengesellschaft 2)	Beilngries	1.93		957,592	-59,843 *
Berliner Volksbank eG 1)	Berlin	-	0.10	1,223,264	39,135 *
Beteiligungs-Aktiengesellschaft der bayerischen Volksbanken 1)	Pöcking	1.15		233,359	8,644 **
BGG Bayerische Garantiegesellschaft mit beschränkter Haftung für mittelständische Beteiligungen	Munich	13.15		63,365	394 *
Bourse de Luxembourg 1)	Senningerberg, Luxembourg	0.04		277,011	8,054 *
Bürgschaftsbank Bremen GmbH	Bremen	4.86		10,552	376 *
Bürgschaftsbank Hamburg GmbH	Hamburg	6.36		27,749	67 *
Bürgschaftsbank Hessen GmbH	Wiesbaden	15.87		26,215	964 *
Bürgschaftsbank Niedersachsen GmbH	Hannover	17.68		38,020	1,052 *
Bürgschaftsbank Nordrhein-Westfalen GmbH					
Kreditgarantiegemeinschaft	Neuss	15.75		44,219	1,303 *
Bürgschaftsbank Rheinland-Pfalz GmbH	Mainz	14.31		17,874	182 *
Bürgschaftsbank Sachsen GmbH	Dresden	14.66	16.59	45,416	351 *
Bürgschaftsbank Schleswig-Holstein Gesellschaft mit beschränkter Haftung	Kiel	11.79		43,060	389 *
Cash Logistik Security AG	Düsseldorf	4.10		7,309	3,458 *
CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO S.P.A.	Trento, Italy	3.69		1,221,085	36,975 *
CLS Group Holdings AG	Lucerne, Switzerland	0.68		158,640	-161,130 *
Corporate Investment 27 B.V.	Amsterdam, Netherlands	9.09		n/a	n/a
CYCO Cyber Competence Center GmbH 1)	Hannover	17.50		-	-388 *
Deutsche Bauernsiedlung - Deutsche Gesellschaft für Landentwicklung (DGL) mbH i.L. 1)	Frankfurt am Main	16.26		5,370	-73 *
Deutsche Börse Commodities GmbH	Frankfurt am Main	16.20	14.48	14,884	7,963 *
DG Nexolution eG 2)	Wiesbaden	1.97	1.59	10,203	9,355 *
DI Rathaus-Center Pankow Nr.35 KG i.L. 1)	Düren	3.86		30,235	-185 *
EDEKABANK Aktiengesellschaft	Hamburg	8.35		244,148	11,840 *
EPI Company SE	Brussels, Belgium	6.49		271,812	-119,136 *
EURO Kartensysteme GmbH	Frankfurt am Main	19.60		13,219	301 *
EXTREMUS Versicherungs-Aktiengesellschaft 1)	Cologne	5.00		64,303	1,543 *
FIDUCIA Mailing Services eG 2)	Karlsruhe	0.14		70	- *
GBK Holding GmbH & Co. KG 1)	Kassel	0.02		448,807	15,996 *
GenoHotel Karlsruhe Gebäude GmbH 1)	Karlsruhe	0.03		-	- **
GLADBACHER BANK Aktiengesellschaft von 1922	Mönchengladbach	17.53		40,678	1,797 *
Grand Hotel Heiligendamm GmbH & Co. KG Fundus Fonds Nr. 34 i.L. 1)	Vettweiss-Disternich	1.90		11,754	-3,546 *
Gründerfonds Ruhr GmbH & Co. KG 1)	Essen	7.25		20,728	3,120 *
Interessengemeinschaft Frankfurter Kreditinstitute GmbH	Frankfurt am Main	7.01		26,831	5,516 *
K in Kortrijk S.A. 1)	Brussels, Belgium	-		99,478	-4,034 **
KLAAS MESSTECHNIK GmbH 1)	Seelze-Harenberg	15.00		77	22 *
KLV BAKO Vermittlungs-GmbH	Karlsruhe	10.00		285	8 *
Kreditgarantiegemeinschaft der Freien Berufe Baden-Württemberg Verwaltungs GmbH	Stuttgart	4.76		153	- *
Kreditgarantiegemeinschaft der Industrie, des Verkehrsgewerbes und des Gastgewerbes Baden-Württemberg Verwaltungs-GmbH	Stuttgart	15.28		1,300	- *
Kreditgarantiegemeinschaft des bayerischen Gartenbaues GmbH	Munich	9.07		649	- *
Kredit-Garantiegemeinschaft des bayerischen Handwerks Gesellschaft mit beschränkter Haftung	Munich	12.00		4,846	- *
Kreditgarantiegemeinschaft des Gartenbaues Baden-Württemberg Verwaltungs-GmbH	Stuttgart	12.00		138	- *
Kreditgarantiegemeinschaft des Handels Baden-Württemberg Verwaltungs-GmbH	Stuttgart	10.05		1,022	- *
Kreditgarantiegemeinschaft des Handwerks Baden-Württemberg Verwaltungs-GmbH	Stuttgart	10.05		1,001	- *
Kreditgarantiegemeinschaft des Hotel- und Gaststättengewerbes in Bayern GmbH	Munich	9.66		4,359	- *
Kreditgarantiegemeinschaft für den Handel in Bayern GmbH	Munich	7.19		6,317	- *
Kunststiftung Baden-Württemberg GmbH 1)	Stuttgart	0.50		10,203	249 *

