Volksbanken Raiffeisenbanken
Cooperative Financial Network

2024
Annual Report

DZ BANK Group

Key figures

DZ BANK GROUP

€ million	2024	2023
FINANCIAL PERFORMANCE		
Income [1]	8,700	8,149
Loss allowances	-845	-362
Profit before taxes	3,303	3,189
Net profit	2,390	2,234
Cost/income ratio (percent)	52.3	56.4

	Dec. 31, 2024	Dec. 31, 2023
FINANCIAL POSITION		
Assets		
Loans and advances to banks	143,532	128,867
Loans and advances to customers	208,688	204,776
Financial assets held for trading	30,441	34,961
Investments	62,049	47,970
Investments held by insurance companies	122,625	115,568
Remaining assets	92,305	112,448
Equity and liabilities		
Deposits from banks	187,526	176,594
Deposits from customers	154,103	157,627
Debt certificates issued including bonds	109,810	103,768
Financial liabilities held for trading	42,234	47,675
Insurance contract liabilities	111,340	105,151
Remaining liabilities	22,049	22,704
Equity	32,578	31,069
TOTAL ASSETS/TOTAL EQUITY AND LIABILITIES	659,638	644,589
Volume of business	1,258,111	1,195,012

	Dec. 31, 2024	Dec. 31, 2023
RISK POSITION		
LIQUIDITY ADEQUACY		
DZ BANK Group		
Minimum liquidity surplus (€ billion)	22.7	18.5
DZ BANK banking group		
Liquidity coverage ratio (LCR, percent)	143.9	145.8
Net stable funding ratio (NSFR, percent)	125.0	126.5
CAPITAL ADEQUACY		
DZ BANK Group		
Economic capital adequacy (percent)	197.7	209.1
DZ BANK financial conglomerate		
Coverage ratio (percent)	135.3	152.5
DZ BANK banking group		
Common equity Tier 1 capital ratio (percent)	15.8	15.5
Tier 1 capital ratio (percent)	17.8	17.7
Total capital ratio (percent)	20.1	20.1
Leverage ratio (percent)	6.6	6.2
MREL ratio as a percentage of risk-weighted assets	36.2	37.6
MREL ratio as a percentage of the leverage ratio exposure	13.4	13.2
Subordinated MREL ratio as a percentage of risk-weighted assets	29.5	31.1
Subordinated MREL ratio as a percentage of the leverage ratio exposure	10.9	10.9
AVERAGE NUMBER OF EMPLOYEES	33,837	33,622
LONG-TERM RATING		
S&P® Global Ratings	A+	A+
Moody's Ratings	Aa2	Aa2
Fitch Ratings	AA-	AA-

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

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Note

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

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

Dr. Cornelius Riese, Chief Executive Officer

Dear Shareholders,

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

Group management report

I DZ BANK Group fundamentals

1 Business model and strategic focus

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

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

As regards overarching strategic projects and initiatives for the entire Cooperative Financial Network, the entities in the DZ BANK Group work in partnership with the cooperative banks, Atruvia AG, Frankfurt am Main, (Atruvia), and the BVR on the action areas in the strategic agenda and in the Germany-wide strategic portfolio. This portfolio builds on the strategic agenda and systematically brings together the Cooperative Financial Network's strategic initiatives.

The DZ BANK Group considers itself to be well prepared for future challenges. It intends to continually improve its performance by pursuing selective growth in certain international markets, expanding its product range (e.g. in relation to cryptoassets), and optimizing collaboration between front-office and middle-office divisions. The entities have jointly identified – and together will press ahead with – material areas of potential for collaboration in order to reinforce their shared future viability and profitability. In 2024, generative artificial intelligence (AI) was added as a further area of potential, while activities relating to open finance / financial data access (FIDA) and merchant customers / payment to loan were stepped up. DZ BANK is also concentrating on the big issues of this decade, namely sustainability and demographic change / employer branding. As part of its sustainability efforts, the DZ BANK Group has formulated measurable climate targets for over half of the business portfolio. In 2025, it also plans to make biodiversity a new area of focus in its sustainability program and to take account of it across all divisions and relevant banking processes. The management and implementation of sustainability in the DZ BANK Group is the responsibility of the Group Sustainability Committee (GSC) at the level of the Board of Managing Directors. The GSC reports regularly to the Group Coordination Committee, which is the highest-level management and coordination committee in the DZ BANK Group. When it comes to employer branding, the group entities are implementing action plans to attract workers with the necessary skills. In this context, DZ BANK regards recruitment as a groupwide task in which all employees and managers play a part.

In addition, each individual entity in the DZ BANK Group pursues a range of strategic initiatives, such as the 'Verbund First 4.0' strategic program at DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, (DZ BANK), the 'WIR @ R+V – Growth. Innovation. Profitability.' program at R+V Versicherung AG, Wiesbaden, (R+V Versicherung; subgroup abbreviated to R+V), the '#Fokus100' program at Bausparkasse Schwäbisch Hall AG, Schwäbisch Hall, (Bausparkasse Schwäbisch Hall; subgroup abbreviated to BSH), and the 'Fit for Future' program at Union Asset Management Holding AG, Frankfurt am Main, (Union Asset Management Holding; subgroup abbreviated to UMH).

In the year under review, the German government and many trade associations and companies signed a joint declaration of intent in respect of the WIN Initiative (Growth and Innovation Capital for Germany). The initiative is aimed at improving fiscal, legal, and financial structures so as to make it easier for innovative start-ups to access private capital. The Cooperative Financial Network is supporting the WIN Initiative by participating in areas in which the individual entities in the DZ BANK Group can contribute their strengths. For example, it plans to make direct equity investments, provide equity financing, and set up a growth fund.

1.1 DZ BANK – central institution and corporate bank

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

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

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

At DZ BANK, the strategic initiatives designed to ensure the bank's resilience for the future are brought together in the 'Verbund First 4.0' strategic program. The program is aimed at improvements in three key areas: market offering, control and production processes, and corporate culture. It is divided into implementation packages, with additional packages added in 2024. These include the 'Fit4Growth' initiative, in which DZ BANK is focusing on optimizing and stepping up cross-divisional collaboration on key processes. Going forward, the focus will be on the ongoing work on the processes. Activities around the themes of treasury and funding were also expanded, and a new implementation package for activities relating to generative AI was created. In 2024, this included rolling out an extensive continuing professional development program that draws on a variety of formats and media.

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

1.1.1 Cooperative Banks/Verbund

The cooperative banks are DZ BANK's most important customer group, its shareholders, and its partners in joint activities covering sales and the provision of advisory services. The focus of the Cooperative Banks/Verbund division is to meet the needs of this relationship of support for the cooperative banks. The Regionaldirektoren [regional directors] of DZ BANK are an important point of contact and customer relationship manager for the cooperative banks, with the aim of assisting them with their business activities in the regional markets. Moreover, DZ BANK's presence throughout Germany ensures that it can be physically close to the banks it supports.

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

The support for the cooperative banks regarding sustainability is provided at various levels. Knowledge is shared using a number of different dialogue formats and events, such as the new sustainability meet-up that was jointly organized by Atruvia, the BVR, DG Nexolution eG, Wiesbaden, and DZ BANK in the reporting year. The new event replaced previous formats, such as the sustainability conference. In addition, a sustainability portal provides members with a central platform for sustainability information. Collaboration with the cooperative banks on sustainability matters is expected to intensify in the years ahead.

In the year under review, the regular strategy events held by Atruvia, the BVR, and DZ BANK in collaboration with the Cooperative Financial Network's regional banking associations were again combined into a multi-company format entitled 'Strategie-Hub Regional 2024' with a series of four regional events. For the first time, an additional 'Strategie-Hub Regional 2024 kompakt' event was held in Leipzig for the cooperative banks located in eastern Germany. Furthermore, network committees ensure that the cooperative banks are closely involved in DZ BANK's strategic considerations and initiatives. The aim of the DZ BANK Group's Central Advisory Council is to enable important strategic matters in the DZ BANK Group to be discussed in depth and to connect the various players and levels in the Cooperative Financial Network. DZ BANK also has five regional Banking Advisory Councils that carry out an advisory and multiplier function.

1.1.2 Corporate Banking

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

The digitalization of banking processes is becoming increasingly important in the corporate banking business in Germany. DZ BANK is supporting the cooperative banks in this regard, for example by upgrading the VR GeschäftsNavigator (VR business navigator), which is used by 530 local cooperative banks. In 2024, DZ BANK also teamed up with the BVR to develop a new sales concept in order to improve the efficiency of marketing.

DZ BANK's Request-to-Pay (RtP) solution consists of new offerings that are designed not only to optimize accounting and payments processing for corporate customers and their retail customers but also to contribute to the digital revolution. RtP bridges the gap between billing and bill payment, which should thereby enable companies to reduce the amount of administration required. The benefit of the solution for their retail customers is that they do not need to spend time entering data during the billing process. Working with Atruvia and market partners, DZ BANK developed this solution into what is, from its perspective, a market-ready product. Corporate and retail customers can use the new type of payment request through participating cooperative banks. It will be important that banks outside the Cooperative Financial Network also engage with RtP to ensure that it reaches a wide range of corporate customers' end customers.

In addition to digitalization, other areas of focus in 2024 were integrating sustainability into the customer dialogue and helping corporate customers with their transformation in the context of the decarbonization of industry. This is illustrated by the growth of funding for renewable energies. DZ BANK reached a milestone in 2024 by providing funding for its biggest photovoltaics project yet. The bank, which sees itself as a supporter of its customers' transformation, pays particular attention to training its corporate banking relationship managers on environmental, social and corporate governance (ESG) aspects. The assessment process for ESG risks in the lending business, which was launched with the ESG credit risk score in 2023, was expanded in the reporting year. DZ BANK is in the process of developing a definition for sustainability-oriented products and a classification approach in the form of a sustainability product framework. The classification approach for sustainability-oriented products is currently being trialed as part of a one-year pilot phase in order to check whether it is fit for purpose. It is due to be finalized and integrated with sales processes in 2025.

DZ BANK also aims to support the international business of the Cooperative Financial Network's corporate customers. To grant them access to the world of international business, DZ BANK developed an information and communication tool called VR International, along with a related sales concept. DZ BANK offers a range of solutions geared to Germany's internationally oriented economy, including foreign payments processing, import and export credit guarantees and financing, and currency hedging. It has four branches and six representative offices outside Germany.

To improve the Cooperative Financial Network's performance when it comes to export credit guarantees and financing for German corporate customers, DZ BANK signed up additional correspondent banks in high-growth countries as business partners in 2024. DZ BANK also has detailed cooperation agreements with selected correspondent banks.

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

1.1.3 Retail Banking

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

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

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

In accordance with its digitalization strategy, DZ BANK is developing platform solutions for advisors and customers of the cooperative banks and cooperation banks. DZ BANK's meinGIS platform provides advisors with access to the latest market information, such as securities prices, price charts, and corporate news. As well as visiting a branch, customers in the securities business can access their bank digitally so that they can quickly open an online investment account themselves and carry out trades online, for example. This brokerage solution is integrated into the VR Banking App, which provides users with a range of information and products, including market data, real-time prices, analysis tools, access to DZ BANK research, and product suggestions. Furthermore, retail customers can use the Meine Anlagezertifikate (my investment certificates) function to obtain detailed information on the investment products in their investment accounts at any time. In 2025, DZ BANK plans to introduce cryptoasset trading for the local cooperative banks' retail customers.

1.1.4 Capital Markets

DZ BANK offers advisory and sales services in relation to investment and risk management products covering the interest-rate, credit, equities, and currency asset classes for the benefit of its institutional customers in Germany and abroad, the cooperative banks in their own-account investing activities, and its corporate customers. Its offering encompasses primary market, secondary market, and research services.

DZ BANK's Group Treasury division is responsible for managing and optimizing liquidity throughout the DZ BANK Group. This ranges from managing the cooperative banks' day-to-day cash inflows and outflows in the context of the cash-pooling function performed by DZ BANK as the cooperative central institution to optimizing the procurement of liquidity by issuing securities. These are sold through the bank's own sales units and through intermediaries to institutional customers, such as insurance companies and fund management companies in Germany and abroad, and to retail customers of the cooperative banks. Group Treasury is also responsible for securities documentation in DZ BANK's capital markets business, which includes equity instruments and debt instruments issued by DZ BANK or by customers.

DZ BANK is working on further expanding its sustainability expertise and ESG activities in its capital markets business with institutional customers. In 2024, DZ BANK supported green, social, and sustainability bonds. It also helped a number of issuers to develop and/or update their underlying frameworks. In the same period, DZ BANK placed sustainable promissory notes in the market. It was one of the leading banks in terms of supporting euro-denominated benchmark green covered bonds in 2024 (market share of more than 6 percent). DZ BANK regards biodiversity as a topic of long-term importance for the capital markets because it believes that nature-related risks will increasingly come to the attention of the capital markets going forward. From DZ BANK's perspective, the transactions that it has supported so far attracted significant interest from investors, such as the issuance of Iceland's first green government bond. DZ BANK not only placed the green bond in the capital markets but also worked with the customer to develop a framework that defines how the money will be invested in projects with a positive environmental impact.

The digitalization of existing business models is continuing unabated in the capital markets business. At the end of September 2024, DZ BANK participated in an exploration phase of the European Central Bank (ECB), in which it tested the automated settlement cycle of the smart derivative contract (SDC) in real-world market conditions using Deutsche Bundesbank's Trigger Solution, which is based on distributed ledger technology (DLT) infrastructure. Using its own product innovation, DZ BANK managed to establish real DLT node operation with Deutsche Bundesbank in order to highlight the potential of digital disintermediation and automation in the capital markets. In another milestone, DZ BANK is evaluating its support for the first blockchain-based digital bond to be issued by Germany's KfW development bank in the form of a cryptosecurity. DZ BANK acted as both bookrunner and depository in this transaction, thereby minimizing the expense for investors. The bank already holds cryptosecurities for its institutional customers on its proprietary cryptodepository platform. In December 2024, DZ BANK submitted a MiCAR notification (MiCAR = Markets in Crypto-Assets Regulation) to the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) [German Federal Financial Supervisory Authority] requesting permission to provide depository services for cryptoassets and carry out transfer services so that it can also operate as a depository for its institutional customers' cryptoassets in the future.

To further the organic development of the Capital Markets business line, opportunities for growth were identified with the aim of offering a broader range of products and services to customers and improving performance. The main areas of focus are growth of business with corporate customers, growth of business with institutional customers, and process-related and organizational improvements.

In cooperative network business, DZ BANK is updating its advisory and sales processes to take account of the changing requirements of the cooperative banks and in order to leverage potential efficiencies. The EGon own-account investing platform was also further developed in the reporting year. Since the autumn, for example, it has been possible to integrate assessments provided by DZ BANK Research directly into the lending process. This should make processes more efficient for users.

1.1.5 Transaction Banking

In the Transaction Banking business line, DZ BANK provides its customers with payments processing, card processing, customer-centric solutions, capital markets services, and securities services. It also offers a depository function for investment funds, plus advisory services. DZ BANK's objective in this context is to consolidate and continually improve the competitiveness of the entities within the Cooperative Financial Network with regard to transaction banking.

The focus of this business line is on ensuring that the Cooperative Financial Network is well equipped for the future requirements of transaction banking. DZ BANK is involved in the development of digital payment processes through its role as a scheme member in Visa's and Mastercard's card processing business, in the European Payments Initiative (EPI) for establishing the Wero European payment system, and in various partnerships in this context. In July 2024, EPI launched the Wero digital payment process in Germany with person-to-person (P2P) payments in order to cater to the digitalization trend and meet demand from customers for wallet solutions while also securing the customer interface with direct account-to-account transactions. This is to be followed in the years ahead by additional applications such as Wero PRO (digital payments for small businesses) and the facilitation of payments in e-commerce and brick-and-mortar stores. Wero is available to the cooperative banks' customers in the VR Banking App. Digitalization is also addressed by the RtP solution, which is designed to make the accounting and payment process easier for companies and retail customers. Following an initial pilot project, the technical and contractual foundations have been laid for all cooperative banks and their end customers so that the initiative can be expanded to include selected corporate customers (see also chapter I.1.1.2 'Corporate Banking').

