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Dr. Cornelius Riese, Chief Executive Officer

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Dear Shareholders,

In 2024, we were faced with many challenges, but we have been able to overcome them together. The DZ BANK Group reported a profit before taxes of €3.3 billion, exceeding the high level achieved in the previous year (2023: €3.2 billion).

This result is largely due to our closely coordinated market approach with the cooperative banks and to our very good customer business in the group companies. This enabled us to continue our growth path. The positive development on the capital markets gave us additional momentum.

However, the German economy faced challenges on many fronts in 2024. Persistently high energy costs, weak demand and fiercer competition weighed heavily on companies. Moreover, consumer spending was subdued and there was little inclination to invest, reflecting the significant general uncertainty for both businesses and consumers. Consequently, GDP shrank by 0.2 percent year on year. The poor performance of the economy is now resulting in rising numbers of company insolvencies.

Amid this instability, the results of the DZ BANK Group underline the robustness of a diversified business model. The buoyant equity markets contributed to the very good results achieved by both R+V Versicherung and Union Investment. R+V Versicherung registered rising premiums and, as a result of the market development, a high net gain under gains and losses on investments held by insurance companies. Union Investment also continued the volume growth seen in previous years.

Most areas of the DZ BANK Group's banking business performed very well. Given the high degree of uncertainty that prevailed, DZ BANK – central institution and corporate bank was very much in demand as a

dependable partner to small and medium-sized enterprises and major corporate customers alike. It recorded increasing demand, not only for loans but also for interest-rate hedging and currency hedging. Sales of money market products were also strong. In the Capital Markets business line, business with institutional customers was characterized by brisk issuance activity. The bank looked after a number of highly relevant client accounts with supranational institutions, some of them in the ESG segment. The Transaction Banking business line also registered growth, particularly for depositary business and credit card transactions. DZ HYP also delivered a good business performance against the backdrop of a slowly recovering real estate market. DZ PRIVATBANK's customer business went from strength to strength, including further expansion of private banking in collaboration with the cooperative banks.

The weak economic situation and the resulting elevated level of credit risk had an impact on some of the institutions in the DZ BANK Group. Both TeamBank and VR Smart Finanz, for example, had to recognize increased loss allowances, leading them to report a fall in profit before taxes. The central institution and corporate bank also needed to increase its loss allowances. Profit before taxes was further depressed by negative effects under IFRS arising from the valuation of own issues.

The key results in detail:

The DZ BANK Group's **net interest income** rose to €4.67 billion (2023: €4.33 billion). This was partly thanks to healthy customer business, primarily at the central institution and corporate bank. Furthermore, there were positive accounting-related effects on net interest income, with a countervailing negative impact on gains and losses on trading activities. **Net fee and commission income** amounted to €3.19 billion, which was also significantly higher than the prior-year level (2023: €2.81 billion). This was primarily due to robust inflows into fund products at Union Investment. Despite good operating trading business, **gains and losses on trading activities** deteriorated to a net loss of €842 million (2023: net loss of €175 million). This can be explained by negative impacts from the valuation of the central institution and corporate bank's own issues, as well as by negative accounting-related effects with a countervailing positive impact on net interest income. **Gains and losses on investments** improved to a net gain of €65 million (2023: net loss of €72 million). The net gain under **other gains and losses on valuation of financial instruments** declined to €229 million in 2024, whereas the prior-year figure had been influenced by more favorable valuation effects (2023: net gain of €298 million). Rising premiums and a high net gain under gains and losses on investments held by insurance companies contributed to an increase in the **net income from insurance business** to €1.15 billion (2023: €891 million). **Loss allowances** came to €845 million (2023: €362 million). The economic situation and the resulting credit risks meant that higher additions were required in the central institution and corporate bank and at TeamBank and VR Smart Finanz. **Administrative expenses** fell slightly to €4.55 billion (2023: €4.60 billion), primarily due to the absence of the bank levy. By contrast, there was a moderate increase in staff expenses.

The DZ BANK Group's capital adequacy remains very robust, with a common equity Tier 1 capital ratio of 15.8 percent (December 31, 2023: 15.5 percent).

This encouraging business performance reflects the hard work and dedication of the employees in the DZ BANK Group. On behalf of the entire Board of Managing Directors, I would like to express our sincere gratitude to them.

Given this positive performance, we would like our shareholders to benefit from the DZ BANK Group's success. 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.

The first few weeks of the new year have seen continued brisk demand in our main business lines. That gives us confidence in the face of rather subdued economic forecasts. Our economists expect that economic output will be stagnant at best in 2025. The year ahead is characterized by many imponderables, especially with regard to geopolitical influences and ongoing trade disputes. Therefore it must be hoped that a new German

government will be formed quickly, and that it will immediately set to work on implementing urgently needed structural reforms in order to secure our country's growth, prosperity, security, and infrastructure. In particular, the improvement of the competitiveness of the German economy, not least by dismantling bureaucratic barriers, must not be delayed any further. Germany still has strong foundations, whether in terms of fundamental research or the training of skilled workers, thereby providing a solid basis on which society and the economy can build.

In this environment, we anticipate that our profit before taxes in 2025 will be in the range of €2.5 billion to €3.0 billion.

As we tackle the tasks that lie before us, we should be guided by our firm belief and confidence in our ability to shape our own future. Over the last few years, the DZ BANK Group has overcome a number of significant challenges. The years following the financial crisis were dominated by the strategic realignment of the DZ BANK Group's business model and by an increase in its internal stability. This was followed by the landmark merger with WGZ BANK and its integration. In recent years, we have been able to position DZ BANK – central institution and corporate bank as an independent unit that adds relevant value.

In the years ahead, we will need to ensure that we play a key role in defining the main industry trends. As part of the consolidation of payments processing, for example, we recently took a long-term equity investment in international service provider Wallee through VR Payment. We were also able to increase our market share in the depository business through acquisitions.

With regard to digitalization, we are investing in our infrastructure. In 2024, two multi-year transformation projects with nine-digit budgets were brought to a successful close, namely the creation of an integrated payments processing platform at DZ BANK and the migration of Bausparkasse Schwäbisch Hall's home finance system. At the same time, we are forging ahead with the development and deployment of innovative technologies, such as generative artificial intelligence, in all group companies. In terms of products, our pilot project for cryptocurrencies in the Retail Banking business line has made a very promising start.

It is important to the Cooperative Financial Network that DZ BANK demonstrates strong international credentials in its Corporates and Capital Markets business segment. Here too, we are continuing to invest in new customer relationships, systems, and offices, for example in Vietnam.

We are also keeping our eye on our long-term objectives, for example to support our customers with their transformation. There will be an even greater necessity to mobilize private capital going forward, especially in the capital markets. We consider ourselves to be well positioned in this regard, thanks to our expertise in the sustainability sphere. This year, DZ BANK was selected as one of just a few banks to contribute to the updating of the German government's green bond framework. We are also actively promoting energy efficiency among retail customers. To this end, Bausparkasse Schwäbisch Hall has trained two-thirds of its advisors as certified modernization experts so that they can provide optimum support to homeowners.

In all of these areas and beyond, our unwavering ambition is to contribute to the further development of the Cooperative Financial Network and thereby help to shape the future success of our business.

Kind regards,



Dr. Cornelius Riese  
Chief Executive Officer