SHAREHOLDINGS OF LESS THAN 20%

Name	Location	Shareholding	Voting rights, if different	Equity in € '000	Profit/loss in € '000
Les Grands Pres S.A. 1)	Brussels-Zaventem, Belgium	-	0.11	20,116	6,300 **
MBG H Mittelständische Beteiligungsgesellschaft Hessen GmbH	Wiesbaden	16.26		12,237	449 *
MBG Mittelständische Beteiligungsgesellschaft Baden-Württemberg Gesellschaft mit beschränkter Haftung	Stuttgart	9.94	8.33	117,981	10,078 *
MBG Mittelständische Beteiligungsgesellschaft Hamburg mbH	Hamburg	10.00		5,828	94 *
MBG Mittelständische Beteiligungsgesellschaft Rheinland-Pfalz mbH	Mainz	9.80	11.11	17,751	286 *
MBG Mittelständische Beteiligungsgesellschaft Schleswig-Holstein mbH	Kiel	14.59	15.22	53,216	1,530 *
Mittelständische Beteiligungsgesellschaft Berlin-Brandenburg mbH	Potsdam	8.89		28,764	968 *
Mittelständische Beteiligungsgesellschaft Mecklenburg-Vorpommern mbH	Schwerin	16.00		20,335	127 *
Mittelständische Beteiligungsgesellschaft Niedersachsen (MBG) mit beschränkter Haftung	Hannover	19.92		17,353	254 *
Mittelständische Beteiligungsgesellschaft Sachsen mbH	Dresden	9.38		49,995	12 *
Mittelständische Beteiligungsgesellschaft Sachsen-Anhalt (MBG) mbH	Magdeburg	19.82		26,232	-63 *
Mittelständische Beteiligungsgesellschaft Thüringen mbH	Erfurt	10.28		30,701	682 *
Münchener Hypothekenbank eG 2)	Munich	0.99	-	1,843,703	105,557 *
Munster S.A. 1)	Senningerberg, Luxembourg	0.07		475	-562 *
Opción Jamantab S. A. DE C. V. 1)	Mexico City, Mexico	-		14,125	100 *
PANELINIA BANK SOCIETE ANONYME (under special liquidation)	Athens, Greece	8.42	5.28	n/a	n/a
Partners Group Global Mezzanine 2007 S.C.A., SICAR 1)	Luxembourg, Luxembourg	2.24		1,336	-143 *
Prosa Beteiligungs GmbH & Co. KG 1)	Frankfurt am Main	15.63		28	-23 **
Protektor Lebensversicherungs-AG 1)	Berlin	5.27		8,202	251 *
QIDF GmbH 1)	Stuttgart	15.00		905	880 *
Raiffeisen Waren-Zentrale Rhein-Main AG 2)	Cologne	2.23		164,963	1,962 *
Raiffeisen-Kassel A-Beteiligungs GmbH & Co. KG	Kassel	8.22		40,415	283 *
Raiffeisen-Kassel B-Beteiligungs GmbH & Co. KG	Kassel	8.22		40,415	283 *
Royale 120 S.A. 1)	Brussels-Zaventem, Belgium	0.01		29,586	1,525 *
RPD Real Property Development GmbH 1)	Langenwang, Austria	10.00		1,520	50 *
S.W.I.F.T. Society for Worldwide International Financial Telecommunication 2)	La Hulpe, Belgium	0.24		803,945	151,420 *
Saarländische Wagnisfinanzierungsgesellschaft mbH	Saarbrücken	2.59		5,661	19 *
SCHUFA Holding AG 2)	Wiesbaden	19.93		164,900	54,826 *
Schulze-Delitzsch-Haus, eingetragene Genossenschaft 1)	Bonn	0.97		2,500	-111 *
SERVICE 1 Mitarbeiter Beteiligungsgesellschaft UG (haftungsbeschränkt) & Co. KG 1)	Paderborn	4.00		950	-7 *
Société Phocéenne de Participations	Marseille, France	1.04	0.01	n/a	n/a
Splash Investment GmbH 1)	Kerpen	10.98		117,777	-30,383 *
Strategie Invest SICAV 1)	Zurich, Switzerland	0.07		430,291	3,178 *
Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG	Ochsenfurt	4.44	4.55	312,716	60,634 *
Target Partners Capital GmbH & Co. KG 1)	Munich	10.00	10.01	263	-10 *
Technologiezentrum Schwäbisch Hall GmbH 1)	Schwäbisch Hall	4.17		586	-30 **
Teko - Technisches Kontor für Versicherungen Gesellschaft mit beschränkter Haftung 1)	Düsseldorf	10.00		147	37 *
True Sale International GmbH	Frankfurt am Main	7.69		4,557	21 *
UII Anzinger Strasse 29 GmbH & Co. KG 1)	Hamburg	0.01		333,596	-11,565 *
UIR Belgique 1 S.A. 1)	Brussels, Belgium	0.13		66,973	2,691 *
UIR Le Président 1 1)	Brussels-Zaventem, Belgium	-	0.06	11,415	-3,711 *
UIR MU III S.A. de C.V. 1)	Mexico City, Mexico	-		9,467	-659 *
Verimi GmbH	Berlin	9.56	10.17	1,282	73 *
Visa Inc.	San Francisco, USA	-		37,606,419	18,970,885 *
VNT Automotive GmbH 1)	Langenwang, Austria	10.00		15,965	4,880 *
VR-Bank Heilbronn Schwäbisch Hall eG 1)	Schwäbisch Hall	-		298,377	9,748 *
VR-IMMOBILIEN-LEASING GmbH 1)	Eschborn	6.00		8,949	208 *
WRW Wohnungswirtschaftliche Treuhand Rheinland-Westfalen Gesellschaft mit beschränkter Haftung i.L.	Düsseldorf	2.73		-	- *
ZBI Vorsorge-Plan Wohnen 1 GmbH & Co. KG 1)	Erlangen	0.76		2,946	138 *
ZG Raiffeisen eG	Karlsruhe	1.01	0.02	83,750	693 *

1) Held indirectly.

2) Including shares held indirectly.

3) A letter of comfort exists.

4) Profit-and-loss transfer agreement with DZ BANK (direct or indirect).

5) Section 264 (3) HGB and section 264b HGB have been applied.

6) In insolvency

n/a = no figures available.

* Prior-year figures.

** Latest available financial statements before 2024

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the material opportunities and risks associated with the expected development of the group.

Frankfurt am Main, March 2, 2026

DZ BANK AG
Deutsche Zentral-Genossenschaftsbank

The Board of Managing Directors



Dr. Riese



Beismann



Benkredda



Dr. Brauckmann



Brouzi



Koch



Speth

Independent auditor's report¹

To DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main

Report on the audit of the consolidated financial statements and of the group management report

Audit Opinions

We have audited the consolidated financial statements of DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2025, and the statement of comprehensive income, income statement, statement of changes in equity and statement of cash flows for the financial year from 1 January to 31 December 2025, and notes to the financial statements, including material accounting policy information. In addition, we have audited the group management report of DZ BANK AG Deutsche Zentral-Genossenschaftsbank for the financial year from 1 January to 31 December 2025. In accordance with the German legal requirements, we have not audited the content of the non-financial group statement pursuant to §§ [Articles] 315b to 315c of the German Commercial Code (HGB) [Handelsgesetzbuch: German Commercial Code].

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the "IFRS Accounting Standards"), as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. [paragraph] 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2025, and of its financial performance for the financial year from 1 January to 31 December 2025, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the non-financial group statement referred to above.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

¹ Translation of the auditor's report issued in German language on the consolidated financial statements prepared in German language by the management of DZ BANK AG Deutsche Zentral-Genossenschaftsbank. The German auditor's report is authoritative.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

- ① **Risk provisions for loans and advances to customers measured at amortised cost**
- ② **Measurement of assets recognised at fair value, for which the fair value is determined using valuation techniques that incorporate at least one significant unobservable market parameter**
- ③ **Measurement of Bauspar-technical provisions (provisions relating to building society operations)**
- ④ **Measurement of certain underwriting liabilities**

Our presentation of these key audit matters has been structured in each case as follows:

- ① Matter and issue
- ② Audit approach and findings
- ③ Reference to further information

Hereinafter we present the key audit matters:

