

# Report of the Supervisory Board



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Henning Deneke-Jöhrens, Chairman of the Supervisory Board of DZ BANK AG

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In 2024, 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 2024. 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 were strongly focused on the topics of sustainability, digitalization / generative artificial intelligence, employer branding, and on 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 2024. 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 turmoil, the effects of developments in the (commercial) real estate markets, and the effects of developments relating to individual market participants on DZ BANK, DZ HYP, and R+V Versicherung. In particular, the developments regarding individual borrowers were discussed at great length by the Board of Managing Directors and the Supervisory Board. The Supervisory Board also considered the lessons learned from individual cases. Further reports concerned the economic situation of individual customers who are material to DZ BANK. Another topic covered in the reports of the Board of Managing Directors was the ZV ONE project to harmonize payments processing as part of the Cooperative Financial Network's strategy. 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 2024 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 Cooperative Financial Network, 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 DZ HYP in view of conditions in the real estate markets and provided information about TeamBank and VR Smart Finanz in the context of the generally gloomy economic environment and its impact on consumer sentiment.

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 specific loans. HR issues from 2024 relating to DZ BANK and the DZ BANK Group were further matters considered by the Supervisory Board. 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, 2023 and 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, 2023, approved this Audit Committee report following its own review, and approved the single-entity financial statements of DZ BANK and the consolidated financial statements for the year ended December 31, 2023 in accordance with the recommendation of the Audit Committee. In further deliberations, the Supervisory Board acknowledged the 2023 Sustainability Report, which included the non-financial reporting of DZ BANK and the DZ BANK Group, and the findings of the review of the non-financial reporting, which the Supervisory Board had engaged the auditor to carry out in order to obtain limited assurance. On this basis and following its own review, the Supervisory Board came to the conclusion that the above-mentioned report for 2023 meets 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 for the Annual General Meeting on May 16, 2024. Based on the recommendation of the Audit Committee, this was accompanied by the Supervisory Board's proposal to the Annual General Meeting to appoint PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) as auditor of the single-entity financial statements and the consolidated financial statements for the year ended December 31, 2024 and as auditor for the review of the group's half-year financial report for the period ended June 30, 2024 and any other interim financial statements at the level of the group or DZ BANK AG prepared for periods up to the 2025 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 2024 group sustainability report once the German CSRD Implementation Act comes into effect. The act is intended to transpose the EU Corporate Sustainability Reporting Directive (CSRD) into German law. However, it was not adopted in 2024.

In the context of the annual financial statements and the appropriation of profits for 2023 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 16, 2024.

Under items scheduled for regular discussion, the third quarter of 2024 saw the Supervisory Board examine and deliberate on the strategic planning in the DZ BANK Group for the period from 2025 to 2028. This included discussing the recovery planning, which is required by law. In the fourth quarter of 2024, the Supervisory Board considered and discussed the operational planning for DZ BANK and the DZ BANK Group for 2025.

Taking account of the related reporting by the Board of Managing Directors, the Supervisory Board examined the results of the 2024 SREP conducted by the ECB in respect of the DZ BANK Group. The supervisory authority was 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

Each Supervisory Board committee also met on a number of occasions in 2024. During this period, the Nominations Committee and the Remuneration Control Committee each held three meetings, the Audit Committee four meetings, and the Risk Committee five meetings. The Mediation Committee did not need to meet at all.

In the year under review, the **Nominations Committee** addressed the annual reappraisal of the Board of Managing Directors and the Supervisory Board. The Nominations Committee also adopted a resolution to supplement the framework policy relating to the fit and proper requirements for members of the Board of Managing Directors and Supervisory Board (here: suitability assessment policy) with the aim of preparing a succession strategy in case of unexpected vacancies. In addition, the committee discussed succession planning for the Board of Managing Directors, including the nomination and appointment of a new member. In the context of appointing new members to the Supervisory Board, the committee also conducted suitability checks for two employee representatives and one shareholder representative. The shareholder representative was also proposed to the Annual General Meeting as a candidate 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 2024, the **Remuneration Control Committee** covered a wide range of remuneration issues and contractual matters relating to the Board of Managing Directors. These included the contractual arrangements of a newly appointed member of the Board of Managing Directors and one member who is due