Alongside the BVR, DZ BANK is also supporting and evaluating the ECB's planning for a digital euro and is monitoring the associated impact on private-sector solutions and initiatives. From the perspective of the Cooperative Financial Network, it is important that the Wero digital payment solution, which has a European focus, reaches a wide range of customers before the digital euro is introduced. This will make it possible to offer to the ECB to integrate the digital euro into the Wero application as a means of payment.

In 2024, DZ BANK completed its new centralized payments processing platform, which is one of its largest infrastructure projects of recent years. Thanks to the ZV ON€ project, the Cooperative Financial Network's entire payments processing operations are now combined on one powerful, inhouse platform. This harmonization is part of the Cooperative Financial Network's strategy and should help to further consolidate the network's payments processing resources, functions, and services and, from DZ BANK's perspective, to create a structure for payments processing that is efficient and fit for the future. This not only creates cost advantages but also paves the way for further innovation in payments processing. DZ BANK thus sees itself as a payment provider not only for the almost 700 cooperative institutions but also for banks outside the cooperative sector.

DZ BANK is keeping step with the evolution of card processing by enhancing its portfolio of solutions for retail and corporate customers. Key areas of investment in digitalization solutions for local cooperative banks in the reporting year were the online order process and a multitude of self-service options. In 2024, progress continued apace on the project to enable cards to be issued in real time to the Cooperative Financial Network's end customers. This function is expected to become available in the first quarter of 2025. Card details are displayed directly in the VR Banking App and can be used immediately. In corporate banking, the FikuFit ZV advisory module helps local cooperative banks to prepare for corporate customers' current and future payments processing requirements. The Digitale Region [digital region] advisory and sales concept brings together solutions that the local cooperative banks can use to support the digital transformation of their local authority customers and regional companies, and thus implement relevant products and services.

DZ BANK is continuing to pursue its growth strategy in the depository business. The aim in doing so is to strengthen its market position by stepping up business with investment management companies. It also intends to intensify its collaboration in the depository business with DZ PRIVATBANK S. A., Luxembourg, (DZ PRIVATBANK) under the auspices of the Fondshafen (fund haven) campaign, which brings together the DZ BANK Group's depository activities.

1.2 BSH

BSH is the consumer home finance provider in the DZ BANK Group and offers solutions that enable customers to obtain home finance, build up private retirement or other savings, or own their own home. The long-term objective is to be a reliable partner that helps its customers to achieve their dreams when it comes to their home. BSH works with the cooperative banks to develop solutions in the homes and housebuilding ecosystem, thereby helping to strengthen the Cooperative Financial Network. In 2024, it published its '#Fokus100' business strategy with the objective of making sure that it can achieve its long-term vision.

In its core home finance business, BSH offers its customers and partners a portfolio of financing products that include interest-only loans and building loans. These can be used in a variety of ways and incorporate a broad range of contract terms and fixed-interest periods. Thanks to the extensive product portfolio, collaboration within the Cooperative Financial Network on a decentralized basis and, in BSH's view, high-quality advice, BSH aims to create solutions that are tailored to customers' needs.

ESG key figures are used to measure the sustainability of the credit portfolio. BSH intends to reduce the credit portfolio's carbon footprint by 4 percent per year between now and 2030. In this context, BSH placed its second green Pfandbrief in the capital markets in 2024, following on from the first such paper issued at the start of the year. In accordance with BSH's Green Bond Framework, the proceeds from the green covered bond are being used to fund loans for the construction, purchase, or renovation of energy-efficient residential properties.

In its core home savings business, BSH is further developing its range of products under the Fuchs06 scale of rates and charges. The home savings tariffs and financing plans offer solutions that cater to different target groups and their individual financial needs. For example, interest on loans can be fixed for the future or for follow-up finance, renovation work aimed at improving energy efficiency and mitigating climate change can be carried out thanks to short saving periods, and there are home savings tariffs that help customers to start saving and to build up their savings.

In its international business, BSH focuses on maintaining the existing approach to business in Slovakia and China.

BSH's position as the largest German building society and one of Germany's leading home finance providers means that it can make a direct contribution to sustainability through its core business, working in partnership with the cooperative banks. To this end, BSH provided further skills training for its field sales team and, so far, has trained around 2,000 financial experts as certified modernization advisors, of whom around 1,400 have gained an additional qualification as a certified development lending advisor.

The Cooperative Financial Network is continuing to develop its homes and housebuilding ecosystem. Impleco GmbH, a joint venture between BSH and PSD banks, is playing a key part in this. Its objective is to establish a digital cooperative ecosystem for homes and housebuilding that has a regional emphasis. The main products are wohnglück.de, which is a Germany-wide platform for all matters relating to homes and real estate, and PIA (personal real estate assistant), a range of white-label services for regional cooperative banks.

1.3 R+V

R+V is the cooperative center of excellence for insurance, healthcare cover, and retirement pensions in the Cooperative Financial Network. It offers insurance products for retail and corporate customers in its non-life insurance, life insurance and pensions, and health insurance business segments. R+V also provides reinsurance cover for non-life insurance.

The company's strategic objectives are to improve the customer experience, follow a long-term trajectory of stable and income-oriented growth, and maintain an appropriate level of profitability, underpinned by sustainable, sound business operations. R+V intends to become one of the leading sustainable insurance companies. Its insurance products are already generally geared toward economic sustainability because they offer customers either an opportunity for long-term capital formation in a pension plan or a form of financial protection against risk.

One of R+V's goals under its strategy is to support its customers as they transition to greater sustainability. This applies in all of its business segments. In this context, R+V is contributing to the switch to cleaner energy and transportation, for example by offering insurance solutions for electric and hybrid vehicles, photovoltaic systems, geothermal power, and geothermal systems. R+V also makes a valuable contribution to sustainability through its environmental liability and environmental impairment insurance products, insurance against natural hazards, and advice on risk prevention in these areas. In its life insurance business, it offers special investment strategies such as R+V InvestmentKonzept Duo Invest, in which sustainability criteria are taken into account. The objective is for R+V's investment portfolio to be climate-neutral by 2050. R+V also intends to reduce the carbon footprint of its directly held properties between now and 2030.

R+V plans to continue expanding in growth areas such as healthcare and long-term nursing care, in which it is aiming to evolve from a health insurer into a health partner. This includes not only developing healthcare services but also extending its solutions for companies and their employees. In this context, R+V offers its policyholders R+V HealthBenefits, which are free digital health services that are available, for example, to people covered by occupational health insurance under R+V's new PROFIL healthcare concept. The new R+V Gesundheit app, which was introduced in 2024, is the central platform for all of R+V's digital health services.

R+V is broadening its capital expenditure program, particularly with regard to investment in digitalization, so that it can continue to meet customers' evolving needs going forward. By maintaining a firm focus on omnichannel sales, it intends to offer customers the optimum balance of personal and digital sales channels.

1.4 TeamBank

TeamBank AG Nürnberg, Nuremberg, (TeamBank) is the center of excellence in the Cooperative Financial Network for state-of-the-art liquidity management. In Germany, it offers its easyCredit family of consumer finance products. In Austria, TeamBank collaborates with the cooperative banks to offer 'der faire Credit', a consumer finance product.

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

TeamBank's strategic activities are focused on generating long-term profitable growth for the Cooperative Financial Network. It is striving to transition from a purely ad hoc lending business (consumer finance) to a long-term liquidity partner (credit lines). TeamBank works with the Deutschland im Plus foundation in order to prevent consumers from becoming over-indebted.

TeamBank also focuses on using technologies and laying the technical foundations for its pursuit of growth. Its GENOFLEX consumer finance platform was developed in response to the partner banks' need for a solution that can also be used for consumer finance from lenders other than TeamBank. In this way, TeamBank intends to strengthen its position as a center of excellence for liquidity management, consolidate the relationship with its partner banks, and increase value creation within the Cooperative Financial Network.

1.5 UMH

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

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

UMH updated its climate strategy in 2024, under which it is continuing to pursue the objective of achieving climate neutrality in its securities and commercial real estate portfolios before 2050. It is also working on further reducing the greenhouse gas emissions that it produces as a company.

In the institutional client business, UMH is the central asset manager for the Cooperative Financial Network. It also provides asset management for German and international institutional clients outside the cooperative sector. It offers special funds, institutional mutual funds, asset management, advisory services, capital preservation strategies, and quantitative asset management strategies. Risk management lies at the core of all investment processes. UMH's objective in its institutional client business is to consolidate its positioning as an active risks/returns manager and sustainability manager. The volume of sustainably managed assets has risen steadily in recent years.

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

UMH is investing in key growth sectors such as digitalization in order to cater to what it regards as the increasing importance of platforms and new technologies. For example, a fund launched in 2024 enables investors to participate in the development of blockchain technology and cryptomarkets.

1.6 DZ HYP

The core business policy objective of DZ HYP AG, Hamburg and Münster, (DZ HYP) is to embed real estate finance and public-sector finance in the Cooperative Financial Network and to operate the finance business jointly with the cooperative banks. To this end, DZ HYP offers a range of products and services to the cooperative banks and works together with them to develop business in the regional markets focusing on corporate, retail, and public-sector customers. DZ HYP's sales activities are based on long-term customer relationships in its direct and cooperative network business and on products and services that are defined with a view to their risk and reward.

In its Corporate Clients business line, DZ HYP has its own direct business and also acts as a partner to the cooperative banks. Customers in this business include investors, project developers, property developers, and companies in the housing sector. The focus is on real estate finance in the German market. German customers in selected international markets are supported too. The digitalization of the Corporate Clients business line is a priority action area for DZ HYP. The FK Digital project, which is aimed at creating a new digital approach to loan processing in corporate customer business, is expected to deliver the first significant results in 2025. In addition, DZ HYP has developed a method for identifying sustainable properties with which it hopes to make an even bigger contribution to sustainable development and to forge ahead with its activities in this sphere.

DZ HYP also works closely with the local cooperative banks in its Retail Customer business line, where the product portfolio includes initial and follow-up finance for new builds, purchases, and modernization/renovation. The VR-BaufiComfort product has established a new collaboration model in which the local cooperative banks can focus on providing customers with individual advice while DZ HYP deals with all aspects of loan processing. Sustainability continues to play a key role in the Retail Customer business line. By introducing the Eco product feature, DZ HYP can now offer a reduced interest rate for energy-efficient properties with annual final energy consumption of no more than 50 kWh per square meter. Marketing within the VR-Baufi product family got under way in 2024. New target-group-specific communication formats were also established, with webinars and news channels facilitating the ongoing sharing of knowledge and experience with the local cooperative banks.

Within the DZ BANK Group, DZ HYP also operates as the center of excellence for collaboration with public-sector customers. The core element of this business with local authorities and their legally dependent subsidiaries is the awarding of short-term loans to local authorities and loans to public-sector entities in collaboration with the cooperative banks. Customers' sustainability credentials are also covered in the risk assessment in this business line. DZ HYP implemented an extended ESG analysis in order to place a greater emphasis on sustainability matters in its Public Sector business line and has made the analysis an integral element of the local authority lending and decision process. Drawing on grouped KPIs, a highly granular and multidimensional sustainability assessment is conducted for all local authorities in Germany on the basis of the 17 UN sustainability goals.

In the funding business, DZ HYP further established itself as an issuer of green Pfandbriefe in the year under review. Most of the paper issued was placed in the primary market in benchmark format. By issuing green Pfandbriefe, DZ HYP generates funds for financing energy-efficient buildings and thereby supports the transformation of the real estate industry.

1.7 DZ PRIVATBANK

DZ PRIVATBANK, together with its branches at eight locations in Germany, its two subsidiaries DZ PRIVATBANK (Schweiz) AG and IPConcept (Luxemburg) S. A., and IPConcept (Schweiz) AG, a subsidiary of DZ PRIVATBANK (Schweiz) AG, is the center of excellence for private banking and is also involved in fund services and lending in all currencies in the Cooperative Financial Network. DZ PRIVATBANK specializes in individual solutions for private banking customers, with a portfolio ranging from classic asset management, asset structuring, and investment advice to financial planning, pension planning, and advice on charitable foundations.

The expansion of its advisory and digital services is aimed at strengthening customer relationships and attracting new customers. Digital innovations, such as Mein Vermögensportal [my investment portal] and the real estate check are designed to improve interaction with customers and the quality of the end-to-end advice provided. In 2024, the online private banking options were extended for end customers, for example so that alternative asset classes such as real estate and valuables are included. The plan for 2025 is to generate further strong growth in DZ PRIVATBANK's Private Banking business line on the basis of closer collaboration with the cooperative banks. The BVR believes that private banking offers substantial potential for the local cooperative banks to generate additional income.

In recent years, DZ PRIVATBANK has continued to consolidate its market position in Germany by working closely with the cooperative banks. The main core growth areas at DZ PRIVATBANK are private banking / wealth management and the fund business relating to liquid and alternative asset classes. In addition, the LuxCredit financing options for retail and corporate customers supplement the range of variable lending products denominated in euros and other currencies for the cooperative banks. The primary focus is on the VR ImmoFlex solution, which the cooperative banks and DZ PRIVATBANK are using to target the 50+ age group.

The DZ PRIVATBANK 2030 strategy has been launched to drive the bank's growth. Maintaining its existing business strategy, the bank is examining options for optimizing areas such as corporate governance.

1.8 VR Smart Finanz

VR Smart Finanz AG, Eschborn, together with its subsidiary VR Smart Finanz Bank GmbH, (together referred to as VR Smart Finanz) is the digital provider of finance for the self-employed and small businesses in the Cooperative Financial Network. It offers financing solutions and digital services for the day-to-day financial needs of regional small and medium-sized enterprises (SMEs) and the cooperative banks' small-business and self-employed customers. VR Smart Finanz AG's portfolio encompasses object finance solutions for hire purchase and leasing for assets up to €1 million as well as the digital Bonitätsmanager (credit status manager) service, which helps to optimize businesses' credit quality and create transparency. The 'VR Smart flexibel' business loan for up to €100,000 is offered through VR Smart Finanz Bank GmbH. The 'VR Smart Guide' tool for bookkeeping and invoice management is operated through VR Smart Guide GmbH.

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

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

2 Management of the DZ BANK Group

2.1 Management units

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

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

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

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

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

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

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

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

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

2.2 Governance

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

2.2.1 General management approach

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

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

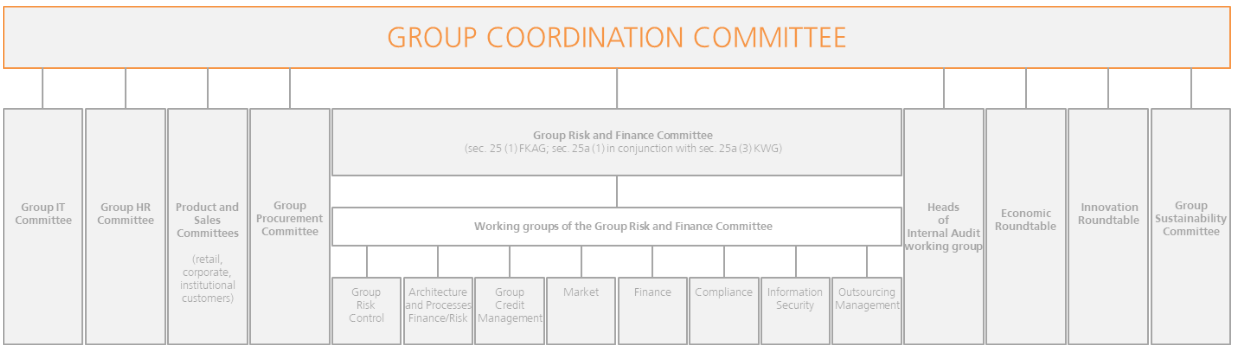
2.2.2 Appointments to key posts in the subsidiaries

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

2.2.3 Corporate management committees

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

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



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

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

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

– The **Group Risk Control working group** supports the Group Risk and Finance Committee in all matters concerning risk and the management of risk capital and market risk in the DZ BANK Group, and in matters relating to risk reporting. At DZ BANK level, the monitoring and control of the aggregate risks to the bank is coordinated by the Risk Committee. The **Risk Committee** makes recommendations to the entire Board of Managing Directors in matters relating to risk management, risk methodology, risk policies, risk processes, and the management of operational risk.