1 Risk provisions for loans and advances to customers measured at amortised cost

- ① In the consolidated financial statements, loans and advances to customers measured at amortised cost amounting to € 204.711 million (30.9 % of total assets) are reported under the balance sheet item „Loans and advances to customers“. As of 31 December 2025, there is an allowance for credit losses for the loan portfolio consisting of specific and general loan loss provisions of € 2.814 million in total. The measurement of risk provisioning in customer credit business is determined in particular by the structure and quality of the loan portfolio, macroeconomic factors and the estimates of the executive directors with regard to future loan defaults, among other things, also considering the further development of macroeconomic factors on the customer lending business. The amount of specific loan loss provisions corresponds to the difference between the outstanding loan amount and the present value of the cash flows still expected from the loan. Existing collateral are taken into account. Portfolio loan loss provisions are created for foreseeable counterparty risks in the lending business that have not yet been specified for individual borrowers. For this purpose, general loan loss provisions are recognized for loans not individually impaired in the amount of the expected loss for an observation period of twelve months, unless the credit default risk increased significantly since initial recognition. In the event of a significant increase in credit risk, a general loan loss provision is recognized for the expected losses over the remaining term of the loan in issue. To take into account current economic developments due to macroeconomic conditions, the Group updated the macroeconomic forecasts and made expert-based adjustments to the model-based probability of default profiles (shift factors) and classified the credit risk of not individually impaired loans as a whole as significantly increased for particularly affected portfolios.

The value adjustments in the customer credit business are highly significant for the assets, liabilities and financial performance of the Group and also involve considerable scope for judgment of the executive directors with regard to macroeconomic forecasts and the shift factors used, the overall rating of the credit risk of portfolios and the cash flows still expected from an individually impaired loan exposure. In addition, the valuation parameters applied, which are also subject to significant uncertainties due to the impact of macroeconomic factors, have a significant influence on the recognition and amount of any necessary value adjustments. Against this background, this matter was of particular significance in the context of our audit.

- ② As part of our audit, we first assessed the adequacy of the IT system for determining the risk provisioning in the customer credit business and the design of the controls in the Group's relevant internal control system and tested the functionality of the controls, in particular with regard to the collection of business data, the risk classification of borrowers, the determination of the risk provisioning, and the validation of the valuation models. In addition, we assessed the valuation of loan receivables, including the appropriate application of valuation methods and adequacy of estimated values, on the basis of risk-based samples of loan exposures. In doing so, we evaluated, among other things, the available documentation of the Group with regard to the economic situation and the recoverability of the corresponding collateral. We also analysed and assessed the executive directors' assessment with regards to the effects of the macroeconomic factors and their consideration in the valuation of the loan receivables. In terms of the valuation of real estate and wind power financings, we verified the application of the valuation models and assessed the appropriateness of the input factors and forward-looking assumptions with the involvement of our experts for the valuation of real estate and for renewable energies.

Furthermore, in order to assess the value adjustments made, we traced and assessed the valuation methods applied by the Group, the underlying input data, macroeconomic assumptions and parameters as well as the results of the validation procedures. In particular, we assessed the expert-based adjustments of the statistically determined shift factors with the involvement of our internal experts from the area of financial mathematics. Moreover, we have evaluated the reasons for the overall classification of credit default risk of individual portfolios as significantly increased. On the basis of our audit procedures we

performed, we were able to assure the overall reasonableness of the assumptions made by the executive directors in assessing the recoverability of the loan portfolio as well as the appropriateness and effectiveness of the controls implemented by the Group.

- ③ The Group's disclosures on risk provisions for loans and advances to customers measured at amortised cost are included in the notes to the consolidated financial statements in sections 05 „Financial instruments“, 22 „Loss allowances“, 42 „Loss allowances“, 58 „Loss allowances“ and 84 „Nature and extent of risks arising from financial instruments“.

② Measurement of assets recognised at fair value, for which the fair value is determined using valuation techniques that incorporate at least one significant unobservable market parameter

- ① In the consolidated financial statements assets amounting to € 33.797 million (5.1 % of total assets) are reported under the balance sheet items „Loans and advances to customers“, „Financial assets held for trading“, „Investments“ and „Investments held by insurance companies“ for which the fair value is determined using valuation techniques that include at least one significant valuation parameter that is not observable on the market (so-called Level 3 assets).

In the valuation of Level 3 assets, there is an increased valuation risk due to the necessity of using modelbased calculations and significant valuation parameters that are not observable on the market. The executive directors must make judgments, estimates and assumptions in this context, including with respect to the development of interest rate curves and other macroeconomic conditions (including default probabilities, discount rate for shares in companies, bond spreads, fair value adjustments, volatilities). Minor changes to those assumptions or to the methods used may have a material impact on the valuation of these assets. Due to the material significance of Level 3 assets to the Group's assets, liabilities and financial performance, as well as the scope for judgments on the part of the executive directors and the associated estimation uncertainties, the valuation of the Level 3 assets was of particular significance in the context of our audit.

- ② As part of our audit, we assessed the models used by the Group for the valuation of Level 3 assets and the assumptions made by the executive directors. In doing so, we used, among other things, our valuation expertise for financial instruments, our industry knowledge and our industry experience. We also assessed the design and effectiveness of the Group's controls over the valuation of Level 3 assets and their recognition in the statement of comprehensive income. Based on this, we performed tests of detail in relation to the valuation of these assets. Our tests of detail included assessing the selected methods, assessing the assumptions made and the mathematical correctness of the procedures applied. In addition, we tested the completeness and accuracy of the underlying portfolio data and the resulting carrying amounts for impairment in a risk-based sample. Based on our audit procedures, we were able to assure that the estimates and assumptions made by the executive directors for the purpose of measuring the Level 3 assets are substantiated and sufficiently documented.
- ③ With regard to the valuation principles applied, we refer to the Group's disclosures in the notes to the consolidated financial statements in section 74 „Assets and liabilities measured at fair value on the balance sheet“.

③ Measurement of Bauspar-technical provisions (provisions relating to building society operations)

- ① In the Group's consolidated financial statements Bauspar-specific provisions (provisions relating to building society operations) amounting to € 799 million are reported under the „Provisions“ balance sheet item. These include Bauspar-technical provisions that relate to the Group's obligations from interest bonuses (particularly loyalty bonuses) on Bauspar deposits. According to the tariff terms and conditions, interest bonuses are granted to Bauspar customers subject to the occurrence of various conditions, such as the Bauspar customer's choice to exercise their option to receive the interest bonus, compliance with a

waiting period, which, if the option is exercised, begins on the valuation date on which the target valuation figure and a certain minimum Bauspar deposit are reached, the attainment of a minimum term of the Bauspar contract, and the waiver of the right to draw down the allocated Bauspar loan. The interest bonuses represent obligations that are uncertain in terms of their amount and maturity. They are measured at the amount that is the best estimate of the expenses required to settle the present obligation at the reporting date. The calculation of the amount of provisions is carried by using the so-called accounting method which is based on a forecast of the loyalty bonus payout and the interest credited on deposits from the basic scenario of the Bauspar-technical simulation calculation (collective simulation), as well as a forecast period of 50 years. In the course of selecting the parameters for this simulation calculation, the executive directors also make assumptions regarding the future behaviour of Bauspar customers on the basis of historical data and the forecast capital market rate of interest. The forecast quality of the underlying model for the Bauspar-technical simulation calculation is validated on an annual basis. The calculation of the Bauspar-technical provisions required the use of judgments and assumptions by the executive directors. Minor changes in these assumptions in the model used for the Bauspar-technical simulation calculation can have a significant impact on the measurement of the Bauspar-technical provisions for interest bonuses.