to retire in 2025. 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 2024. 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. 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 2024, 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 2024, 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, 2023 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, 2023, 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 2024, 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 16, 2024 that PwC again be appointed as the auditor of the single-entity financial statements, the consolidated financial statements, and for the first time also for the group sustainability report for the year ended December 31, 2024, as well as auditor for the review of the group's half-year financial report for the period ended June 30, 2024 and any other interim financial statements at the level of the group or DZ BANK AG prepared for periods up to the 2025 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 CSRD Implementation Act was not adopted in 2024 due to the political situation in Germany, the Supervisory Board utilized the option to engage the auditor to review the 2024 non-financial statement (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, 2024 and the reports from PwC on the review of the half-year financial report, on the review of the interim consolidated financial statements for the period ended September 30, 2024 for regulatory purposes, and on the audit of the securities and investment services business and the depository function in 2023/2024. Furthermore, the Audit Committee studied the planning for the audit of the 2024 single-entity and consolidated financial statements by PwC, discussed the auditor's areas of focus for 2024 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 separate combined non-financial report of DZ BANK and the DZ BANK Group for 2023. This also involved carefully studying the findings of the external review of the 2023 separate combined non-financial report, 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. Here too, 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, non-financial risk, and the project portfolio at DZ BANK, and discussed these matters with the Board of Managing Directors. The areas of focus included an in-depth analysis of the results of the targeted cyber resilience review conducted by the ECB and the results of the on-site inspection (OSI) by the ECB relating to the 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, 2023 and June 30, 2024, the annual compliance report for 2023, 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 AG, and the strategy for the risk management 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. Additionally, it dealt with fee negotiations with the auditor, examined the engagement of the auditor for non-audit services, and updated the guidance for the approval of such services at the end of the year.

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, 2023, 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 2024. 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 material lending exposures at DZ BANK as well as on the risk situation relating to particular portfolio segments, such as the automotive sector or commercial real estate finance. The risk appetite statement, the risk strategies, and the 2025 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 2024, the Risk Committee also acknowledged the results of the validation of risk data aggregation capabilities and risk reporting practices (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 2024, the Risk Committee also received an update on the latest geopolitical developments (war in Ukraine, dependency on China / dispute between China and Taiwan, conflict in the Middle East) and their impact on DZ BANK.

Moreover, the Risk Committee discussed and acknowledged reports from the Board of Managing Directors on the results of the stress tests in the DZ BANK Group. It also dealt with various matters relating to long-term equity investments (capital increases at VR Factoring GmbH, VR Payment GmbH, and EPI Company SE) and 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, which was completed successfully and did not identify any instances of non-compliance without agreed action plans in 2023. 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 system take account of the risk, capital, and liquidity structure of the institution as well as the probability and maturity of revenue. In addition, the Risk Committee discussed the work program for resolution planning for 2024 in accordance with the Single Resolution Board's requirements. It also adopted a resolution to implement the capital reduction and liquidation of DVB Transport

Finance Limited, which had been transferred to DZ BANK when DVB BANK SE was merged with DZ BANK in 2022.

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 the German Banking Act, the Supervisory Board conducted an evaluation of the Board of Managing Directors and a self-evaluation in the first quarter of 2024. 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 2024, the Supervisory Board also received internal training on compliance, sustainability management and the Corporate Sustainability Reporting Directive (CSRD), generative artificial intelligence, the SAP S/4HANA transformation, cyber resilience, and the Digital Operational Resilience Act (DORA).

There were no indications of fundamental and far-reaching 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 2024 single-entity financial statements and consolidated financial statements. Moreover, the Audit Committee obtained information on the auditor's other areas of focus for 2024.