– The **Architecture and Processes Finance/Risk working group** assists the Group Risk and Finance Committee with the further development of the integrated finance and risk architecture in the DZ BANK Group. In terms of the corporate management of the DZ BANK Group, this committee works on refining the blueprint for the business, process, and data architecture and on ensuring a coordinated roadmap, a transparent project portfolio, and a holistic data governance approach.

– The management of credit risk throughout the group is the responsibility of the **Group Credit Management working group** of the Group Risk and Finance Committee. This working group monitors compliance with the rules in the group credit risk policy in connection with its involvement in drawing up group credit standards and related monitoring and validation processes as the basis for groupwide management of counterparty risk. In particular, this covers all measures relating to the monitoring and management of the limit allocation at individual counterparty level. The working group also participates in the further development and harmonization of the credit management organization and processes, and it discusses and continually develops the group credit risk strategy, group credit risk management, and group credit standards. It thus assists the Group Risk and Finance Committee with the groupwide harmonization of credit-related processes with due regard to their economic necessity. The monitoring and control of DZ BANK's overall portfolio for credit risk is coordinated by the **Credit Committee**, a committee of the Board of Managing Directors. It normally meets every week and makes decisions on material lending exposures at DZ BANK, taking into account the credit risk strategy of the DZ BANK Group. The Credit Committee is also responsible for managing country risk in the DZ BANK Group.

– The Group Risk and Finance Committee's **Market working group** is responsible for providing implementation support throughout the group in the following areas from the market viewpoint: capital management, balance sheet and balance sheet structure management, market risk management, liquidity and liquidity risk management, and funding activities. This body also focuses on coordinating and dovetailing funding strategies and liquidity reserve policies, as well as on independently determining funding needs and on preparing consistent investor relations and rating documents within the DZ BANK Group. In addition, the Market working group is responsible for refining the management of centrally measured market risk. At DZ BANK level, the **Asset/Liability Committee** is the central body responsible for the operational implementation of the strategic asset/liability management (ALM) requirements in the following areas: capital management, total assets management, liquidity management, and management of interest-rate risk in the banking book (IRRBB) and credit spread risk in the banking book (CSRBB). This committee also discusses overarching issues and current regulatory matters with the aim of identifying those requiring management action.

– The **Finance working group** advises the Group Risk and Finance Committee on matters concerning the consolidated financial statements, tax law at group level, regulatory law at group level, group controlling, and the management of financial resources. It discusses new statutory requirements and works out possible implementation options. The objective of the Finance working group is to continually update the uniform management framework used throughout the group (definitions, nomenclature, methodologies), particularly taking into account requests made by the supervisory authorities.

– The **Compliance working group** assists DZ BANK with compliance management across the group where this is legally required. It also advises the DZ BANK Group's Group Risk and Finance Committee on fundamental compliance-related issues. One of the primary tasks of the Compliance working group is to draw up common compliance standards for the DZ BANK Group; in addition, it serves as a platform enabling specialists to share information and agree on requirements across the group. When fulfilling its responsibilities, the Compliance working group must respect the individual responsibility of the heads of compliance in the group entities and ensure specific regulatory requirements are observed. The Compliance working group reports to the Group Risk and Finance Committee, headed by the member of the DZ BANK Board of Managing Directors responsible for compliance and finance, and by the member of the DZ BANK Board of Managing Directors responsible for risk control.

– The **Information Security working group** of the Group Risk and Finance Committee and of the Group IT Committee is the central body responsible for managing information security and information security risk in the DZ BANK Group. It advises the Group Coordination Committee, the Group Risk and Finance Committee, and the Group IT Committee on matters relating to specifying and adjusting information security targets and on the group's corporate strategy in this regard. The working group encourages information and experience relating to information security issues to be shared throughout the group, is responsible for the design of the risk management system for information security in the DZ BANK Group, and signs off the documentation forming part of the rules and regulations for the groupwide information security management system before this documentation is presented, where required, to the Boards of Managing Directors in the DZ BANK Group for approval.

– The **Outsourcing Management working group** is the central committee in the DZ BANK Group responsible for the management of outsourcing and sets out the general parameters for the management of outsourcing risk in the DZ BANK Group. It encourages information and experience relating to issues in connection with the management of outsourcing to be shared throughout the group. The Outsourcing Management working group is responsible for the design of the risk management system from the perspective of the group's minimum requirements for the management of outsourcing in the DZ BANK Group. It signs off the documentation forming part of the rules and regulations for the groupwide outsourcing management system before this documentation is presented, where required, to the Boards of Managing Directors in the DZ BANK Group for approval and assists the Group Coordination Committee, the Group Risk and Finance Committee, and the Group IT Committee with matters relating to specifying and adjusting targets for the management of outsourcing and with the group's corporate strategy in this regard.

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

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

From an operational perspective, the activities are coordinated by the Heads of IT group and implemented in the IT units in the DZ BANK Group.

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

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

- The **retail customers** product and sales committee coordinates products and services, and the marketing activities of its members where there are overarching interests affecting the whole of the group. The common objective is to generate profitable growth in market share for the cooperative banks and the entities in the DZ BANK Group with a focus on customer loyalty and customer acquisition by providing needs-based solutions (products and processes) as part of a holistic advisory approach across all sales channels (omnichannel approach).

- The **corporate customers** product and sales committee is responsible for coordinating the strategies, planning, projects, and sales activities in the DZ BANK Group’s corporate banking business if overarching interests are involved. The objective is closer integration in both the joint lending business with the cooperative banks and the direct corporate customer business of the entities in the DZ BANK Group.

- The aim of the **institutional clients** product and sales committee is to help strengthen the position of the DZ BANK Group in the institutional clients market.

The **Group Procurement Committee**, comprising the members of the Boards of Managing Directors and executives holding power of attorney at DZ BANK and its subsidiaries, supports the Group Coordination Committee in matters relating to procurement strategy in the DZ BANK Group. This committee manages the DZ BANK Group’s procurement activities that are relevant throughout the group. In particular, the Group Procurement Committee makes decisions on collaboration issues between procurement units, identifies and realizes synergies, and specifies common standards and procedures with the objective of achieving optimum procurement terms and conditions for the entities of the DZ BANK Group. From an operational perspective, the activities are coordinated by the Procurement Board – the Group Procurement Committee’s executive arm consisting of the DZ BANK Group’s heads of procurement – and implemented in the procurement units in the DZ BANK Group.

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

The **Economic Roundtable**, the members of which comprise the economists from the main group companies, helps the Group Coordination Committee to assess economic and capital market trends, providing a uniform basis for consistent planning scenarios throughout the group, and to prepare risk scenarios required by regulators.

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

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

2.3 Key performance indicators

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

– **Profitability figures in accordance with International Financial Reporting Standards (IFRS):**
  The profitability figures (primarily loss allowances for loans and advances, profit/loss before taxes, net profit/loss) are presented in chapters II.3.1 and 3.2 of this group management report as well as in note 32 of the notes to the consolidated financial statements.

– **IFRS volume figures:**
  The main volume-related KPIs include equity and total assets. These are set out in chapter II.4 of the group management report, in the consolidated financial statements (balance sheet as at December 31, 2024), and in note 32 of the notes to the consolidated financial statements.

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

– **Liquidity adequacy:**
  Appropriate levels of liquidity reserves in relation to the risks associated with future payment obligations are demonstrated using the KPIs for economic and regulatory liquidity adequacy presented in chapters VI.6.2 and VI.6.3 of the risk report in this group management report. The minimum liquidity surplus reflects economic liquidity adequacy. Regulatory liquidity adequacy is expressed in terms of the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR).

– **Capital adequacy:**
  The KPIs for economic capital adequacy are described in chapter VI.7.3 of the risk report in this group management report. The KPIs for regulatory capital adequacy are included in chapter VI.7.4. They comprise the coverage ratio for the financial conglomerate, the total capital ratio, the Tier 1 capital ratio, the common equity Tier 1 capital ratio, and the leverage ratio, as well as the metrics for the minimum requirement for own funds and eligible liabilities (MREL), namely the MREL ratio as a percentage of risk-

weighted assets, the MREL ratio as a percentage of the leverage ratio exposure, the subordinated MREL ratio as a percentage of risk-weighted assets, and the subordinated MREL ratio as a percentage of the leverage ratio exposure.

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

Forecasts for the aforementioned KPIs in the DZ BANK Group are set out in the outlook. The DZ BANK Group has also collated various non-financial key performance indicators in order to measure progress on achieving its non-financial targets. These non-financial KPIs are used for internal management purposes only to a limited extent, which is why no further disclosures are provided here. Sustainability-specific metrics are reported in the non-financial statement pursuant to section 315b HGB in chapter VII of the group management report.

2.4 Management process

In the annual strategic planning process, the entities in the DZ BANK Group produce a business strategy (objectives, strategic direction, and action plan), a strategic finance and capital plan, and risk strategies derived from the business strategy.

The planning by the management units is then validated and the plans are also discussed in strategy meetings. When the individual entity planning has been completed, the process then moves on to consolidated group planning, which primarily aims to facilitate active management of the DZ BANK Group's economic and regulatory capital adequacy.

The action plans to attain the targets are discussed in a number of ways, notably in quarterly meetings with the subsidiaries.

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

II Business report

1 Economic conditions

In terms of economic output, the German economy fared worse in 2024 than it had in 2023. The wave of inflation and the state of the job market impacted on consumer behavior. Energy costs were high by international comparison, which dampened the business outlook for companies, as did inconsistent economic policy and the growing burden created by increased bureaucracy. Germany's governing 'traffic-light' coalition collapsed in November.

The ebb and flow of economic output continued from quarter to quarter in 2024. The first quarter of 2024 saw an increase in gross domestic product (GDP) of 0.2 percent, but this was followed by a decrease of 0.1 percent in the second quarter. Among the factors acting as a brake on economic growth was expenditure on construction and capital equipment. Construction investment was held back by a rise in construction prices and high interest rates, despite the European Central Bank (ECB) starting to reduce interest rates again in the summer. The German economy also faced headwinds in foreign trade. Exports declined by 0.8 percent over the year as a whole, reflecting the lack of demand from abroad. The poor economic conditions meant that imports were subdued and increased by just 0.2 percent in 2024. However, consumer spending by private households and, in particular, the public sector provided support for the economy.

GDP declined by 0.2 percent in 2024 compared with the previous year. Economic output had contracted by 0.3 percent in 2023, so Germany's economy has been weak for two years in succession.

The economy of the eurozone continued to recover in 2024, although the pace of growth barely picked up. Overall, the eurozone's GDP went up by 0.9 percent year on year in 2024, having risen by 0.5 percent in 2023.

The US economy grew in 2024, with household consumption and capital expenditure picking up. These favorable conditions were thanks to increased consumer spending, waning inflation, and the central bank's interest-rate cuts from September 2024 onward. Government spending also continued to climb. GDP growth over 2024 as a whole amounted to 2.8 percent.

Chinese economic growth came in at exactly the stated target of 5.0 percent in 2024. However, the economy continued to be weighed down by the crisis in the real estate sector, which did not begin to show any signs of easing until the end of the year. This recovery is likely to have been mainly due to government support. Consumer spending remained extremely muted in the year under review. By contrast, healthy exports provided growth impetus. However, sales figures for exports were mainly propped up by price reductions that can only be offered because of high government subsidy levels.

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

As had been the case in 2023, geopolitical risks again fueled uncertainty in the capital markets during the reporting year. Nonetheless, the stock markets followed a positive trajectory over the course of 2024.

The STOXX Europe 600, a share index comprising 600 large listed European companies, stood at 507.62 points as at December 31, 2024, which was 28.6 points higher than at the end of the previous year (December 31, 2023: 479.02 points). The index had added 54.13 points in the previous year.

Some EU countries still exceeded 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 2024, the total borrowing of the 20 eurozone countries equated to 88.2 percent of their GDP.

Italy's public debt as a percentage of GDP stood at 136.3 percent in the third quarter of 2024, which is the highest in the eurozone after that of Greece.

Based on a policy of quantitative easing, the ECB has been supporting the markets for government bonds since the financial crisis in 2008, thereby creating the necessary time over the last few years for the European Monetary Union (EMU) countries burdened with excessive debt to reduce their budget deficits. By the third quarter of 2022, however, the ECB was pursuing a more restrictive monetary policy.

The following key interest rates were relevant in the year under review. At its meeting on December 14, 2023, the ECB had decided to leave the deposit facility interest rate at 4.00 percent, the main refinancing operations rate at 4.50 percent, and the marginal lending facility rate at 4.75 percent. On June 6, 2024, the ECB Governing Council then decided to lower the ECB's three key rates by 25 basis points each. The deposit facility interest rate was therefore set at 3.75 percent, the main refinancing operations rate at 4.25 percent, and the marginal lending facility rate at 4.50 percent. On September 12, 2024, the ECB reduced the deposit rate by 25 basis points and the rates for main refinancing operations and the marginal lending facility by 60 basis points each. Then on October 17, 2024, the ECB Governing Council decided to lower the key rates for the third time in the year, cutting them by 25 basis points each. The ECB's monetary policy decision on December 12, 2024 saw each of the three rates reduced by a further 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.

The federal funds rate of the US Federal Reserve (Fed) started the year in a range of 5.25 percent to 5.50 percent. In light of falling inflation in 2024, the Fed cut the rate by 0.50 percentage points in September 2024. This was followed by a further rate cut of 0.25 percentage points in November 2024. On December 18, 2024, the Fed set the range for the federal funds rate at 4.25 percent to 4.50 percent.

Germany's two largest banks both generated an overall net profit in 2024. Whereas one of them registered a considerable increase in net profit and a significant[1] rise in expenses for loss allowances for loans and advances compared with the previous year, the other one saw a sharp decrease in its net profit and, as with the other bank, a significant increase in expenses for loss allowances for loans and advances. Both banks recorded a small rise in administrative expenses in the reporting year.

1 In the presentation of financial performance in chapters II.2 and II.3 and of net assets in chapter II.4 in the business report and chapters V.2 and V.4 in the outlook of the 2023 group management report, 'significant' was used in the sense of a moderate or tangible change. In this report, 'significant' in the aforementioned chapters means a substantial or considerable change.

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 €3,303 million in 2024 (2023: €3,189 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	2024	2023
Net interest income	4,670	4,333
Net fee and commission income	3,191	2,807
Gains and losses on trading activities	-842	-175
Gains and losses on investments	65	-72
Other gains and losses on valuation of financial instruments	229	298
Gains and losses from the derecognition of financial assets measured at amortized cost	40	11
Net income from insurance business	1,147	891
Loss allowances	-845	-362
Administrative expenses	-4,552	-4,597
Staff expenses	-2,201	-2,174
Other administrative expenses[1]	-2,351	-2,423
Other net operating income	200	56
Profit before taxes	3,303	3,189
Income taxes	-913	-955
Net profit	**2,390**	**2,234**

1 General and administrative expenses plus depreciation/amortization expense.

Operating income in the DZ BANK Group amounted to €8,700 million (2023: €8,149 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 increased by €337 million year on year to €4,670 million (2023: €4,333 million).

Within this figure, interest income from lending and money market business rose to €12,861 million (2023: €11,423 million) and interest income from bonds and other fixed-income securities advanced to €1,356 million (2023: €916 million). There was a positive change in interest income from portfolio hedges of interest-rate risk (portfolios comprising financial assets), which increased to €1,502 million (2023: €1,405 million), and in interest expense for portfolio hedges of interest-rate risk (portfolios comprising financial liabilities), which declined to €322 million (2023: €421 million).

Interest expense on debt certificates issued including bonds increased to €2,834 million (2023: €1,754 million). This was mainly due to expansion of the portfolio of issued commercial paper. Interest expense for deposits from banks and customers rose to €7,872 million (2023: €7,180 million), partly for volume-related reasons.

Net fee and commission income grew by €384 million to €3,191 million (2023: €2,807 million). Net fee and commission income from securities business climbed to €2,609 million (2023: €2,308 million). This was primarily due to increases at UMH in the volume-related income contribution to €2,131 million (2023: €1,849 million) and in performance-related management fees to €42 million (2023: €4 million).