Due to the material significance of these provisions for the assets, liabilities and financial performance of the Group as well as the associated estimation uncertainties and the considerable scope for judgment on the part of the executive directors in measuring the provisions, the measurement of the Bauspar-technical provisions was of particular significance in the context of our audit.

- ② As part of our audit we assessed, together with our internal specialists for Bauspar-specific mathematics the model used for the Bauspar-technical simulation calculation, the calculation of provisions using the accounting method as well as the estimates and assumptions made by the executive directors. Among other things, we used our industry knowledge and our industry experience as a basis. We also assessed the appropriate processing of the underlying assumptions and parameters within the process for determining and recognizing Bauspar-technical provisions. Therewith, we assessed the calculated result for the amount of the provisions and verified the consistent application of the underlying model.

Based on our audit procedures, we were able to verify that the estimates and the assumptions made by the executive directors for the purpose of measuring the Bauspar-technical provisions are substantiated and sufficiently documented.

- ③ The Group's disclosures relating to Bauspar-technical provisions are contained in sections 26 „Provisions“ and 66 „Provisions“ of the notes to the consolidated financial statements.

④ Measurement of certain underwriting liabilities

- ① In the consolidated financial statements, liabilities of € 113.616 million (17.2 % of total assets) are reported under the "Insurance contract liabilities" balance sheet item. Of the insurance contract liabilities, € 12.602 million is attributable to the "provision for outstanding claims" and € 101.014 million to the "benefit reserve".

The provision for outstanding claims represents the Group's expectation of future payments for known and unknown claims and benefits as well as the associated expenses. Different methods are used by the Group to estimate this obligation. In addition, the measurement of this provision requires a high degree of judgement by the executive directors of the Group with regard to assumptions to be made, such as the effects of changing inflation rates, settlement patterns and regulatory changes. The executive directors also have significant discretionary scope when determining the discount rate for calculating the provision. In particular, product lines with a low claims frequency, high individual claims or long claims settlement periods are usually subject to increased estimation uncertainties.

The benefit reserve represents the present value of the future cash flows estimated by the Group. The valuation is carried out using complex actuarial methods on the basis of comprehensive processes to determine assumptions about future developments in the insurance portfolios to be valued. When measuring liabilities, the present values of the estimated future cash flows in particular are affected by possible material uncertainties. This uncertainty stems from the risk of chance, change and error associated with the estimation of the present value of the cash flows and the methods and financial and non-financial assumptions used for this purpose. In particular, assumptions in connection with the development of life expectancy or the state of health of the insured persons, existing options and rights on the part of the policyholder or the insurance company to adjust the duration or amount of the insurance cover, the expected future administrative expenses incurred in connection with the fulfilment of the insurance benefit and expectations regarding the development of interest rates and financial indices have a significant impact on the valuation.

The general measurement model (GMM), the variable fee approach (VFA) and the premium allocation approach (PAA) are used to measure underwriting liabilities.

Considering this and given the complexity on determining the underlying assumptions and estimates made by the executive directors, the measurement of these certain underwriting liabilities was of particular significance in the context of our audit.

- ② As part of our audit, we assessed the appropriateness of selected controls of the Group for selecting the valuation methods applied and for determining assumptions and making estimates for the valuation of certain technical liabilities.

With the involvement of our internal valuation specialists, we compared the valuation methods and significant assumptions used in each case with generally accepted valuation methods and industry standards and examined the extent to which these are suitable for the valuation of the technical liabilities.

Our audit also included an assessment of the appropriateness and integrity of the data and assumptions used in the valuation, including the executive directors' assessment of the impacts of changing inflation rates, as well as an examination of the development of the claims settlement. In addition, we recalculated the amount of the provisions for selected product lines, in particular product lines with large provision amounts in terms of volume or with increased estimation uncertainties. For these product lines, we compared the amounts calculated by us with the values determined by the Group for the provisions and assessed any differences. We also examined whether any adjustments to estimates in the loss reserves were appropriately documented and justified. We also focused on assessing the mapping of the

cash flows used by the IT systems employed and the appropriate derivation and use of assumptions for the measurement of certain underwriting liabilities.

On the basis of the audit procedures we performed, we were able to verify that the methods, estimates and assumptions used by the executive directors to measure certain underwriting liabilities are appropriate overall.

- ③ The Group's disclosures on the measurement of insurance contract liabilities are contained in sections 11 "Insurance business", 67 "Insurance contract liabilities" and section 89 "Change in the carrying amounts of Insurance contract liabilities" in the notes to the consolidated financial statements. With regard to the information on the nature and extent of risks arising from insurance contracts, we refer to the Group's disclosures in section 95 "Risk and capital management".

Other Information

The executive directors are responsible for the other information.

The other information comprises the non-financial group statement to comply with §§ 315b to 315c HGB as an unaudited part of the group management report.

The other information comprises further all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the

going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control and these arrangements and measures (systems) respectively.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the

related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file `dzbank-konzern-2025-12-31-1.de.zip` and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2025 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-

compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 21 May 2025. We were engaged by the supervisory board on 4 November 2025. We have been the group auditor of the DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, without interruption since the financial year 2021.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to an other matter – Use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Michael Quade.

Frankfurt am Main, 6 March 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft



sgd. Ralf Schmitz
Wirtschaftsprüfer
(German Public Auditor)



sgd. Michael Quade
Wirtschaftsprüfer
(German Public Auditor)



Assurance Report of the Independent German Public Auditor in Relation to the Group Sustainability Report

To DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt

Assurance Report of the Independent German Public Auditor on a Limited Assurance Engagement in Relation to the Group Sustainability Report

Assurance Conclusion

We have conducted a limited assurance engagement on the group sustainability report of DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt, (hereinafter the “Company”) included in section “Sustainability report” of the group management report for the financial year from 1 January to 31 December 2025 (hereinafter the “Group Sustainability Report”). The Group Sustainability Report has been prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as §§ [Articles] 315b to 315c HGB [Handelsgesetzbuch: German Commercial Code] to prepare a group non-financial statement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Report is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, § 315c in conjunction with §§ 289c to 289e HGB to prepare a group non-financial statement as well as with the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that no matters have come to our attention that cause us to believe:

- that the accompanying Group Sustainability Report does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information to be included in the Group Sustainability Report (hereinafter the “materiality assessment”) is not, in all material respects, in accordance with the description set out in section “The materiality assessment process (IRO-1)” of the Group Sustainability Report, or
- that the disclosures set out in section “Mandatory disclosures for the DZ BANK banking group under the EU Taxonomy” of the Group Sustainability Report do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

Basis for the Assurance Conclusion

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the “German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Report” section.