For the purposes of monitoring the quality of the audit of the financial statements for the year ended December 31, 2024, 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, which increased substantially due to the adjustment of both the price structure and the quantity of work in the reporting year. To monitor

the independence of the auditor, the Audit Committee obtained a declaration from PwC confirming its independence. The committee also obtained information about any services other than the audit of the annual 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, 2024 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.

The Board of Managing Directors issued a non-financial statement (sustainability report based on ESRS) for 2024 – including information only relating to DZ BANK AG – and exercised the option to publish it in accordance with the requirements of the CSRD and ESRS, which form the applicable framework. The Supervisory Board decided to submit the sustainability report based on ESRS for a voluntary external review, for which it engaged the auditor. PwC did not become aware of any facts that would lead it to believe that the 2024 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 sustainability report based on ESRS complies with the statutory requirements. At its meeting on March 27, 2025, the Supervisory Board therefore approved DZ BANK's 2024 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, 2024. 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 the auditor 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, 2024 at its meeting on March 27, 2025 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 21, 2025, in a resolution on the appropriation of the distributable profit reported in the 2024 single-entity financial statements amounting to €483,100,419.31, that a dividend of 25 cents per share be distributed (total distribution of €447,836,189.25) and that the remaining distributable profit for 2024 of €35,264,230.06 be carried forward to the next accounting period.

## Personnel changes on the Board of Managing Directors and the Supervisory Board

On July 1, 2024, Mr. Uwe Fröhlich, who, together with Dr. Cornelius Riese, had been Co-Chief Executive Officer for five and a half years, left the Board of Managing Directors as planned due to his retirement. Having been instrumental in the merger of DZ BANK and WGZ BANK, the launch of the Verbund First 4.0 strategic program, and the virtual separation of the activities of the central institution and corporate bank from the holding company activities, Mr. Fröhlich, together with Dr. Riese, laid the groundwork for the secure long-term future of DZ BANK as one of Germany's leading financial services groups. Building on these foundations, he made a significant contribution to ensuring that DZ BANK continually moved forward, always with a focus on the needs of the Cooperative Financial Network. The Supervisory Board would like to thank Mr. Fröhlich for his successful and formative work on the Board of Managing Directors of DZ BANK. With the departure of Mr. Fröhlich, Dr. Riese became the sole Chief Executive Officer with effect from July 1, 2024. Mr. Fröhlich's successor on the board is Mr. Johannes Koch, who had been appointed in 2023 with effect from January 1, 2024, in anticipation of Mr. Fröhlich's retirement.

With effect from the end of the Annual General Meeting on May 16, 2024, the shareholder representative Mr. Ingo Stockhausen and the employee representative Mr. Heiner Beckmann stepped down from the Supervisory Board, in both cases due to their planned retirement. Labor union representative Mr. Kevin Voß left the Supervisory Board with effect from December 31, 2024. The Supervisory Board would like to thank Mr. Beckmann, Mr. Stockhausen, and Mr. Voß for their dedicated work as members of the Supervisory Board and its committees. Dr. Florian Müller was elected as a Supervisory Board member representing the shareholders by the Annual General Meeting on May 16, 2024 to replace Mr. Stockhausen. Mr. Beckmann stepped down from the Supervisory Board with effect from the end of the Annual General Meeting on May 16, 2024. He was replaced on the Supervisory Board at that point by Mr. Michael Sauer, who had been elected as Mr. Beckmann's substitute board member in the employee representative election on September 15, 2021. The Frankfurt am Main local court appointed Mr. Stefan Wittmann to replace Mr. Kevin Voß as a labor union representative on the Supervisory Board with effect from January 1, 2025.

The Supervisory Board wishes to thank the Board of Managing Directors and all employees of the DZ BANK Group for their valuable contribution in 2024.

Frankfurt am Main, March 27, 2025

DZ BANK AG  
Deutsche Zentral-Genossenschaftsbank,  
Frankfurt am Main



Henning Deneke-Jöhrens  
Chairman of the Supervisory Board