Furthermore, net fee and commission income from payments processing including card processing rose to €173 million (2023: €144 million), that from lending and trust activities to €126 million (2023: €99 million), and that from financial guarantee contracts and loan commitments to €103 million (2023: €84 million).

Gains and losses on trading activities amounted to a net loss of €842 million (2023: net loss of €175 million). This change was due to the volatility of market prices, which – as a result of risk management – had opposing effects on gains and losses on non-derivative financial instruments and embedded derivatives on the one hand and on gains and losses on derivatives on the other. Gains and losses on derivatives deteriorated to a net gain of €341 million (2023: net gain of €2,193 million). Conversely, gains and losses on non-derivative financial instruments and embedded derivatives improved to a net loss of €1,331 million (2023: net loss of €2,430 million). The net gain under gains and losses on exchange differences rose to €148 million (2023: net gain of €62 million).

Gains and losses on investments stood at a net gain of €65 million (2023: net loss of €72 million). Within this figure, gains and losses on the disposal of bonds and other fixed-income securities improved to a net gain of €16 million (2023: net loss of €36 million). Gains and losses on investments in associates amounted to a net gain of €32 million (2023: net loss of €5 million), which was largely due to gains realized on the sale of two direct equity investments at VR Equitypartner. Gains and losses on investments in joint ventures improved to €1 million (2023: net loss of €28 million) and gains and losses on the disposal of shares and other variable-yield securities to a net gain of €17 million (2023: net loss of €2 million).

Other gains and losses on valuation of financial instruments came to a net gain of €229 million (2023: net gain of €298 million). The deterioration is chiefly attributable to the year-on-year decline in the net gain from guarantee commitments of UMH.

Gains and losses on derivatives used for purposes other than trading declined to a net gain of €109 million (2023: net gain of €433 million). By contrast, 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 improved to a net loss of €11 million (2023: net loss of €162 million), gains and losses from fair value hedge accounting improved to a net gain of €52 million (2023: net loss of €44 million), and gains and losses on financial assets mandatorily measured at fair value through profit or loss improved to a net gain of €80 million (2023: net gain of €71 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 2024, net income from insurance business increased by €256 million to €1,147 million (2023: €891 million). The increase was primarily due to the improvement – driven by the situation in the capital markets – in gains and losses on investments held by insurance companies and other insurance company gains and losses to a net gain of €5,094 million (2023: net gain of €2,998 million) and the improvement in the insurance service result to a profit of €1,400 million (2023: profit of €1,183 million). By contrast, insurance finance income or expenses deteriorated to a net expense of €5,351 million (2023: net expense of €3,297 million), largely in relation to policyholders’ share of investment returns.

There was a net addition to **loss allowances** of €845 million (2023: net addition of €362 million).

The net addition to loss allowances for loans and advances to customers was €729 million (2023: net addition of €374 million). The net addition to other loss allowances for loans and advances (particularly loan commitments and financial guarantee contracts) came to €110 million (2023: net addition of €3 million). The net addition to loss allowances for loans and advances to banks was €4 million (2023: net reversal of €14 million).

Administrative expenses went down by €45 million to €4,552 million (2023: €4,597 million). Within this figure, staff expenses advanced to €2,201 million, compared with €2,174 million in 2023. This increase was predominantly due to pay rises and appointments to vacant positions. Other administrative expenses declined to €2,351 million (2023: €2,423 million), largely because there were no longer any contributions to the bank levy.

Other net operating income amounted to €200 million (2023: €56 million). Restructuring expenses decreased to €48 million (2023: €94 million). In 2023, these expenses had been dominated by additions to provisions for termination benefits linked with restructuring. Income and expense resulting from impairment losses recognized on other intangible assets, and reversals thereof, improved to a net expense of €7 million (2023: net expense of €53 million). The prior-year figure had largely been influenced by impairment of recognized customer relationships at UMH. By contrast, income from the reversal of provisions and accruals deteriorated to €151 million (2023: €175 million).

Profit before taxes for 2024 amounted to €3,303 million, compared with €3,189 million in 2023.

The **cost/income ratio** (i.e. the ratio of administrative expenses to operating income) for the reporting year came to 52.3 percent (2023: 56.4 percent).

The **regulatory return on risk-adjusted capital (RORAC)** was 16.8 percent (2023: 17.1 percent).

Income taxes amounted to €913 million in the reporting year (2023: €955 million).

The DZ BANK Group increased its **net profit** to €2,390 million in 2024, compared with a net profit of €2,234 million in 2023.

The following provides an explanation of the above information and the details below (chapter II.3.2) concerning the financial performance of the DZ BANK Group with reference to the corresponding presentation in the outlook for 2024 (chapter IV of the 2023 group management report).

In 2024, the DZ BANK Group generated profit before taxes that was significantly higher than the budgeted figure. Net interest income in the reporting year was considerably higher than expected, which was mainly attributable to an increase in customer business at DZ BANK – CICB, an increased volume of and improved margins in the DZ HYP portfolio, distributions from UMH’s own-account investments, a higher average initial yield to maturity in the securities portfolio, and interest on deposits at DZ PRIVATBANK. A slight fall in net fee and commission income had been forecast in 2023, but it actually increased strongly in 2024, primarily due to higher volume-related income. Gains and losses on trading activities deteriorated markedly in the reporting year due to changes in market prices, whereas a significant improvement had been anticipated in 2023. Gains and losses on investments improved sharply in 2024, as had been forecast in 2023. Other gains and losses on valuation of financial instruments deteriorated markedly, returning to a normal level in the year under review, as had been expected in the prior year. Net income from insurance business rose substantially in the reporting year, in line with the budgeted figure. Net additions to loss allowances were considerably higher than had been budgeted for 2024 due to unexpected additions to the specific loan loss allowances. Administrative expenses were largely unchanged in 2024; the projection in the prior year had been for a slight increase. In 2023, other net operating income had been forecast to increase, returning to a normal level, but it actually rose sharply in 2024. The cost/income ratio for the DZ BANK Group in 2024 declined to 52.3 percent (2023: 56.4 percent), whereas a slight increase had been forecast in the prior year. Regulatory RORAC was 16.8 percent in the reporting year (2023: 17.1 percent). It had been predicted to fall sharply.

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 2024 compared with 2023.

3.2.1 BSH

Net interest income in the BSH subgroup decreased by €13 million to €537 million (2023: €550 million).

Interest expense in building society operations (including interest expense on hedges) went down by €72 million to €637 million (2023: €709 million). Within this figure, interest expense for home savings deposits amounted to €584 million (2023: €653 million). The amount for 2024 included additions to provisions relating to building society operations of €217 million (2023: €217 million) and a sum of €366 million (2023: €434 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 €45 million (2023: €47 million).

In the case of loans issued under advance or interim financing arrangements and other building loans, income amounted to €1,075 million (2023: €1,070 million). Income from home savings loans amounted to €137 million (2023: €98 million).

Interest income arising on investments fell by €58 million to €303 million (2023: €361 million). Interest expense for borrowing increased by €82 million to €172 million (2023: €90 million, which had included income of €55 million from the early redemption of promissory notes issued by BSH).

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 the reporting year, this decreased net interest income by €184 million (2023: €199 million). Of this sum, €77 million was attributable to home savings deposits (2023: €94 million) and €107 million to building loans (2023: €105 million).

Net fee and commission income amounted to a net expense of €14 million (2023: net expense of €13 million). New home savings business and new home finance business are the main drivers of net fee and commission income.

In the home savings business in 2024, BSH entered into approximately 426 thousand (2023: 459 thousand) new home savings contracts with a volume of €28.1 billion (2023: €31.0 billion) in Germany.

In the home finance business, the realized volume of new business came to €9.0 billion (2023: €9.2 billion) in Germany.

Loss allowances amounted to a net addition of €24 million (2023: net addition of €18 million).

Administrative expenses went down by €45 million to €491 million (2023: €536 million). Of the total decrease, €37 million overall was attributable to the sale of the subsidiary Fundamenta-Lakáskassza Lakástakarékpénztár Zrt. (FLK) at the end of the first quarter of 2024. At €253 million, staff expenses in the BSH subgroup were €30 million lower than the prior-year level of €283 million. The decrease was primarily due to the effect of €20 million on the amount of the defined benefit obligations resulting from the capitalization option granted to employees, and to the effect of €16 million from the aforementioned sale of FLK. Salary increases of €6 million had the opposite effect on this line item.

Other administrative expenses declined by €15 million to €238 million (2023: €253 million), largely owing to the effect of €21 million from the sale of FLK, the absence of the bank levy, and a reduction in expenses for property costs and occupancy costs. By contrast, IT costs went up by €10 million.

Other net operating income increased by €22 million to €60 million (2023: €38 million). The change was mainly attributable to the reversal of provisions outside the lending business.

Profit before taxes improved by €44 million to €64 million (2023: €20 million) because of the changes described above.

The **cost/income ratio** in 2024 was 84.8 percent (2023: 93.4 percent).

Regulatory RORAC was 5.1 percent (2023: 1.6 percent).

3.2.2 R+V

The **insurance service result** amounted to a profit of €1,371 million (2023: profit of €1,162 million). This figure included insurance revenue amounting to €12,165 million (2023: €11,578 million) and insurance service expenses of €10,577 million (2023: €10,339 million). Net expenses from reinsurance contracts held stood at €217 million (2023: €78 million).

In the life and health insurance business, insurance revenue amounted to €2,529 million (2023: €2,296 million). The premiums received amounted to €9,134 million (2023: €8,530 million). Besides the premiums, insurance revenue from insurance contracts issued included income of €308 million (2023: €273 million) from the amortization of the contractual service margin. The contractual service margin increased to €5,823 million in 2024 (2023: €5,143 million). This was due to the updating of the contractual service margin and, in particular, to the level of new business in unit-linked life insurance and in private supplementary health insurance calculated on a basis similar to that for non-life insurance. The release of the risk adjustment gave rise to income of €74 million (2023: €53 million). The amortization of insurance acquisition cash flows of €411 million (2023: €377 million) was matched by insurance service expenses in the same amount. Insurance service expenses amounted to €1,893 million (2023: €2,028 million). Of this sum, €1,498 million (2023: €1,686 million) was attributable to incurred claims and changes in fulfillment cash flows relating to the liability for incurred claims and €411 million (2023: €377 million) to the amortization of insurance acquisition cash flows reported under insurance revenue from insurance contracts issued. The change in onerous business came to an expense of €16 million in 2024 (2023: €35 million). The loss component for the portfolio of conventional life insurance fell from €21 million to €16 million in the German insurance business and from €53 million to €44 million in the Italian insurance business. Net expenses from reinsurance contracts held in this business stood at €5 million (2023: €0 million).

In the non-life insurance business, insurance revenue amounted to €7,598 million (2023: €7,246 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 €7,056 million (2023: €6,887 million). Of this sum, €5,254 million (2023: €5,104 million) was attributable to expenses for claims, comprising payments for claims of €5,215 million (2023: €4,980 million) and the change in the liability for incurred claims amounting to a decrease of €40 million (2023: decrease of €124 million). It also included the change in losses on insurance contracts, which amounted to a decrease of €40 million (2023: decrease of €119 million). Other insurance service expenses included insurance acquisition cash flows and administration costs and totaled €1,762 million (2023: €1,664 million). Net expenses from reinsurance contracts held in this business came to €158 million (2023: €63 million). The combined ratio (gross), which is the ratio of insurance service expenses to insurance revenue, stood at 92.86 percent (2023: 95.04 percent). The combined ratio was better in 2024 than it had been in 2023, when it had been heavily influenced by inflation. Incurred claims from natural disasters came to a total of €217 million in 2024 (2023: €234 million).

Insurance revenue in the inward reinsurance business amounted to €2,038 million (2023: €2,036 million). This included not only premium income but also amortization of the contractual service margin in an amount of €271 million (2023: €231 million) under the general measurement model. Insurance service expenses came to €1,628 million (2023: €1,424 million). Net expenses from reinsurance contracts totaled €54 million (2024: €15 million). The combined ratio increased in 2024 following a very good prior year. Major incurred claims from natural disasters remained on a par with the prior year at €266 million in total in 2024 (2023: €279 million).

Gains and losses on investments held by insurance companies and other insurance company gains and losses improved by €2,074 million to a net gain of €5,210 million (2023: net gain of €3,136 million).

Long-term interest rates were lower than in 2023. The ten-year Bund/swap rate was 2.36 percent as at December 31, 2024 (December 31, 2023: 2.49 percent). Spreads on interest-bearing securities largely narrowed during the reporting year and had a similarly positive overall impact on gains and losses on investments held by insurance companies and other insurance company gains and losses as in the previous year, when spreads had narrowed. A weighted spread calculated in accordance with R+V's portfolio structure stood at 65.2 points as at December 31, 2024 (December 31, 2023: 77.0 points). In the comparative period, this spread had fallen from 89.8 points as at December 31, 2022 to 77.0 points as at December 31, 2023.

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 374 points from the start of 2024, closing the year under review on 4,896 points (December 31, 2023: 4,522 points). The index had added 728 points in 2023.

In the reporting year, movements in exchange rates between the euro and various currencies were generally favorable. For example, the US dollar/euro exchange rate on December 31, 2024 was 0.9657 compared with 0.9053 as at December 31, 2023. In the previous year, the exchange rate had moved from 0.9370 as at December 31, 2022 to 0.9053 as at December 31, 2023.

These trends resulted in a €1,010 million positive change – resulting from the effects of changes in positive fair values – in unrealized gains and losses to a net gain of €2,925 million (2023: net gain of €1,915 million), a €937 million improvement in foreign exchange gains and losses to a net gain of €654 million (2023: net loss of €282 million), a €507 million rise in net income under current income and expense to €2,930 million (2023: €2,423 million), and a €111 million improvement in the balance of depreciation, amortization, impairment losses, and reversals of impairment losses to a net expense of €124 million (2023: net expense of €234 million). However, the contribution to earnings from the derecognition of investments deteriorated by €277 million to a loss of €532 million (2023: loss of €255 million. Furthermore, other non-insurance gains and losses declined by €214 million to a net loss of €643 million (2023: net loss of €429 million). The decline in other non-insurance gains and losses related, firstly, to effects from a change in the scope of consolidation resulting from the liquidation of special funds (net loss of €128 million), which was more than offset, however, by countervailing effects in other items of gains and losses on investments held by insurance companies. Secondly, there were higher foreign exchange losses of €107 million that are not attributable to financial instruments and are therefore not reported under foreign exchange gains and losses on investments held by insurance companies.

The positive trend in gains and losses on investments held by insurance companies was offset to an extent by the deterioration in insurance finance income or expenses.

Insurance finance income or expenses deteriorated by €2,054 million to a net expense of €5,351 million (2023: net expense of €3,297 million). In the life and health insurance business, this line item deteriorated to a net expense of €4,945 million (2023: net expense of €2,995 million), which was mainly due to the aforementioned compensatory effect. Insurance finance income or expenses came to a net expense of €256 million in the non-life insurance business (2023: net expense of €187 million) and a net expense of €149 million in inward reinsurance (2023: net expense of €115 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 €191 million in non-life insurance (2023: net expense of €125 million) and a net expense of €149 million in inward reinsurance (2023: net expense of €115 million).

The factors described above resulted in an increase in **profit before taxes** to €1,240 million (2023: €1,008 million).

Regulatory RORAC was 13.0 percent (2023: 11.3 percent).

3.2.3 TeamBank

Net interest income amounted to €534 million and thus improved by €4 million year on year (2023: €530 million). Average loans and advances to customers increased in the reporting year to stand at €9,811 million (2023: €9,675 million).

As at December 31, 2024, loans and advances to customers stood at €9,854 million (December 31, 2023: €9,768 million). The number of customers rose to 1,071 thousand (December 31, 2023: 1,039 thousand). As at December 31, 2024, TeamBank was working with 623 (December 31, 2023: 640) of Germany's 662 (December 31, 2023: 690) cooperative banks and with 166 (December 31, 2023: 152) partner banks in Austria.

Net fee and commission income improved by €2 million to a net expense of €37 million (2023: net expense of €39 million), mainly owing to lower expenses for bonuses paid to partner banks.

The net addition to **loss allowances** amounted to €205 million (2023: net addition of €133 million). Rating downgrades in the portfolios due to customers' poorer payment history, as well as a further deterioration in macroeconomic factors, led to the year-on-year rise in loss allowances.