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has complied with the quality management system requirements of the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibility of the Executive Directors and the Supervisory Board for the Group Sustainability Report

The executive directors are responsible for the preparation of the Group Sustainability Report in accordance with the requirements of the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company. They are also responsible for the design, implementation and maintenance of such internal controls that they have considered necessary to enable the preparation of a Group Sustainability Report in accordance with these regulations that is free from material misstatement, whether due to fraud (i.e., manipulation of the Group Sustainability Report) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Report, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Group Sustainability Report.

Inherent Limitations in the Preparation of the Group Sustainability Report

The CSRD and the relevant German statutory and other European regulations contain wording and terms that are still subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Group Sustainability Report.

German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Report

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Report has not been prepared, in all material respects, in accordance with the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented

by the executive directors of the Company, and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Report.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process to prepare the Group Sustainability Report, including the materiality assessment process carried out by the Company to identify the information to be included in the Group Sustainability Report.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls. In addition, the risk of not detecting a material misstatement within value chain information from sources not under the control of the company (value chain information) is generally higher than the risk of not detecting a material misstatement of value chain information from sources under the control of the company, as both the executive directors of the Company and we, as assurance practitioners, are ordinarily subject to limitations on direct access to the sources of value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In conducting our limited assurance engagement, we have, amongst other things:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Group Sustainability Report.
- inquired of the executive directors and relevant employees involved in the preparation of the Group Sustainability Report about the preparation process, including the materiality assessment process carried out by the company to identify the information to be included in the Group Sustainability Report, and about the internal controls relating to this process.
- evaluated the reporting policies used by the executive directors to prepare the Group Sustainability Report.
- evaluated the reasonableness of the estimates and the related disclosures provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors have been unable to obtain.
- performed analytical procedures and made inquiries in relation to selected information in the Group Sustainability Report.
- performed site visits.
- considered the presentation of the information in the Group Sustainability Report.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Report.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is solely towards the Company. We do not accept any responsibility, duty of care or liability towards third parties.

Frankfurt am Main, 6 March 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Ralf Schmitz
Wirtschaftsprüfer
[German public auditor]

sgd. Nicolle Pietsch
Wirtschaftsprüferin
[German public auditor]

Report of the Supervisory Board



Henning Deneke-Jöhrens, Chairman of the Supervisory Board of DZ BANK

In 2025, the Supervisory Board carried out the tasks assigned to it by law, the Articles of Association, and rules of procedure. As part of this remit, the Supervisory Board advised the Board of Managing Directors and monitored its management activities. In particular, the Supervisory Board focused on the liquidity, funding, and capital situation of DZ BANK and on its strategy as the network-oriented central institution and holding company of a financial services group. It also thoroughly addressed current regulatory challenges, the risk situation of the bank and the group, as well as the development of systems and procedures used to manage the main risks in the Bank sector and Insurance sector. The Supervisory Board was always involved in decisions of fundamental importance. The Board of Managing Directors provided the Supervisory Board with regular, timely, and comprehensive reports on all matters relevant to DZ BANK, in particular the strategy, planning, business performance, risk situation, risk management, remuneration systems, regulatory requirements, IT and other technologies, organizational matters, sustainability, and compliance.

The DZ BANK Group did not significantly adjust its strategic focus in 2025. Through their strategic programs, such as 'Verbund First 4.0' at DZ BANK, the individual entities in the DZ BANK Group continued to expand the key areas of collaboration identified at group level as offering potential for reinforcing the future viability and profitability of the group. In the reporting year, the strategic activities under Verbund First 4.0 particularly focused on sustainability, digitalization / generative artificial intelligence, employer branding, internationalization, and the further development of bank-wide and cross-divisional processes as part of the Fit4Growth initiative.

Meetings of the Supervisory Board

The Supervisory Board held five ordinary meetings in 2025. Its members attended the meetings of the Supervisory Board and its committees regularly.

At its meetings in the reporting year, the Supervisory Board regularly received and discussed reports from the Board of Managing Directors on current business performance, the capital situation, and profitability of DZ BANK and the DZ BANK Group. The reports focused on topics such as the impact of geopolitical uncertainties and conflicts, the effects of developments in the (commercial) real estate markets and capital markets, the impact of Germany's economic environment, and the effects of developments relating to individual market participants, customer groups, and sectors on DZ BANK and its group entities. In particular, the economic situation and developments regarding individual major exposures were discussed at great length by the Board of Managing Directors and Supervisory Board. The bank's main project activities were also covered in the reports of the Board of Managing Directors. One example was the ZV ON€ project to harmonize payments processing as part of the Cooperative Financial Network's strategy, which was brought to a successful close in 2025. The report on the capital situation and capital management in the DZ BANK Group provided the Supervisory Board with information about the results of the 2025 Supervisory Review and Evaluation Process (SREP) conducted in respect of the DZ BANK Group. The Board of Managing Directors also reported on the liquidity and funding situation of the DZ BANK Group, the liquidity subgroup (comprising DZ BANK and DZ HYP), and DZ BANK itself. In its reports, the Board of Managing Directors also touched on the current situation at the management units particularly affected by the generally gloomy economic environment and its impact on consumer sentiment. It reported regularly on the latest developments in other areas too.

The Supervisory Board regularly received and discussed reports on the work of the committees from their Chairs. During the meetings, and by using a voting procedure in writing, the Supervisory Board also adopted resolutions in connection with transactions requiring its consent, such as significant commitments to long-term equity investments and loans. HR issues from 2025 relating to DZ BANK and the DZ BANK Group were further matters considered by the Supervisory Board. Furthermore, the Supervisory Board received the report from PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) on the audit of the single-entity financial statements and management report of DZ BANK and of the consolidated financial statements and group management report for the year ended December 31, 2024. It also received the report of the Audit Committee on the audit of the single-entity financial statements and management report of DZ BANK and of the consolidated financial statements and group management report for the year ended December 31, 2024. Following its own review, it acknowledged this Audit Committee report and approved the single-entity financial statements of DZ BANK and the consolidated financial statements for the year ended December 31, 2024 in accordance with the recommendation of the Audit Committee. In further deliberations, the Supervisory Board acknowledged the 2024 group sustainability report (consolidated non-financial statement pursuant to sections 315b and 315c HGB / non-financial statement of DZ BANK AG pursuant to sections 289b et seq. HGB), which was prepared in accordance with the European Sustainability Reporting Standards (ESRS). The Supervisory Board also acknowledged the findings of the review of this report, which it had engaged the auditor to carry out in order to obtain limited assurance. On this basis, the Supervisory Board concluded, having conducted its own review, that the 2024 group sustainability report based on ESRS complies with the statutory requirements.

