

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.