Administrative expenses amounted to €283 million (2023: €285 million). Within this figure, staff expenses totaled €106 million (2023: €106 million) and other administrative expenses came to €177 million (2023: €179 million).

Profit before taxes stood at €23 million and was thus down by €58 million compared with the prior-year figure of €81 million amid challenging market conditions and a difficult risk situation.

TeamBank's **cost/income ratio** in 2024 was 55.5 percent (2023: 57.1 percent).

Regulatory RORAC was 4.4 percent (2023: 16.3 percent).

3.2.4 UMH

Net interest income swelled to €101 million (2023: €71 million), predominantly due to distributions from own-account investments of €65 million (2023: €43 million).

Net fee and commission income improved by €291 million to €2,309 million (2023: €2,018 million). This total included the volume-related income contribution of €2,131 million (2023: €1,849 million), performance-related management fees of €42 million (2023: €4 million), and income of €55 million from transaction fees for properties in Union Investment's real estate funds (2023: €52 million). Expenses for the performance bonus for sales partners increased to €90 million (2023: €57 million).

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

The average assets under management totaled €484.8 billion (2023: €431.1 billion).

Union Investment generated net inflows from its retail business of €12.6 billion (2023: €12.2 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 3.9 million contracts as at December 31, 2024 (December 31, 2023: 3.7 million), with an increase in the 12-month savings volume to €7.0 billion (December 31, 2023: €6.4 billion).

The total assets in the portfolio of Riester pension products amounted to €32.0 billion (December 31, 2023: €26.6 billion).

In its institutional business, Union Investment recorded net inflows of €4.7 billion (2023: €4.6 billion).

The portfolio volume of funds managed by Union Investment that conform with article 8 or article 9 of the EU Sustainable Finance Disclosure Regulation (SFDR) amounted to €146.6 billion (December 31, 2023: €128.7 billion). As at December 31, 2024, this figure included €127.1 billion in assets defined as sustainable by Union Investment based on its own criteria (December 31, 2023: €90.6 billion).

Gains and losses on investments improved to a net gain of €14 million (2023: net loss of €31 million). The net gain on valuation of an equity-accounted joint venture came to €1 million (2023: net loss of €28 million) and the net gain realized on the disposal of investment fund units from own-account investments of Union Investment came to €13 million (2023: net loss of €2 million).

The net gain under **other gains and losses on valuation of financial instruments** declined to €85 million (2023: €197 million), which was largely attributable to the net gain of €37 million on the valuation of guarantee commitments (2023: net gain of €143 million), with a net gain of €48 million arising on the valuation of Union Investment's own-account investments (2023: net gain of €54 million).

Administrative expenses went up by €32 million to €1,263 million (2023: €1,231 million). Staff expenses increased by €5 million to €600 million (2023: €595 million) owing to higher average pay and appointments to new and vacant posts. Other administrative expenses climbed by €27 million to €663 million (2023: €636 million), mainly because of higher expenses incurred in connection with IT, consultancy, public relations, and marketing.

Other net operating income amounted to a net loss of €6 million (2023: net loss of €50 million). This improvement was mainly because other net operating income in the prior year had included impairment losses on recognized customer relationships.

Based on the changes described above, **profit before taxes** increased by €267 million to €1,241 million (2023: €974 million).

The **cost/income ratio** in 2024 was 50.5 percent (2023: 55.8 percent).

Regulatory RORAC was greater than 100.0 percent (2023: 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 increased by €69 million to €1,552 million (2023: €1,483 million).

In the Corporate Banking business line, net interest income rose by €37 million to €593 million (2023: €556 million). The net interest income in the four regional corporate customer divisions plus Central Corporate Banking increased to €341 million (2023: €320 million). The rise in net interest income was attributable to the higher lending volume.

Net interest income in the Structured Finance division amounted to €182 million, an increase of €15 million compared with the prior-year figure of €167 million. This increase was largely due to successful business activities with German and foreign customers in conjunction with an increased volume of lending.

In the Investment Promotion division, net interest income advanced by €1 million to €70 million (2023: €69 million). The year-on-year rise was due mainly to a slightly higher average loan portfolio.

Net interest income from money market and capital markets business increased by €29 million to €887 million (2023: €858 million). This increase was firstly attributable to the deposit-taking operating business in the short-dated maturity segment. Secondly, the rise in interest rates in the money market led to increased 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 €4 million to €29 million (2023: €25 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, was on a par with the prior year at €43 million (2023: €44 million).

Net fee and commission income went up by €88 million to €632 million (2023: €544 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).

In the Corporate Banking business line, net fee and commission income was €23 million higher than in the previous year at €222 million (2023: €199 million). One of the main reasons for this was the increase of €23 million in fees and commissions in connection with loan processing.

In the Capital Markets business line, the contribution to net fee and commission income rose by €36 million to €250 million (2023: €214 million). The main factors in this increase were the rise in transaction fees of €19 million from the securitization business and of €19 million from the securities business.

Net fee and commission income in the Transaction Banking business line rose by €28 million to €204 million (2023: €176 million). This was mainly due to lower expenses paid under the service procurement agreement with equensWorldline SE as a result of the insourcing of payments processing at DZ BANK in the course of 2024.

As part of service procurement arrangements, DZ BANK has outsourced 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 €181 million (2023: €217 million) and were reported under the net fee and commission income of the Transaction Banking business line.

Gains and losses on trading activities amounted to a net gain of €7 million (2023: net gain of €674 million).

Gains and losses on trading activities reflect the business activity of the Capital Markets business line and gains and losses on money market business entered into for trading purposes and on derivatives of the Group Treasury division ('financial assets and liabilities measured at fair value through profit or loss' [fair value PL]). The fair value gains and losses on financial assets and liabilities designated as at fair value through profit or loss (fair value option) are – apart from credit rating effects – also included in gains and losses on trading activities. The credit-rating-related effects pertaining to these financial instruments are included in other gains and losses on valuation of financial instruments if the instruments are financial assets or in equity if the instruments are financial liabilities.

Gains and losses on operating trading activities in the Capital Markets business line amounted to a net gain of €495 million, compared with €595 million in 2023. The decline stemmed from fixed-income trading and interest-rate trading.

IFRS rules on the recognition and measurement of financial instruments can affect the recognition of the bank's internal model for managing market risk and the recognition of income from the operating business in the income statement. These include accounting mismatches that arise when a different basis has been used to measure assets or liabilities or to recognize gains and losses. This means that, in some circumstances, effects cannot be recognized in the same period and, instead, are only recognized correctly in the income statement if the whole term of the affected transactions is considered. IFRS rules can also result in income being recognized in different income items (e.g. net interest income). For internal management purposes, these effects are referred to as 'non-operational, IFRS-related effects'. These 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 (on own issues). In 2024, these effects led to a deterioration of €567 million in gains and losses on trading activities. A partly corresponding positive impact was recognized in other gains and losses on valuation of financial instruments in the period under review.

Gains and losses on investments improved by €54 million to a net gain of €12 million (2023: net loss of €42 million). The net gain in the reporting year resulted from income of €25 million (2023: €170 million) 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, combined with losses of €12 million (2023: €211 million) arising from the sale of securities in the category 'financial assets measured at fair value through other comprehensive income' (fair value OCI). Securities in the category 'fair value through profit or loss' generated a net gain of €2 million (2023: €5 million), which was virtually outweighed by valuation losses of €3 million on shares in fully consolidated subsidiaries.

Other gains and losses on valuation of financial instruments improved to a net gain of €134 million (2023: net loss of €93 million). Within this figure, credit-risk-related measurement effects relating to financial assets measured using the fair value option improved by €122 million to a net gain of €66 million (2023: net loss of €56 million) and there was a net gain from ineffectiveness in hedge accounting of €52 million, which represented an improvement of €93 million compared with the net loss of €41 million recorded in the prior year. Gains and losses on valuation of financial instruments measured at fair value through profit or loss improved by €13 million to a net gain of €16 million (2023: net gain of €3 million).

Gains and losses from the derecognition of financial assets measured at amortized cost improved by €78 million year on year to a net gain of €43 million (2023: net loss of €35 million).

Loss allowances amounted to a net addition of €457 million (2023: net addition of €82 million). Of this total, net reversals of €8 million (2023: net reversals of €55 million) related to loss allowances in stage 1, net additions of €73 million (2023: net additions of €62 million) related to loss allowances in stage 2, and net additions of €392 million (2023: net additions of €75 million) related to loss allowances in stage 3. The net additions in stage 3 comprised net additions in the lending business and in respect of investments of €439 million. This item also contained the net loss of €28 million on purchased or originated credit-impaired assets (POCI assets) and other income from loss allowances of €75 million.

The net additions of €65 million in stages 1 and 2 in 2024 were attributable, in particular, to parameter adjustments in the context of the calculation of parameter-based loss allowances, macroeconomic changes, and changes in the portfolio. Furthermore, loss allowances were increased in stage 3 owing to additions in respect of individual counterparties following changes in credit ratings. These were partly offset by reversals as a result of improvements in the credit ratings of some counterparties.

Administrative expenses went down by €3 million to €1,452 million (2023: €1,455 million).

Staff expenses went up by €31 million to €707 million (2023: €676 million) on the back of higher wages and salaries – and thus higher social security expenses – resulting from an increase in the number of employees.

Other administrative expenses dropped by €34 million to €745 million (2023: €779 million). The decrease arose mainly because there were no longer any expenses for the restructuring fund for banks (bank levy).

Other net operating income decreased by €44 million to a net expense of €3 million (2023: net income of €41 million). This item included income from the reversal of provisions and accruals of €39 million (2023: income of €112 million) and expenses of €17 million (2023: expenses of €49 million) for restructuring provisions.

Profit before taxes amounted to €468 million in the reporting year, which was €567 million lower than the figure of €1,035 million reported for 2023.

The **cost/income ratio** in 2024 was 61.1 percent (2023: 56.6 percent).

Regulatory RORAC was 8.2 percent (2023: 18.9 percent).

3.2.6 DZ HYP

At €795 million, the **net interest income** of DZ HYP was up by €74 million year on year (2023: €721 million). One of the drivers of net interest income was the higher volume of real estate loans, which advanced by €646 million to €57,548 million as at December 31, 2024 (December 31, 2023: €56,902 million). The related margins improved year on year. The derivatives used to manage interest income and expense in the context of hedge accounting also had an effect on net interest income.

The volume of new business (including public-sector finance) stood at €9,498 million (2023: €8,627 million). In the corporate customer business, the volume of new business came to €7,221 million (2023: €7,439 million). In the retail customer business, the volume of new commitments amounted to €1,509 million (2023: €753 million). In the public-sector business, DZ HYP generated a new business volume of €768 million (2023: €435 million).

The volume of new lending jointly generated with the local cooperative banks in the corporate customer business amounted to €2,726 million in 2024 (2023: €2,552 million).

Net fee and commission income stood at €6 million (2023: €9 million).

Other gains and losses on valuation of financial instruments declined by €95 million to a net loss of €8 million (2023: net gain of €87 million). This was largely attributable to the net loss of €78 million on the valuation of financial instruments measured at fair value (2023: net gain of €5 million) and liquidity-spread-related valuation effects on own issues of €68 million (2023: €77 million). Moreover, the movement of credit spreads on bonds from eurozone periphery countries resulted in a contribution to earnings of €4 million (2023: €8 million).

Loss allowances amounted to a net addition of €90 million (2023: net addition of €111 million). In 2024, additions in stage 3 in connection with specific material exposures were lower than in the prior year.

Administrative expenses decreased to €246 million (2023: €247 million). Staff expenses increased to €117 million (2023: €111 million), mainly as a result of headcount growth and higher provisions for pensions and other post-employment benefits. Other administrative expenses declined to €128 million (2023: €136 million), largely because there were no longer any expenses for the bank levy. The rise in costs for IT, auditing, and consultancy had a countervailing effect on this item.

Profit before taxes in 2024 advanced to €479 million (2023: €476 million).

The **cost/income ratio** was 30.1 percent (2023: 29.6 percent).

Regulatory RORAC was 34.9 percent (2023: 35.2 percent).

3.2.7 DZ PRIVATBANK

The **net interest income** of DZ PRIVATBANK rose by €29 million to €176 million (2023: €147 million), primarily thanks to the higher average initial yield to maturity in the securities portfolio and an increase in interest income in connection with deposit-taking business in the fund services business and private banking.

Net fee and commission income went up by €15 million to €235 million (2023: €220 million). Contributions to earnings in the fund services business and private banking are the main drivers of net fee and commission income.

The value of funds under management amounted to €161.8 billion as at December 31, 2024 (December 31, 2023: €188.7 billion). The number of fund-related mandates was 572 (December 31, 2023: 582).

As at December 31, 2024, 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 €26.1 billion (December 31, 2023: €23.4 billion).

Other gains and losses on valuation of financial instruments deteriorated by €41 million to a net loss of €24 million (2023: net gain of €17 million), predominantly due to liquidity-spread-related negative valuation effects on own issues measured using the fair value option.

The net addition to **loss allowances** went up by €16 million to €17 million (2023: net addition of €1 million) due to the exposures subject to sanctions (the settlement of securities and dividend payments in Russian rubles in connection with depository services) being transferred to stage 3 (default), along with full risk provisioning. The corresponding liabilities were also remeasured, which meant there was largely no impact on profit or loss (see also the information on other net operating income).

Administrative expenses amounted to €295 million (2023: €293 million). At €175 million, staff expenses were higher than the prior-year figure of €166 million, partly due to the increase in the number of employees in connection with the expansion of business. Other administrative expenses declined to €119 million (2023: €126 million), mainly because there were no longer any contributions to the bank levy.

Other net operating income improved to net income of €16 million (2023: net loss of €16 million), chiefly as a result of the remeasurement of investment fund liabilities that are related to exposures in Russian rubles subject to sanctions. In 2023, other net operating income had been adversely affected by expenses of €18 million from the recognition of a provision for restructuring.

Because of the changes described above, **profit before taxes** increased by €29 million to €112 million (2023: €83 million).

The **cost/income ratio** was 69.7 percent (2023: 77.7 percent).

Regulatory RORAC was 32.0 percent (2023: 25.3 percent).

3.2.8 VR Smart Finanz

Net interest income at VR Smart Finanz amounted to €141 million (2023: €123 million). The increase in net interest income was due to higher net margins and, in particular, a year-on-year rise of 3.2 percent in the lending and object finance portfolio volume – primarily in connection with the 'VR Smart flexibel' and 'VR Smart express' focus products – to a total of €3,102 million (December 31, 2023: €3,007 million).

New lending and object finance business with customers in the small business, self-employed, and SME segments was encouraging in 2024, increasing by 2.6 percent year on year to €1,238 million. This trend was mainly driven by higher demand for liquidity from customers in the small business, self-employed, and SME segments, which meant that new business involving the 'VR Smart flexibel' business loan swelled to €630 million (2023: €471 million). By contrast, companies showed little willingness to invest in 2024. Consequently, the volume of new business involving 'VR Smart express', the automated hire purchase solution for assets with a value of up to €250 thousand, declined to €457 million (2023: €516 million). Other new leasing and hire purchase business decreased to €152 million (2023: €222 million).

Net fee and commission income deteriorated by €6 million to a net expense of €35 million (2023: net expense of €29 million), largely because of the increase in the fees and commissions paid to the local cooperative banks.

Loss allowances in 2024 amounted to a net addition of €52 million (2023: net addition of €18 million). The growth of expenses was mainly due to increased credit risk as a result of the ongoing weakness of the economy.

Administrative expenses rose to €78 million (2023: €73 million), the main reason being inflation. Staff expenses came to €46 million (2023: €44 million). Other administrative expenses amounted to €32 million (2023: €29 million).

VR Smart Finanz incurred a **loss before taxes** of €23 million (2023: profit of €1 million).

The **cost/income ratio** in 2024 was 73.6 percent (2023: 79.3 percent).

Regulatory RORAC was minus 14.0 percent (2023: 0.7 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 €158 million in the reporting year (2023: net expense of €103 million).

The net interest expense on purchased and issued subordinated capital and senior non-preferred paper amounted to €71 million (2023: €69 million).