In accordance with the Audit Committee's recommendations, the Supervisory Board also approved the report of the Supervisory Board to the Annual General Meeting as well as the agenda and the resolutions to be adopted for the Annual General Meeting on May 21, 2025. Based on the recommendation of the Audit Committee, this was accompanied by the Supervisory Board's proposal to the Annual General Meeting to

appoint PwC as auditor of the single-entity financial statements and the consolidated financial statements for the year ended December 31, 2025 and as auditor for the review of the group's half-year financial report for the period ended June 30, 2025 and any other interim financial statements at the level of the group or DZ BANK AG prepared for periods up to the 2026 Annual General Meeting. Also based on the recommendation of the Audit Committee, the Supervisory Board proposed to the Annual General Meeting that PwC be appointed as auditor of the 2025 group sustainability report once the German CSRD Implementation Act comes into effect. The act, which will serve to transpose the EU Corporate Sustainability Reporting Directive (CSRD) into German law, has not yet come into force.

In the context of the annual financial statements and the appropriation of profits for 2024 to be decided by the Annual General Meeting, the Supervisory Board discussed the capital situation of the DZ BANK Group. Against this backdrop, the Supervisory Board proposed a dividend payment of 25 cents per share to the Annual General Meeting of DZ BANK on May 21, 2025.

Under items scheduled for regular discussion, the third quarter of 2025 saw the Supervisory Board examine and deliberate on the strategic planning in the DZ BANK Group for the period from 2026 to 2029. This included discussing the recovery planning, which is required by law. In the fourth quarter of 2025, the Supervisory Board considered and discussed the operational planning for DZ BANK and the DZ BANK Group for 2026.

Taking account of the related reporting by the Board of Managing Directors, the Supervisory Board examined the results of the 2025 SREP in respect of the DZ BANK Group. Representatives of the supervisory authority were present for this examination. Material matters raised by the supervisory authority during this process were addressed by the Supervisory Board and discussed with representatives of the supervisory authority. These matters related to the business model, internal governance and risk management, quantitative and qualitative capital and liquidity requirements/recommendations, and operational and IT risks, in each case at the level of the DZ BANK Group.

The Supervisory Board also examined all nomination and remuneration issues dealt with by the Nominations Committee, the Remuneration Control Committee, and the Risk Committee, including the appropriateness test in accordance with the German Remuneration Regulation for Institutions (InstitutsVergV). It took note of these matters and passed any necessary resolutions in accordance with the recommendations submitted by the relevant committees.

Meetings of the Supervisory Board committees

With the exception of the Mediation Committee, which did not need to meet, each Supervisory Board committee met on a number of occasions in 2025. During this period, the Nominations Committee held five meetings, the Remuneration Control Committee four meetings, the Audit Committee four meetings, and the Risk Committee five meetings.

In the year under review, the **Nominations Committee** addressed the annual reappraisal of the Board of Managing Directors and the Supervisory Board. It also dealt with succession planning in order to prepare for unexpected vacancies in the roles of CEO, CFO, and CRO at DZ BANK and at the group entities BSH and DZ HYP. In addition, the committee discussed succession planning for the Board of Managing Directors, including the nomination, skills evaluation, and appointment of a new member and the extension of the term of office of an existing member. In the context of appointing new members to the Supervisory Board, the committee also conducted suitability checks for two employee representatives and two shareholder representatives, with a positive outcome achieved. The Supervisory Board proposed both of the shareholder representatives to the Annual General Meeting as candidates for election to the Supervisory Board.

Where necessary, the Nominations Committee proposed individual resolutions to the Supervisory Board on the matters it handled.

At its meetings in 2025, the **Remuneration Control Committee** covered a wide range of remuneration issues and contractual matters relating to the Board of Managing Directors. In this context, it updated the template for the service contracts of members of the Board of Managing Directors, including the bonus agreement template, and dealt with contractual matters in relation to a new member, a member whose term of office was extended, a member who retired, and a former member. The remuneration matters discussed were the variable remuneration of the members of the Board of Managing Directors of DZ BANK and the former DVB Bank, and the planning of the corporate and individual targets for the members of the Board of Managing Directors of DZ BANK in 2025. In this context, the committee also addressed the need to set the overall amount of variable remuneration at DZ BANK and in the DZ BANK Group in accordance with section 7 InstitutsVergV.

The committee carried out a test of the appropriateness of the remuneration of the Board of Managing Directors and issued a recommendation to the Supervisory Board regarding changing the pay of the Board of Managing Directors starting in 2026. Further discussions by the Remuneration Control Committee covered the report by the Board of Managing Directors on the structure of the remuneration systems (DZ BANK Group remuneration strategy), the appropriateness of the remuneration systems, analysis of the risk takers for 2025, and the remuneration officer's remuneration control report. In addition, the committee received reports from the remuneration officer on the appropriateness of the remuneration systems.

Where necessary, the Remuneration Control Committee proposed individual resolutions to the Supervisory Board on the matters it handled.

In 2025, the **Audit Committee** studied the findings of the audit of the single-entity financial statements and management report of DZ BANK as well as of the consolidated financial statements and group management report for the year ended December 31, 2024 by PwC. It recommended that the Supervisory Board approve the single-entity financial statements of DZ BANK and the consolidated financial statements for the year ended December 31, 2024, as submitted.

Furthermore, the committee discussed the appointment of the auditor of the single-entity financial statements, the auditor of the consolidated financial statements, and the auditor of the group sustainability report for 2025, as well as the appointment of the auditor for the review of the group's half-year financial report and any other interim financial statements. In regard to the above, the Audit Committee considered the independence and quality of the auditor. The fee to be paid to the auditor was also taken into account. The Audit Committee recommended that the Supervisory Board propose to the Annual General Meeting on May 21, 2025 that PwC again be appointed as the auditor of the single-entity financial statements, the consolidated financial statements, and the group sustainability report for the year ended December 31, 2025, as well as auditor for the review of the group's half-year financial report for the period ended June 30, 2025 and any other interim financial statements at the level of the group or DZ BANK AG prepared for periods up to the 2026 Annual General Meeting. A recommendation was made to appoint the auditor to review the group sustainability report, such recommendation becoming effective when the German CSRD Implementation Act comes into effect. Since the Act was not adopted in 2025, the Supervisory Board – based on the Audit Committee's resolution recommendation – utilized the option to engage the auditor to review the 2025 group sustainability report based on ESRS, which constitutes a separate section of the (group) management report.

In addition, the Audit Committee examined the half-year financial report of the DZ BANK Group for the period ended June 30, 2025 and the reports from PwC on the review of the half-year financial report and on the audit of the securities and investment services business and the depository function in 2024/2025.

Furthermore, the Audit Committee studied the planning for the audit of the 2025 single-entity and consolidated financial statements by PwC, discussed the auditor's areas of focus for 2025 and key findings from the current audit, and monitored the financial reporting process.

In other activities, the Audit Committee discussed the report of the Supervisory Board to the Annual General Meeting and prepared the Supervisory Board's review of the 2024 group sustainability report based on ESRS. This also involved carefully studying the findings of the external review, for which PwC was also engaged by the Supervisory Board. The committee recommended resolutions to the Supervisory Board in relation to both matters.

In addition, the Audit Committee examined and discussed the business performance and the capital situation of the DZ BANK Group. The discussion placed particular emphasis on the capital situation of the DZ BANK Group and on the level of loss allowances in view of the prevailing economic and geopolitical challenges. The committee addressed the latest developments in financial reporting and routinely focused on supervisory audits carried out in the DZ BANK Group, the latest regulatory issues, and the group's non-financial risks, and discussed these matters with the Board of Managing Directors. The areas of focus included the results of the on-site inspections (OSIs) conducted by the ECB relating to liquidity, Group Treasury market risk, and principles for effective risk data aggregation and risk reporting (BCBS 239). Other matters addressed by the committee included the reports prepared by Group Audit for the periods ended December 31, 2024 and June 30, 2025, the annual compliance report for 2025, and the evaluation of the compliance function for tackling money laundering and the financing of terrorism. The Supervisory Board had delegated responsibility for this evaluation to the Audit Committee. The committee also examined updates on progress with resolution planning, the reports on the bank-wide internal control system (ICS) and on non-financial risks, the group IT strategy of the DZ BANK Group, the IT strategy of DZ BANK, the group digital operational resilience (DOR) strategy of the DZ BANK Group, the DOR strategy of DZ BANK, and the risk management strategy for external procurement at DZ BANK. In this context, the Audit Committee monitored the effectiveness of the internal control system, the risk management system, and the internal audit function. It also regularly discussed DZ BANK's project portfolio, any planned projects with an impact on the Germany-wide strategic portfolio of the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e. V. (BVR) [National Association of German Cooperative Banks], and the DZ BANK Group's most important digitalization plans. Additionally, the Audit Committee examined the engagement of the auditor for non-audit services, updated the guidance for the approval of such services at the end of the year, and dealt with the fee negotiations with the auditor.

Where necessary, the Audit Committee proposed individual resolutions to the Supervisory Board on the matters it handled.

In the context of the audit of the single-entity financial statements of DZ BANK and of the consolidated financial statements for the year ended December 31, 2024, the **Risk Committee** studied the findings of the review – which had been brought forward – of compliance with regulatory requirements, the shareholdings, and the lending business in 2025. In addition, the committee advised the Supervisory Board on current and future overall risk appetite and strategy in the DZ BANK Group and supported the Supervisory Board in monitoring the implementation of this strategy. This involved regularly examining and acknowledging the quarterly reports on aggregate risk (including risk indicators) and credit risk. This reporting regularly focused on developments affecting individual major exposures as well as on the risk situation relating to particular portfolio segments, such as the automotive sector, the metal and steel industry, or commercial real estate finance. The risk appetite statement, the risk strategies, and the 2026 group governance policy of the DZ BANK Group were, as usual, on the agenda for the committee at the end of the year. The review of the above-mentioned risk reports and strategies was an important component in the process of monitoring the effectiveness of the risk management system at DZ BANK and in the DZ BANK Group. In 2025, the Risk Committee also acknowledged the results of the validation of effective risk data aggregation capabilities and risk reporting (BCBS 239) and confirmed that the risk reporting is suitable for the committee's management

and decision-making in terms of completeness, format, scope, frequency, and production time. In each quarter of 2025, the Risk Committee also received an update on the latest geopolitical developments (war in Ukraine, effects of US policy, dependency on China / dispute in the South China Sea, conflict in the Middle East) and their impact on DZ BANK.

Moreover, the Risk Committee discussed reports from the Board of Managing Directors on the results of the stress tests in the DZ BANK Group and acknowledged the adequacy declarations regarding capital and liquidity adequacy as at December 31, 2024. It also dealt with and approved various loan applications. The committee studied the outcome of the comply-or-explain process for the audit of the group lending policy and group risk management policy, on the basis of which it was possible to confirm a high degree of compliance with the group policies and also to confirm that action plans put in place to deal with cases of non-compliance had been implemented as planned. In further deliberations, the committee examined the terms and conditions in customer business. The committee also reviewed the remuneration systems at DZ BANK pursuant to section 25d (8) sentence 4 KWG and found that the incentives set as part of the remuneration systems take account of the risk, capital, and liquidity structure of the institution as well as the probability and maturity of revenue. The deliberations of the Risk Committee also covered the work program for resolution planning for 2025 in accordance with the Single Resolution Board's requirements. In addition, the committee acknowledged the further development of credit risk management for banks in the Cooperative Financial Network.

Where necessary, the Risk Committee proposed individual resolutions to the Supervisory Board on the matters it handled.

Corporate governance

In line with the requirements of KWG, the Supervisory Board conducted an evaluation of the Board of Managing Directors and a self-evaluation in the first quarter of 2025. It found that the structure, size, composition, and performance of both the Board of Managing Directors and the Supervisory Board and the knowledge, skills, and experience of the individual members of the Board of Managing Directors and Supervisory Board and of the Board of Managing Directors and Supervisory Board as a whole fulfilled the requirements laid down by law and in the Articles of Association. The Supervisory Board therefore confirmed the individual suitability of the individual members of the Board of Managing Directors and Supervisory Board and the collective suitability of the Board of Managing Directors and Supervisory Board as a whole. In this context, it also signed off an updated profile of skills and expertise for the Board of Managing Directors and Supervisory Board.

In its view, the Supervisory Board had adequate financial and personnel resources at its disposal in the reporting year to be able to support new members in becoming familiar with their role and to provide the training that is necessary to maintain members' required level of expertise. DZ BANK offers to cover the costs for members of the Supervisory Board of training programs from external providers that are relevant to the activities of supervisory boards. As part of the onboarding process, new members are offered customized internal training sessions and information meetings to help them prepare for their tasks on the Supervisory Board of DZ BANK. This offer is meeting with good take-up. In 2025, the Supervisory Board also received internal training on BCBS 239 / risk data aggregation and risk reporting (RDARR), the ECB guide on governance & risk culture, IT security and the Digital Operational Resilience Act (DORA), and sustainability and the CSRD. In addition, the Supervisory Board received in-depth training in special training formats. The topics that were covered in greater depth were IT security and DORA, generative artificial intelligence, business models in the context of the Markets in Crypto-Assets Regulation (MiCAR), governance and compliance, and financial markets and DZ BANK's international business.

There were no indications of conflicts of interests affecting Supervisory Board members.

Cooperation with the auditor

PwC attended all meetings of the Audit Committee and provided explanations and information as requested. As a priority at these meetings, the Audit Committee discussed with PwC the audit plan and the provisional key audit matters for the 2025 single-entity financial statements and consolidated financial statements. Moreover, the Audit Committee obtained information on the auditor's other areas of focus for 2025.