The net interest expense resulting from obtaining liquidity from the excess of non-interest-bearing assets over non-interest-bearing liabilities amounted to €87 million in the year under review (2023: €34 million). The deterioration was due to higher market interest rates in the short-dated segment.

Administrative expenses went down by €38 million year on year to €215 million (2023: €253 million).

The protection levies (in particular the bank levy and contributions to the BVR protection scheme) declined by €19 million to €30 million (2023: €49 million) as there were no longer any expenses for the restructuring fund for banks (bank levy). IT and project expenses decreased from €93 million in 2023 to €83 million in 2024. Expenses from the group management function fell by €8 million to €70 million (2023: €78 million). Other expenses for the benefit of the group and local cooperative banks were on a par with the prior year at €32 million (2023: €33 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 profit distributions in connection with intragroup liabilities to dormant partners 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 were also eliminated in net interest income and with offsetting entries under gains and losses on trading activities.

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, 2024, the DZ BANK Group's **total assets** had increased to €659,638 million (December 31, 2023: €644,589 million).

The **volume of business** amounted to €1,258,111 million (December 31, 2023: €1,195,012 million). This figure comprised the total assets, the assets under management at UMH as at December 31, 2024 amounting to €504,707 million (December 31, 2023: €455,152 million), the financial guarantee contracts and loan commitments amounting to €92,163 million (December 31, 2023: €93,327 million), and the volume of trust activities amounting to €1,603 million (December 31, 2023: €1,944 million).

Cash and cash equivalents declined to €81,790 million (December 31, 2023: €101,830 million). The decrease was predominantly attributable to DZ BANK – CICB (liquidity management function).

Loans and advances to banks rose to €143,532 million (December 31, 2023: €128,867 million). Loans and advances to banks in Germany swelled to €127,867 million (December 31, 2023: €122,502 million). This total comprised loans and advances to affiliated banks of €117,967 million (December 31, 2023: €117,984 million) and loans and advances to other banks of €9,900 million (December 31, 2023: €4,519 million). Loans and advances to foreign banks increased to €15,665 million (December 31, 2023: €6,364 million).

Loans and advances to customers amounted to €208,688 million, which was higher than the figure of €204,776 million reported as at December 31, 2023. Loans and advances to customers in Germany grew to €178,565 million (December 31, 2023: €178,389 million), while loans and advances to foreign customers rose to €30,123 million (December 31, 2023: €26,388 million).

Financial assets held for trading amounted to €30,441 million (December 31, 2023: €34,961 million). Within this amount, derivatives (positive fair values) stood at €16,231 million (December 31, 2023: €16,482 million), bonds and other fixed-income securities at €10,441 million (December 31, 2023: €8,334 million), shares and other variable-yield securities at €2,102 million (December 31, 2023: €1,329 million), money market placements at €680 million (December 31, 2023: €7,815 million), and promissory notes and registered bonds at €986 million (December 31, 2023: €1,000 million).

Investments rose to €62,049 million (December 31, 2023: €47,970 million). The main reasons for this change were an increase in bonds and other fixed-income securities to €58,076 million (December 31, 2023: €44,453 million) and an increase in shares and other variable-yield securities to €3,184 million (December 31, 2023: €2,880 million).

Investments held by insurance companies grew to €122,625 million (December 31, 2023: €115,568 million). This was due to a rise in assets related to unit-linked contracts to €24,859 million (December 31, 2023: €20,563 million), in fixed-income securities to €55,403 million (December 31, 2023: €53,647 million), in mortgage loans to €12.685 million (December 31, 2023: €12,008 million), and in variable-yield securities to €12,257 million (December 31, 2023: €11,871 million).

Deposits from banks rose to €187,526 million as at December 31, 2024 (December 31, 2023: €176,594 million) due, in particular, to increased money market deposits. Deposits from domestic banks advanced to €164,066 million (December 31, 2023: €158,901 million) and deposits from foreign banks increased to €23,459 million (December 31, 2023: €17,694 million).

Deposits from customers declined to €154,103 million (December 31, 2023: €157,627 million). Deposits from domestic customers shrank to €133,575 million (December 31, 2023: €134,754 million), while deposits from foreign customers fell to €20,528 million (December 31, 2023: €22,874 million).

At the end of the reporting year, the carrying amount of **debt certificates issued including bonds** was €109,810 million (December 31, 2023: €103,768 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 €88,139 million (December 31, 2023: €88,011 million), while the portfolio of other debt certificates issued stood at €21,672 million (December 31, 2023: €15,757 million). As was also the case as at December 31, 2023, all other debt certificates issued are commercial paper.

Financial liabilities held for trading declined to €42,234 million (December 31, 2023: €47,675 million). Within this figure, derivatives (negative fair values) decreased to €14,997 million (December 31, 2023: €17,131 million) and money market deposits to €3,754 million (December 31, 2023: €8,854 million). However, bonds issued grew to €20,961 million (December 31, 2023: €20,836 million) and short positions to €2,379 million (December 31, 2023: €701 million).

Insurance contract liabilities increased to €111,340 million (December 31, 2023: €105,151 million). This was predominantly due to the rise in the liability for remaining coverage to €98,482 million (December 31, 2023: €93,033 million).

As at December 31, 2024, **equity** had advanced to €32,578 million (December 31, 2023: €31,069 million). The increase was mainly due to growth in retained earnings to €17,673 million (December 31, 2023: €15,977 million). The reserve from other comprehensive income amounted to minus €902 million (December 31, 2023: minus €642 million).

The **capital adequacy** of the DZ BANK financial conglomerate, the DZ BANK banking group, and the R+V Versicherung AG insurance group is described in the risk report within this group management report (chapter VI.7).

5 Financial position

DZ BANK distinguishes between **strategic and operational liquidity management**. Strategic liquidity management is carried out by the Asset/Liability Committee (ALCo), thereby creating the framework for operational liquidity management. The ALCo ensures that the financial targets of the DZ BANK Group are consistently achieved and that the central institution function within the Volksbanken Raiffeisenbanken Cooperative Financial Network is assured.

At DZ BANK, operational liquidity management is carried out centrally by the Group Treasury division in Frankfurt and by the associated treasury units in its international branches, although Frankfurt has primary responsibility. For the DZ BANK Group, operational liquidity management is carried out on a decentralized basis in the individual subsidiaries. The individual entities are provided with funding by DZ BANK (group funding) or the entities exchange cash among themselves via DZ BANK (group clearing).

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 operational 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, New York, Hong Kong, London, and Luxembourg. In addition, a US CP head office program is used centrally by DZ BANK Frankfurt.

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.

Group Risk Controlling prepares an annual internal funding plan, which is based on the funding requirements calculated for the DZ BANK Group and DZ BANK for the next three years. The funding plan is calculated for a baseline scenario (matching the baseline scenario for strategic planning) and for at least one adverse scenario. The funding requirements are updated monthly and the adopted planning is backtested.

The risk report within this group management report includes disclosures on **liquidity adequacy** (chapter VI.6). 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 86 of the notes to the consolidated financial statements.

III Events after the balance sheet date

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

IV Outlook

1 Economic conditions

The outlook for the macroeconomic environment provides the basis for projections for 2025 regarding financial position and financial performance as well as expected liquidity and capital adequacy. Any adverse macroeconomic factors that present a material risk to the DZ BANK Group are addressed and examined in detail in chapter VI.5.2 of the risk report. Opportunities arising from favorable factors are presented in chapter V.2.1 of the opportunity report.

1.1 Global economic trends

The outlook for the global economy in 2025 is extremely uncertain following Donald Trump's election victory. During the election campaign, the future US president had raised the prospect of significant increases in trade tariffs for all trading partners, but especially China. However, it may be some time before there is clarity about when, and to what extent, Trump will actually roll out his protectionist policies. Assuming that the new US administration imposes additional tariffs of 10 percent on all imports from around April 2025, economic growth is likely to start slowing down in the second half of the year worldwide, particularly in China and other export-driven economies such as Germany. This would take its toll on German companies in the form of higher import prices and shortages of input products. Moreover, export volumes would decline. However, exports to the United States might be brought forward in the first few months of 2025, which would mitigate the adverse impact on growth initially.

The assumed imposition of tariffs will affect the global economy at a time when growth is already lacking momentum. Current negative factors include the still elevated level of interest rates in many regions, although interest rates have now fallen markedly from their peaks. The loss of purchasing power resulting from the sharp price rises that have taken place are having a knock-on effect despite significant wage increases and, according to DZ BANK, this is weighing on consumer sentiment. All of this could lead to subdued demand in most national economies. Nevertheless, inflationary pressure has eased considerably and inflation rates have fallen to within reach of the central banks' targets, giving the central banks enough headroom to start lowering interest rates again in recent months. Over the course of 2025, interest-rate cuts are expected to continue in the first instance, and households' purchasing power should gather further strength. Both of these developments should provide some support for demand across the economy.

Although the Chinese economy achieved robust growth of 5.0 percent in 2024, its future performance will be adversely affected by various factors, as described in detail in chapter VI.5.2.2 of the risk report. On the other hand, Chinese industry is making huge advances with technologies of the future and, according to the Centre for European Reform, is not only increasingly squeezing out non-domestic companies in China itself but also making inroads into foreign markets, such as the EU single market, and thereby creating more competitive pressure there.

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

1.2 Trends in the USA

The US economy was buoyant in 2024, with GDP rising by 2.8 percent year on year. This was mainly because the continued increase in employment levels fueled consumer spending. High levels of government spending also shored up growth, although this meant that the annual budget deficit stood at 7.6 percent of economic output in 2024.

In 2025, the policies of the new US administration will likely have a marked influence on the economy of the United States. After all, not only did Trump achieve a clear victory in the presidential election, but the

Republican Party also secured a slim majority of the seats in both the House of Representatives and the Senate. This means that the US president will probably be able to deliver on many of his election promises. Since Trump's inauguration a few weeks ago, the new US administration has already introduced far-reaching policy changes, including higher tariffs and, in particular, deregulation and stricter migration policy. Tax breaks and an overall increase in government debt are also likely, although the timing and scope of the measures to be taken are as yet unclear. The risks associated with rising government debt are described in more detail in chapter VI.5.2.2 of the risk report.

DZ BANK anticipates that economic momentum in the United States will weaken over the course of 2025. The tariffs that Trump is threatening to impose are unsettling businesses and consumers, and the latter group is worried that inflation will return. Furthermore, unemployment may increase slightly as a result of extensive dismissals across the public sector. Should US trade tariffs rise markedly from spring 2025 onward, companies in the United States will be unable to avoid passing on at least some of the resulting higher costs to consumers. Consequently, the inflation rate is expected to start rising again, and the average rate for 2025 is predicted to climb to 3.3 percent. This will likely act as a brake on consumer spending. DZ BANK therefore anticipates only moderate GDP growth of 1.9 percent in 2025.

1.3 Trends in the eurozone

The eurozone economy maintained its moderate rate of recovery over the course of 2024. In the third quarter, GDP in the eurozone rose by 0.4 percent compared with the previous quarter. The growth rates in the previous two quarters had been 0.2 percent and 0.3 percent. Countries such as Spain, but also Portugal, have recently been the main sources of support for the eurozone economy. In the final quarter of 2024, however, economic momentum declined again and growth was at zero, one of the main factors being the weakness of the German economy. The industrial sector in particular suffered from soft demand, which had a detrimental effect on economic growth. Nonetheless, a slightly brisker service sector made up for this to some extent. Overall, however, the eurozone generated year-on-year growth of just 0.7 percent in 2024.

The main influence on the economic situation in 2025 will be the trade policy of the new US administration. US tariffs may lead to a decline in exports and curb overall growth in the eurozone. This will probably affect not only direct exports to the United States but also the trading of input and intermediate products within Europe. Trading between Europe and China will likely be hampered too, as the latter is expected to be hit by even higher US tariffs that will weigh heavily on its economy. Heightened uncertainty stemming from the change in the economic environment will probably have an adverse impact on investment within the eurozone and on consumer spending. DZ BANK believes that the effects of exports being brought forward at the start of this year should ensure slightly stronger economic growth, but the tariff shock from spring 2025 onward is likely to result in a noticeable economic slowdown. DZ BANK therefore predicts economic growth for the eurozone of only 0.5 percent in 2025.

In 2024, upward pressure on consumer prices continued to ease compared with the previous year. At 2.5 percent, the inflation rate in 2024 was much lower than the 2023 rate of 5.4 percent. By October, the rate of inflation had fallen to 2.0 percent, but then went up again slightly in November and December. The ECB has now begun lowering its key interest rates, partly in response to the weak economic conditions. Nevertheless, DZ BANK has identified many factors that could prove to be an obstacle to a further reduction in inflationary pressures. For example, significant wage increases are expected to continue driving up prices in the service sector in 2025. Moreover, the EU will not simply sit back and accept the US government's tariff policy and is likely to impose retaliatory tariffs on US exports to Europe. This would probably lead to upward inflationary pressure in the eurozone. Consequently, slightly higher prices for industrial goods and for some foods are anticipated in the latter part of 2025. The euro is also expected to continue depreciating against the US dollar, which will add to the inflationary pressure too. Conversely, DZ BANK expects the relatively moderate rise in the oil price and the generally lackluster economic situation to have a dampening effect on inflation. All in all, the inflation rate in the eurozone is therefore unlikely to fall much further. DZ BANK estimates that the rate of inflation will decline only slightly compared with 2024 and predicts 2.2 percent for 2025.

1.4 Trends in Germany

According to DZ BANK, 2024 was a fairly disappointing year for the German economy. Economic output edged down by 0.2 percent over 2024 as a whole and therefore contracted for the second year in succession. Economic growth hovered around zero for most of the year and was just into negative territory in the final quarter. The German economy therefore continued to perform worse than the eurozone as a whole. In DZ BANK's view, weak international demand is taking its toll on the crucial German export sector. Moreover, consumers are unsettled by the fallout from the wave of inflation and by growing fears about possible job losses. So far, higher real wages have led to an uptick in savings, whereas household consumption has been restrained. The only notable support for economic growth came from higher government consumer spending in 2024.

Germany's manufacturing sector, in particular, is faced with structural challenges. Energy prices for manufacturers are high by international comparison and China is transitioning from an export market for German products to a rival producer of high-quality industrial goods, thereby putting pressure on German industry. According to DZ BANK, Germany's political challenges at home – the collapse of the 'traffic-light' coalition, the snap Bundestag election, and the likely change of government – are creating additional uncertainty for businesses and consumers too.

DZ BANK does not expect the German economy to pick up momentum in 2025 either. The first few months are likely to be dominated by the election campaign and the formation of a new federal government. Even if the government is in place by Easter (mid-April), as is planned, there is a risk that the political standstill will rattle consumers and companies will not have a reliable basis for planning. This is critical because the new US administration is a powerful player that is ratcheting up the pressure on Europe and thus Germany. US tariffs on exports of German goods to the United States pose a particular threat to Germany's export sector as the United States has become the biggest customer for German industrial products in recent years. The tariff shock anticipated by DZ BANK will likely lead to a slump in German economic output, from which Germany's economy will probably recover only gradually. Given that the already high energy prices put companies at a disadvantage and higher trade tariffs will make access to the US market more difficult, it is expected that decisions about business investment in Germany will be reconsidered or postponed. DZ BANK therefore estimates that German economic output will stagnate in 2025.

As in the eurozone, opposing effects will impact on consumer prices in the forecast period. Any retaliatory tariffs imposed by the EU amid escalating tariff disputes will tend to push up the rate of inflation. Moreover, a weakening of the euro against the US dollar will make imports more expensive. By contrast, persistently weak economic conditions and the easing of upward pressure on energy prices are having a dampening effect on inflation. DZ BANK predicts an inflation rate of 2.3 percent for 2025, which is similar to the level seen in 2024.

1.5 Trends in the financial sector

The major central banks started to lower interest rates again in the reporting year, following a phase of sharp increases from 2022 onward in the wake of the coronavirus pandemic. This included the federal funds rate, which the US Fed had cut to a range of 4.25 percent to 4.5 percent by the end of 2024. Furthermore, the ECB reduced the main refinancing operations interest rate in several stages, reaching 3.15 percent at the end of the reporting period. DZ BANK believes that this general trend will continue in the forecast period and the central banks will lower their benchmark rates further, although there is likely to be variation in terms of timing and speed.

Given the fall in interest rates, it is assumed that interest-related business has now passed its peak. Transaction activity in the real estate markets has remained fairly subdued so far owing to the macroeconomic challenges, the resulting diminished inclination to invest, and still elevated borrowing costs. In some asset classes, however, there are emerging signs of a cautiously positive trend in commercial and residential property transactions. DZ BANK believes that the necessary price corrections in the real estate market have now largely been made, and decreases in property values are expected only on a smaller scale. Yields in the real estate market are therefore regarded as stable on the whole.

Conditions in the equity markets were encouraging overall in 2024, and DZ BANK predicts further rises for the DAX and EURO STOXX in 2025. European companies with strong business in the US are most likely to benefit from low US taxes and deregulation. However, robust profit forecasts and innovation in areas such as artificial intelligence will contribute to the uptrend too. The risks associated with heightened volatility in the financial markets are described in more detail in chapter VI.5.2.7 of the risk report.

Besides economic factors, the financial sector is increasingly experiencing pressures in terms of both adjustment and costs arising from structural changes. Such changes could become even more prevalent in the face of growing price competition and the potential threat of a wage/price spiral. In this situation, the financial sector is faced with the challenge of reviewing existing business models, adapting them if required, and substantially improving efficiency by digitalizing business processes.

The implementation of future EU banking regulations will see a continued need for adaptation in the finance sector. The agenda of regulatory reforms initiated in response to the financial crisis is aimed at making the financial industry more resilient in the event of a crisis and ensuring that risks arising from its business activities are not borne by the public sector. And indeed, the financial industry has reduced its leverage and bolstered its risk-bearing capacity by improving capital and liquidity adequacy. In the long term, adjustments will be driven by the adoption of standards relating to the environment, social matters, and responsible corporate governance (ESG). The challenge in this regard lies in implementing these requirements in overall business management, risk management, and reporting systems. In addition to opening up new market opportunities, the consideration of ESG topics also results in the need to identify and manage risks in a variety of ESG categories.

2 Financial position and financial performance

In 2025, the DZ BANK Group will continue to pursue its strategic objectives in the context of its role within the Cooperative Financial Network. In an environment that remains challenging in terms of both market and competition, this means, for example, rigorously exploiting potential business in collaboration with the cooperative banks, while at the same time maintaining the planned implementation of various initiatives focused on the digitalization and sustainability of the DZ BANK Group along the entire value chain.

The forecasts below are based on the outcome of the DZ BANK Group's annual planning process. Further information on the planning process can be found under 'DZ BANK Group fundamentals' (chapter I.2.4). Potential variances during 2025 from the underlying planning scenario, in the form of opportunities and risks, may have an influence on financial position and financial performance. These uncertainties are monitored continuously and factored into the DZ BANK Group's planning, reporting system, and management.

According to the planning for 2025, **total assets** will fall slightly compared with the figure as at the end of 2024.

In light of the muted economic outlook, **net interest income** (including net income from long-term equity investments) is predicted to fall significantly in 2025 compared with the high level recorded in 2024. The figure for the reporting year received a noticeable boost not only from the encouraging level of income from the operating business but also from accounting-related effects that had a positive impact on net interest income but a countervailing negative impact on gains and losses on trading activities.

Net fee and commission income is projected to fall slightly year on year in the forecast period. This will mainly be due to the decline in net fee and commission income in the UMH operating segment.

Gains and losses on trading activities will amount to a substantial net gain in 2025, representing a considerable improvement compared with the year under review. This can be explained by the accounting-related effects mentioned above in connection with net interest income, which resulted in a net loss on trading activities in the reporting year.

Whereas non-recurring adverse effects had to be recognized in 2023, **gains and losses on investments** normalized at a high net gain in the reporting year and a significant deterioration is expected in 2025.

For **other gains and losses on valuation of financial instruments**, a significant deterioration is anticipated in the forecast period. This is because the recent very positive effects in the DZ BANK – CICB and UMH operating segments will no longer be included.

Despite growth in premiums, **net income from insurance business** is predicted to decrease sharply in the year ahead due, in particular, to a marked increase in expenses.

In 2025, expenses for **loss allowances** are forecast to decline considerably compared with 2024 owing to lower expenses at DZ BANK – CICB.

A small increase in **administrative expenses** is projected for 2025, driven primarily by staff expenses.

Other net operating income will probably drop back sharply in 2025, having been at a high level in the reporting year. This can be explained by various effects in the individual operating segments, although some of them will offset each other.

A moderate decrease in **profit before taxes** is predicted in 2025, following on from the very good figure posted for 2024. It is projected to be within the long-term target range of between €2.5 billion and €3 billion.

The **cost/income ratio** is likely to climb markedly in the year ahead owing to a small decrease in income and a slight rise in administrative expenses.

Based on the decline in profit before taxes and the expectation of only a slight increase in the base rate of return, **regulatory RORAC** is projected to fall sharply in the forecast period.

3 Liquidity and capital adequacy

Based on the liquidity risks measured as at the reporting date and the liquidity levels available, the **liquidity adequacy** of the DZ BANK Group and the DZ BANK banking group were assured for 2025 at the time of preparation of this group management report, from both an economic and a regulatory perspective.

Further information on liquidity adequacy can be found in the risk report (chapter VI.6).

The **capital adequacy** of the DZ BANK Group, the DZ BANK financial conglomerate, and the DZ BANK banking group were assured for 2025 at the time of preparation of this group management report, from both an economic and a regulatory perspective; that is to say, they have sufficient available internal capital and eligible own funds that can be drawn on to cover the risks measured as at the reporting date.

Over the last few years, the DZ BANK Group has greatly strengthened its capital base from its own resources (through the retention of profits) and through corporate action. In 2025, a high priority will once again be given to strengthening the capital base in order to ensure stable capital ratios. For 2025, DZ BANK anticipates that the DZ BANK Group’s **common equity Tier 1 capital ratio** will hold steady at above 16 percent.

Further information on capital adequacy can be found in the risk report (chapter VI.7).

4 Operating segments in detail

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

4.1 BSH

At the end of 2024, the regressive factors that had dominated the market environment in recent years, such as high inflation and supply chain disruption, had faded into the background. But, in BSH's view, the significant rise in borrowing costs on the back of surging key interest rates in 2022 and 2023, combined with persistently high building costs, look set to remain a drag on residential construction in 2025. According to BSH, other obstacles include the shortage of suitable land for building – particularly in rapidly expanding urban areas – plus constantly changing development lending conditions and excessive bureaucracy. This prediction is reflected in one of the leading indicators for residential construction: Whereas planning permission had been granted for approximately 157,200 homes at the end of the third quarter of 2024, this was lower than the figure of around 195,700 at the end of the corresponding period of 2023. The Zentralverband Deutsches Baugewerbe (ZDB) [German Construction Confederation] is therefore forecasting the completion of just 220,000 or so homes in 2025, which equates to a year-on-year decline of 12 percent. This forecast is subject to significant uncertainty though. For example, geopolitical challenges could cause inflation and interest rates to rise again, which would put additional adverse pressure on loan-financed housing starts. The election in the United States and the end of the 'traffic-light' coalition in Germany have, in BSH's eyes, only ramped up the general uncertainty for the markets and consumers alike.

In contrast to housing starts, the market for existing properties is set to grow in 2025, driven by increased demand from owner-occupiers for such properties. Moreover, renovation work and energy efficiency measures in this segment will continue to act as an anchor of stability amid the current construction crisis. Energy used in buildings, which is responsible for around 40 percent of the EU's greenhouse gas emissions, will likely play a key role in achieving the EU climate targets. If the EU is to reach its climate neutrality target by 2050, the current annual rate of less than 1 percent at which existing buildings are undergoing energy efficiency improvements across the EU is nowhere near enough (Germany in 2024: approximately 0.69 percent). Help should come from the revised EU Energy Performance of Buildings Directive (EPBD), which took effect in 2024, and from implementation of the strategy 'A renovation wave for Europe' as part of the European Green Deal, which aims to double the energy renovation rate for buildings by 2030. Since 2024, Riester savings products have been eligible as a means of funding for building renovation projects.

Expectations regarding BSH's business performance in 2025 continue to be influenced by the impact of the turnaround in interest-rate policy, significantly inflated construction costs, and the lack of a clear outlook for future government support for new builds, which – along with the generally difficult economic situation – will likely dampen private property developers' inclination to invest.

In its core home finance business, BSH therefore anticipates an only moderate increase in the lending volume due to higher real wages, declining inflation, and stable interest rates against a backdrop of slightly rising prices for residential real estate. The growth of the lending volume is expected to stem from the upturn in the market for existing properties and an increase in renovation measures on the back of anticipated rises in energy prices and stricter rules on the energy efficiency of real estate. The increase in interest rates since the phase of low interest rates will continue to have a positive effect on demand for home savings loans, and BSH predicts that the volume of new business will be on a par with the good level seen in 2024.

In the core home savings business, the volume of new business is projected to decline slightly owing to heightened uncertainty and gloomy economic prospects. However, support will come from the Fuchs 06 home savings product launched on October 10, 2024. The new scale of rates and charges takes account of the changed interest-rate environment and provides more options, particularly for finance providers, those saving for retirement, young people, and anyone keen to implement energy efficiency improvements.

Taking these various factors into account, BSH anticipates a significant improvement in its **profit before taxes** in 2025 that will comprise the following.

Net interest income is likely to rise sharply year on year in 2025, boosted by the expected further growth of the portfolio of other building loans and home savings loans.

Net fee and commission income will see a substantial fall in percentage terms, primarily due to an increase in new business in the core home finance business.

A significant decrease in **loss allowances** for loans and advances is anticipated. Although the labor market showed signs of cooling at the end of 2024, it was still robust by historical comparison, with the expectation of a virtually unchanged unemployment rate and a high number of vacancies. This is likely to be reflected in the level of loss allowances for loans and advances going forward.

Administrative expenses are projected to rise slightly in 2025. Staff expenses will go up a little, due in large part to the wage settlement reached in 2024. Strategic projects and the ongoing development of the core home savings and home finance businesses are expected to result in increased capital expenditure, but the continuation of measures to manage costs will keep this increase in check.

A sharp drop in **other net operating income** is predicted, mainly because the figure for 2024 included the reversal of other provisions.

Based on current assessments, the **cost/income ratio** will fall slightly.

Regulatory RORAC is expected to increase significantly.

4.2 R+V

Given the macroeconomic risk factors and geopolitical tensions, 2025 will be another very challenging year. Nonetheless, R+V – the composite insurer in the Cooperative Financial Network – is planning to continue on its trajectory of profitable growth in 2025.

Overall, R+V anticipates a marked year-on-year fall in the insurance segment's **profit before taxes** in 2025. A moderate rise in insurance revenue is forecast. The premiums that are included in insurance revenue, which comprise the premiums actually received, will remain more or less unchanged compared with the reporting year.

Gains and losses on investments held by insurance companies are projected to deteriorate markedly year on year based on the capital market parameters expected for 2025, whereas insurance finance income or expenses will see a marked improvement.

The **non-life insurance** division is expected to continue to grow as planned in 2025. A moderate increase in insurance revenue is predicted for 2025. Premiums received should show slight growth. The combined ratio (net) is projected to improve, falling to just below the level of the reporting year.

Insurance revenue in the **life and health insurance** division is expected to be a little lower in 2025 than in 2024. Premiums received are likely to edge up in 2025. The contractual service margin will fall slightly compared with the 2024 level. The amortization of the contractual service margin will increase moderately.

In the **inward reinsurance** division, the improvement in prices for reinsurance cover is expected to continue in 2025. This should result in significant growth of insurance revenue and a moderate rise in the volume of premiums received, which are included in this revenue. The forecast shows a marked rise in the combined ratio (net).

Regulatory RORAC will see a moderate decline in 2025 owing to the lower level of profit before taxes.

4.3 TeamBank

Whereas uncertainties will continue to prevail in the first half of 2025, TeamBank anticipates opportunities for a rally in consumer spending in the second half of the year. It expects inflation to edge down. Recent increases in real wages could also help to revive consumer spending as the year continues. In TeamBank's opinion, this trend is supported by the clarity that is expected to materialize regarding Germany's future political direction and economic policy. Consequently, the inclination to make purchases and the inclination to borrow should strengthen.

In collaboration with the cooperative banks, TeamBank is aiming in 2025 to generate profitable, sustainable growth at a rate that is higher than that of the market. This may result in a noticeable increase in **net interest income**.

Net fee and commission income is predicted to fall markedly year on year, mainly because of the expected increase in bonus payments to partner banks in line with the higher level of new business.

Administrative expenses are anticipated to hold steady in 2025.

A sharp rise in **loss allowances** is forecast for 2025 in view of portfolio growth and a risk situation that remains elevated. Given this risk situation, TeamBank forecasts that it will continue to generate a **profit before taxes**, albeit one that is much lower than the 2024 figure in relative terms.

The **cost/income ratio** for 2025 is predicted to improve slightly year on year.

Primarily because of the significant growth in loss allowances and related fall in profit before taxes, TeamBank expects a noticeable decline in **regulatory RORAC** in 2025.

4.4 UMH

In view of the economic conditions outlined above, UMH believes that investments will have to be considered particularly carefully in 2025 in order to maintain a good balance between minimizing risk and focusing on returns. Overall, however, the opportunities prevail, so this approach should pay off. In this environment, UMH plans to continue on its profitable growth path in 2025. As well as pursuing its successful sales strategy, it will increasingly invest in order to put the company in a robust position for the future. That is why UMH has intensively studied the strategic topics that will be of relevance in the years ahead, addressing them in its FitForFuture program in order to lay solid foundations for the coming years. To this end, five major strategic areas of growth have been identified for Union Investment: master plan, active asset manager, sustainability, digitalization, and organizational model. These are aimed at making the business model more profitable and robust and increasing awareness of the company's brand.

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

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

UMH is aiming for a stable average level of assets under management in 2025. A moderate year-on-year decline in new business is expected, and overall performance is predicted to be just into positive territory in 2025.

Net fee and commission income for 2025 is projected to be substantially lower than in the year under review. This is due to a sharp decrease in the income expected from performance-related management fees and a moderate reduction in volume-related net fee and commission income.

A significant deterioration in **net financial income/net finance costs** – comprising net interest income, gains and losses on investments, and other gains and losses on valuation of financial instruments – is likely in 2025, largely because of an anticipated negative change in the effect from the valuation of guarantee commitments for investment products and from a much lower contribution from the investment fund units held as part of own-account investing activities.

Administrative expenses are projected to rise slightly in 2025. Staff expenses at UMH are also likely to edge up. Based on current assessments, general and administrative expenses will rise markedly, largely because of higher expenses for consultancy, public relations, and marketing. Depreciation and amortization charges are predicted to be slightly lower than in 2024.

A sharp increase in **other net operating income** is expected. This is mainly because non-recurring items, such as non-recurring write-offs or restructuring expenses, are no longer included in the planning.

Based on the factors described above, **profit before taxes** in 2025 is projected to be significantly lower than in 2024.

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

If a judgment of the Nuremberg-Fürth regional court in the legal proceedings brought by Verbraucherzentrale Baden-Württemberg e. V. [Baden-Württemberg Consumer Association] against ZBI Fondsmanagement GmbH (case no.: 4 HK O 5879/24) becomes final and binding and then sets a precedent that has to be followed by the entire sector, this will likely have a negative impact on sales of open-ended mutual real-estate funds. Further developments currently depend on too many uncertainties to be able to reliably determine the quantitative impact at present.

4.5 DZ BANK – CICB

In view of the economic conditions and the ongoing geopolitical tensions, the financial markets are expected to be subject to significant volatility and uncertainty in 2025. The banking industry again benefited from good levels of net interest income in the reporting year. Margins in interest-related business are predicted to narrow in 2025 as the ECB is likely to continue gradually lowering its key interest rates. The anticipated rise in US tariffs and potential new trade disputes may also adversely affect trade flows and investment decisions.

A moderate decrease in **net interest income** (excluding income from long-term equity investments) is expected in 2025.

The volume of lending in corporate banking in Germany and in the Structured Finance division is projected to rise year on year, resulting in a modest increase in income. The Investment Promotion division's contribution to earnings is forecast to decline slightly owing to a smaller lending volume.