For the purposes of monitoring the quality of the audit of the financial statements, the Audit Committee asked PwC to provide a quality report explaining the quality assurance processes and measures implemented by the auditor, for example in connection with acceptance and continuation of the engagement and in connection with independent quality assurance related to the engagement. The committee also conducted its own evaluation of the quality of the audit using the qualitative indicators defined in the committee's audit quality review guidelines. For the purposes of this evaluation, the Audit Committee took into account any findings and conclusions from external and internal inspections of which it was aware.

Furthermore, the committee dealt with the engagement of and fee for the auditor. To monitor the independence of the auditor, the committee obtained a declaration from PwC confirming its independence. The committee also obtained information about any services other than the audit of the financial statements for which PwC was engaged. It adopted a resolution to update the catalog of predefined non-audit services that can be treated as approved without the Audit Committee needing to adopt a separate resolution in each individual case.

The auditor PwC confirmed that the single-entity financial statements – together with the bookkeeping system – and the management report of DZ BANK as well as the consolidated financial statements and the group management report submitted by the Board of Managing Directors for the year ended December 31, 2025 complied with the applicable legal provisions. PwC issued an unqualified opinion for each of these sets of financial statements. The audit reports were submitted to the members of the Supervisory Board, who discussed them in detail at their meetings. In addition, the Chairman of the Supervisory Board and the Chairs of the Supervisory Board committees maintained a regular, intensive dialogue with the auditor. This dialogue also covered the independent auditor's report pursuant to section 322 HGB (including the key audit matters). The Supervisory Board agrees with the findings of the audit.

In its review of the 2025 group sustainability report based on ESRS, for which it was engaged by the Supervisory Board, PwC did not become aware of any facts that would lead it to believe that the 2025 group sustainability report based on ESRS had not been prepared, in all material respects, in accordance with the statutory requirements. On this basis and in accordance with the Audit Committee's recommendation, the Supervisory Board concluded, having conducted its own review, that the group sustainability report based on ESRS complies with the statutory requirements. At its meeting on March 26, 2026, the Supervisory Board therefore approved the 2025 group sustainability report based on ESRS.

Adoption of the financial statements

At their respective meetings, the Supervisory Board and its Audit Committee scrutinized the single-entity financial statements and management report of DZ BANK (including the Board of Managing Directors' proposal for the appropriation of profits) as well as the consolidated financial statements and group management report for the year ended December 31, 2025. The Chairman of the Audit Committee provided the Supervisory Board with detailed information about the committee's extensive deliberations on the single-entity financial statements and management report of DZ BANK as well as the consolidated financial

statements and group management report. Representatives of PwC attended the Supervisory Board meeting convened to adopt the financial statements as well as the preparatory meetings held by the Audit Committee and by the Risk Committee so that they could report in detail on the material findings of their audit. They were also available to answer questions from the members of the Supervisory Board. The Supervisory Board did not express any reservations following the concluding findings of its review.

The Supervisory Board approved the single-entity financial statements of DZ BANK and the consolidated financial statements prepared by the Board of Managing Directors for the year ended December 31, 2025 at its meeting on March 26, 2026 in line with the Audit Committee's resolution recommendation. The financial statements have therefore been adopted. The Board of Managing Directors and the Supervisory Board have decided to propose to the Annual General Meeting on May 20, 2026, in a resolution on the appropriation of the distributable profit reported in the 2025 single-entity financial statements amounting to €474,231,187.02, that a dividend of 25 cents per share be distributed (total distribution of €447,836,189.25) and that the remaining distributable profit for 2025 of €26,394,997.77 be carried forward to the next accounting period.

Personnel changes on the Board of Managing Directors and the Supervisory Board

Mr. Thomas Ullrich, who had latterly been responsible for payments processing, stepped down from the Board of Managing Directors on June 30, 2025 upon his retirement. During his career, Mr. Ullrich worked in the cooperative financial sector for over 40 years, which included more than 20 years as a member of the Board of Managing Directors of WGZ BANK and DZ BANK. He played a key role in the merger of these two institutions in 2016. Over the years, Mr. Ullrich headed up various areas of the bank. He had a huge influence on the institution due to the impact of his work throughout the Cooperative Financial Network. His success in modernizing human resources and payments processing, thereby making a significant contribution to the positioning of DZ BANK for the future, deserve particular mention. The Supervisory Board would like to express its sincere thanks and appreciation to Mr. Ullrich for his fantastic achievements at DZ BANK and in the Cooperative Financial Network. Dr. Christian Brauckmann took on responsibility for payments processing on an interim basis with effect from July 1, 2025. At a later date, this role is to be taken over by Dr. Imke Jacob. In 2025, she was appointed to the Board of Managing Directors with effect from July 1, 2026.

Mr. Uwe Berghaus, who had been the member of the Board of Managing Directors responsible for corporate banking for nine years, stepped down from the Board of Managing Directors on July 31, 2025 upon his retirement. Mr. Berghaus became a member of the Board of Managing Directors of WGZ BANK in 2010 and, from August 2016, headed up corporate banking at DZ BANK – initially sharing this role with another member of the Board of Managing Directors. During these nine years, he made impressive changes to corporate banking, helping to shape this business and achieve significant growth. The Supervisory Board would like to thank Mr. Berghaus for his successful and influential work on the Board of Managing Directors of DZ BANK. With effect from August 1, 2025, Mr. Stefan Beismann was appointed to the Board of Managing Directors to succeed Mr. Berghaus and has been responsible for corporate banking since then.

Mr. Stefan Wittmann was appointed by the courts to replace Mr. Kevin Voß as a labor union representative on the Supervisory Board with effect from January 1, 2025.

With effect from the end of February 28, 2025, Mr. Wolfgang Nett stepped down as an employee representative on the DZ BANK Supervisory Board due to his retirement. Mr. Jan Picklaps, who had been elected as a substitute member of the DZ BANK Supervisory Board, succeeded Mr. Nett with effect from March 1, 2025.

With effect from the end of the Annual General Meeting on May 21, 2025, the shareholder representatives Mr. Stephan Schack and Mr. Uwe Barth and the labor union representative Ms. Sigrid Stenzel stepped down from the Supervisory Board, in each case due to their retirement. At the Annual General Meeting on May 21, 2025, Mr. Dirk Dejewski and Ms. Elke Müller-Jordan were elected to the Supervisory Board as shareholder representatives, succeeding Mr. Schack and Mr. Barth respectively. Upon Ms. Stenzel's departure and with effect from the end of the Annual General Meeting on May 21, 2025, Ms. Deria Gomm was appointed to the Supervisory Board as a labor union representative by the courts.

The Supervisory Board would like to thank the departing members for their many years of dedicated work on the Supervisory Board and its committees. It also wishes to thank the Board of Managing Directors and all employees of the DZ BANK Group for their valuable contribution in 2025.

Frankfurt am Main, March 26, 2026

DZ BANK AG
Deutsche Zentral-Genossenschaftsbank,
Frankfurt am Main

A handwritten signature in blue ink, appearing to read 'Henning Deneke-Jöhrens', with a stylized, flowing script.

Henning Deneke-Jöhrens
Chairman of the Supervisory Board

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