Net interest income in the money market and capital markets business will likely fall significantly due to interest-rate cuts by the ECB.

Net fee and commission income is expected to be slightly lower in 2025 than it was in 2024.

The Corporate Banking business line's income from project finance, asset securitization, and loan syndication in 2025 is anticipated to be markedly below the strong 2024 figure.

In the Transaction Banking business line, net fee and commission income is projected to rise sharply in 2025 owing to the insourcing of payments processing at DZ BANK, which will eliminate the related fee and commission expenses paid under the service procurement agreement with equensWorldline SE.

Net fee and commission income in the Capital Markets business line is projected to fall markedly, particularly such income from the securitization business.

Gains and losses on trading activities are likely to improve significantly in 2025 because IFRS-related effects will have far less of an impact. Within this line item, however, a noticeable deterioration in gains and losses on operating trading activities is expected as a result of the gloomier economic conditions combined with the lower level of interest rates.

In 2024, **other gains and losses on valuation of financial instruments** reflected not only positive credit-risk-related measurement effects relating to financial assets measured using the fair value option but also a net gain from ineffectiveness in hedge accounting, which is not expected to be the case in 2025. The decline in the positive measurement effects will likely have a small negative impact in 2025.

Gains and losses from the derecognition of financial assets measured at amortized cost are not anticipated in 2025.

Loss allowances included large additions in respect of individual exposures in the year under review. Given the geopolitical and economic outlook, the need for loss allowances is expected to be material in 2025. However, the required net additions are anticipated to be lower than in 2024.

Administrative expenses are projected to rise moderately in 2025.

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

In view of these circumstances, **profit before taxes** in the DZ BANK – CICB operating segment is expected to rise significantly in 2025.

Current assessments show that the **cost/income ratio** will go up moderately in 2025 as income is expected to hold steady while administrative expenses will rise.

From the current perspective, **regulatory RORAC** will probably rise markedly in 2025 – despite moderately higher capital requirements – owing to the significant growth of profit before taxes.

4.6 DZ HYP

The central banks lowered interest rates in 2024, thereby providing stability for real estate investors. The price corrections should mostly come to an end this year, and property values should now stabilize. DZ HYP assumes that real estate will continue to be regarded as an attractive investment product.

Net interest income in 2025 is projected to be noticeably lower than the 2024 figure. DZ HYP anticipates that business activities will remain stable, based on reasonable lending margins combined with a marked increase in the volume of new real estate finance business compared with 2024.

Current assessments show that credit spreads in public-sector finance are likely to widen in 2025. Consequently, **other gains and losses on valuation of financial instruments** are expected to deteriorate moderately at a low level in 2025.

Loss allowances in 2025 are projected to rise considerably year on year.

Greater regulatory requirements and the digital transformation of DZ HYP are having a negative impact on **administrative expenses**, with the result that this figure is expected to be up noticeably on the corresponding 2024 figure.

Based on a stable operating performance, but particularly because of the decline in net interest income, rising administrative expenses, and anticipated higher loss allowances, **profit before taxes** in 2025 is predicted to be substantially below the 2024 figure.

Accordingly, the **cost/income ratio** is expected to rise sharply.

Regulatory RORAC is likely to decline significantly due to the fall in profit before taxes forecast for 2025.

4.7 DZ PRIVATBANK

DZ PRIVATBANK's operating business is expected to see a moderate increase in the volume-related key figures in its various areas of income-generating business.

Net interest income will probably decline considerably in 2025 owing to the lower level of interest rates and a lack of suitable possible replacements for expiring interest-rate items.

Net fee and commission income is likely to hold steady in 2025. The assets under management in private banking are projected to rise because of planned increases in inflow rates. The main value driver is fund volume, and the average volume of funds held by DZ PRIVATBANK is expected to decline.

Gains and losses on trading activities are forecast to deteriorate significantly in 2025 because customer-driven transaction figures are likely to be lower.

DZ PRIVATBANK's **administrative expenses** are projected to rise slightly in 2025.

Based on current forecasts, a sharp decrease in **profit before taxes** is expected for 2025 as a gloomier market environment is anticipated.

The **cost/income ratio** for 2025 is likely to be moderately higher than in the reporting year, while **regulatory RORAC** will probably fall significantly due to the higher base rate of return used in the calculation.

4.8 VR Smart Finanz

In 2025, VR Smart Finanz will continue to pursue a decentralized approach with the aim of supporting the cooperative banks as its strategic partners in the corporate customer business and meeting the needs of their business customers for digital, rapidly available solutions. Given that economic conditions remain challenging, VR Smart Finanz believes that companies will continue to generate high demand for liquidity. Although conditions remain difficult, there is a growing need for capital expenditure, partly due to catch-up effects and the necessity for investment in the future, such as in energy efficiency. In this volatile market environment, VR Smart Finanz intends to step up collaboration with cooperative banks and other partners and to tailor its product portfolio to customer requirements. It is aiming to improve its efficiency with a modern IT infrastructure, automation of contract processing, and data-driven risk management. In addition, it is planning to strengthen marketing through its omnichannel capabilities and digital options for reaching customers.

Support for the local cooperative banks' sales processes, the expansion of new sales channels, and the refinement of the product portfolio are expected to lead to a significant increase in the volume of both new business and existing business despite the challenging economic situation. Consequently, **net interest income** will rise significantly and **net fee and commission income** will rise markedly.

The gradual macroeconomic stabilization in 2025 is predicted to lead to a sharp fall in expenses for **loss allowances** compared with 2024. Based on the assumption of only a small increase in administrative expenses and a jump in income compared with 2024, there will be a noticeable improvement in the **cost/income ratio**.

The developments described above and the disciplined channeling of resources into initiatives aimed at generating growth and containing risks will – assuming that conditions remain challenging – lead to a significant improvement in **profit before taxes** and thus a sharp rise in regulatory RORAC in 2025.

4.9 DZ BANK – holding function

The expense recognized under **net interest income** is predicted to fall noticeably in 2025. This forecast is mainly due to changes in average interest rates in the balance of expenses for the funding of long-term equity investment carrying amounts and income from the investment of capital.

Administrative expenses are expected to remain unchanged year on year in 2025.

A slightly smaller **loss before taxes** is forecast for 2025.

V DZ BANK Group and DZ BANK opportunity report

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

1 Management of opportunities

Based on the three areas of potential listed in chapter V.2, such as better economic conditions than those assumed in the planning scenario, the DZ BANK Group defines **opportunities** as situations in which potential income can be unlocked and/or potential cost savings can be achieved.

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

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

2 Potential opportunities

2.1 Potential opportunities from macroeconomic developments

The statements made in the outlook on the expected business performance of the DZ BANK Group in 2025 are based on the macroeconomic scenario that DZ BANK considers to be the most likely. Opportunities may arise for the DZ BANK Group if economic conditions in the relevant markets prove to be better than in this scenario.

In a positive scenario such as that, the looming trade disputes between the United States, China, and the European Union would be settled through negotiations, and the introduction of tariffs – which would be damaging for the global economy – would be prevented. Furthermore, US President Donald Trump would not be able to push through his disruptive political agenda in full. This would benefit Germany's export-led economy, in particular, but economic growth in China and the United States could also stabilize as a result.

An easing of tensions in geopolitical trouble spots would also provide positive impetus. The prospect of an end to the war in Ukraine, for example, would bring energy and commodity prices back down. Equally, de-escalation of the conflict in the Middle East and a political détente between China and Taiwan and between North and South Korea would have a stabilizing effect on the global economic situation and mitigate a rise in financial market volatility around the world. A more stable political environment would also give less ground to growing nationalistic and right-wing populist trends in Europe and thereby strengthen investor and business confidence. This would also create a steadier base for economic growth and financial development going forward.

In light of improved growth prospects and with inflation hovering at only just over the 2 percent mark, the European Central Bank could cut its deposit facility interest rate to a neutral level of 2.25 percent. Further reductions in key interest rates, in combination with a consistent and moderate rate of inflation, would stimulate investment and improve consumer sentiment. This could also bring about a recovery in the real estate markets, with positive knock-on effects on the DZ BANK Group's financial performance. The improved growth outlook and associated increases in corporate profits would produce a robust uptrend in the European share indices too. A consistent economic approach in Europe, joint decision-making, and a gradual lowering of the key interest rate could stimulate growth in the eurozone despite high debt levels.

A new government in Germany that is in a position to implement key domestic reforms on the basis of a solid majority in the Bundestag would provide further support for this growth. Moreover, Germany could take on a leading role in Europe and set the tone for fiscal and economic policy, bringing about a lasting upswing, particularly on the domestic front.

All of the positive factors outlined above are highly unlikely to materialize together. From the DZ BANK Group's perspective, however, even the occurrence of individual factors would create an environment that would probably benefit the individual business models and the financial position and financial performance of the DZ BANK Group. Stable conditions in the financial and capital markets would have a positive impact on the net interest income and net fee and commission income generated from customer business and on net income from insurance business. In particular, an assumed economic recovery and impending crises failing to materialize could potentially limit the net expense recognized for loss allowances and thereby help to increase the Group's net profit.

2.2 Potential opportunities from regulatory initiatives

Regulatory changes and initiatives may provide banks and insurance companies with the opportunity to offer products or services that are better tailored to customers' needs. Further development of statutory requirements, such as the Sustainable Finance Disclosure Regulation (SFDR) as part of the EU Sustainable Finance Framework, may lead to customers and the markets participating in sustainable finance initiatives on a greater scale, which would provide banks and insurance companies with the opportunity to strengthen the unique selling points of their products and services and to unlock potential growth in sustainable finance. This would have a positive impact on, for example, net fee and commission income and net interest income.

2.3 Potential opportunities from strategic initiatives

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

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

Firstly, the entities in the DZ BANK Group work on strategic projects and initiatives in collaboration with the cooperative banks and Atruvia AG, Frankfurt am Main, with the leading role taken by the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e.V., Berlin (BVR) [National Association of German Cooperative Banks]. By implementing the strategy agenda, the central service providers in the Cooperative Financial Network assist the cooperative banks with their individual strategic processes and help them to assume responsibility for their own profitability. Based on the strategy agenda, the 'Germany-wide strategic portfolio bringing together strategic initiatives of the Cooperative Financial Network' has been established with the aim of improving the transparency of these initiatives for the cooperative banks.

Secondly, the entities in the DZ BANK Group have jointly identified key areas of collaboration (such as operating models and sustainability) that offer potential to reinforce their future viability and profitability. The aim is to continue to develop and take action in these areas of collaboration over the coming years. In 2024, for example, a new area of potential in generative artificial intelligence was established.

Thirdly, each individual entity in the DZ BANK Group pursues its own strategic initiatives. One example is the ‘Verbund First 4.0’ strategic program at **DZ BANK**, which is designed to ensure the organization’s resilience for the future. The program is aimed at improvements in three key areas: market presence (network-focused, customer-oriented, and digital), control and production processes (efficient, effective, and focused), and corporate culture (performance-driven and integrative). The ‘Verbund First 4.0’ strategic program is updated continually in line with requirements. Topics that are related to ‘Verbund First 4.0’, such as sustainability, digitalization (e.g. generative artificial intelligence), and employer branding, are key elements of the transformation of the economy.

BSH describes its long-term objective through its vision of being a reliable partner that helps its customers to achieve their dreams when it comes to their home. The building society works with the cooperative banks to develop all-round solutions in the homes and housebuilding ecosystem, thereby strengthening the Cooperative Financial Network. It intends to remain the market leader in the home savings market and, together with the cooperative banks, defend its no. 1 position in the home finance market. In addition, it is making inroads into new areas of growth for homes and housebuilding by maintaining a firm focus on customers and facilitating close collaboration between the cooperative banks and BSH’s field staff on marketing. BSH is the cooperative center of excellence (provider of products and solutions) for consumer home finance, playing an important part in strengthening the Cooperative Financial Network’s market position. The evolution of BSH’s role into that of a products and solutions provider for its bank partners and its integration into the homes and housebuilding cooperative ecosystem address the demand for end-to-end products and solutions and the creation of new business models centered around customers’ basic needs alongside financial products and extending the value chain.

DZ HYP is forging ahead with digitalization in many areas of its business. In consumer home finance, it is further expanding its role as a decentralized product supplier for the banks in the Cooperative Financial Network. Competitive products, rapid processes, and a risk-adjusted pricing model give banks scope to generate income through fees and commissions and through cross-selling options. Programming the integration of Atruvia AG’s omnichannel platform was a central focus in 2024. Starting in the first quarter of 2025, DZ HYP will thus be able to support local cooperative banks with best-in-class products and services on this platform that they can use to advise customers on consumer home finance. The main aspects of DZ HYP’s FK Digital project in its corporate customer business are deploying data optimally within processes, improving interfaces, and unlocking the associated potential for greater efficiency while, at the same time, catering to the current and future requirements of market players and supervisory authorities alike. The initial implementation phase of FK Digital began in 2023 and is expected to be completed in the second half of 2025. This should also help to further optimize the bank’s streamlined, profitable approach incorporating intensive customer relationship management. The bank has also drawn up a strategy for implementing the DZ HYP cloud infrastructure. In 2024, it finished establishing the fundamental cloud infrastructure and plans to migrate the IT landscape to the future operating model by summer 2025. In this context, DZ HYP sees the use of artificial intelligence as a key issue for the future. As part of a preliminary study initiated in the third quarter of 2024, preparations are being made for an implementation project in the first half of 2025. Based on use cases, the added value from the strategic use of artificial intelligence will be tested in the handling of a number of processes. The real estate sector has the potential to play a key role in combating climate change. DZ HYP sees its own role as supporting the green transformation of the economy in order to channel cash flows toward more sustainable business, for example by financing more energy-efficient real estate.

R+V’s vision is to be the cooperative center of excellence for insurance, healthcare cover, and retirement pensions, working closely with its sales partners. Making customers happy is the cornerstone of future success under its strategic program, WIR@R+V. The program is designed to boost R+V’s earnings power by putting a greater emphasis on profitability so that it can continue to make a significant contribution to the success of business in the Cooperative Financial Network. R+V also remains firmly focused on its growth strategy of strengthening areas of importance for the future, such as healthcare and long-term nursing care, membership, sustainability, and the omnichannel approach. By delivering a consistently robust business performance, it can maintain sufficient financial strength to be able to remain a reliable partner and deliver on its value propositions in the long term.

In response to the changing conditions in which it operates, **Union Investment** has created the internal FitForFuture program, which establishes the strategic areas of investment going forward. These areas of investment include not only sustainability and digitalization but also a ‘learning organization’. Other key areas are the cementing of Union Investment’s positioning as an active asset manager and the Masterplan platform in its retail business, which chimes with the aim of harnessing the potential of high-net-worth customers and the related product range. The Masterplan platform will also expand digital offerings for cooperative sales partners. This investment in the future will be cost-neutral and will thus help to secure the profitable growth of the Union Investment Group.

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

VI DZ BANK Group and DZ BANK risk report

1 Legal basis and disclosure principles

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

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

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

With this report, DZ BANK also meets the risk reporting requirements specified in the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), specifically those set out in the following legal standards:
– **IAS 1.134–136** (capital)
– **IFRS 7.31–42** (nature and extent of risks arising from financial instruments)
– **IFRS 17.121–132** (nature and extent of risks arising from contracts within the scope of IFRS 17)

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

This does not include the legal standards below, because the required disclosures are not used to manage risk. In these instances, the disclosures are made in the notes to the consolidated financial statements:
– Accounting-related credit disclosures in accordance with **IFRS 7.35F(a)–36(b)**: note 85
– Maturity analysis in respect of financial assets and financial liabilities in accordance with **IFRS 7.39(a) and (b)**: note 86
– Sensitivity analyses in accordance with **IFRS 17.128**: note 96
– Claims rate trend for direct non-life insurance business and for the inward reinsurance business in accordance with **IFRS 17.130**: note 94
– Maturity analysis for insurance contracts issued and for reinsurance contracts held in accordance with **IFRS 17.132(b) and (c)**: note 96

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

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

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

In preparing this risk report, DZ BANK also takes account of the **recommended risk-related disclosures** issued by the Financial Stability Board (FSB), the European Banking Authority (EBA), and the European Securities and Markets Authority (ESMA) that are designed to improve the usefulness of disclosures in the decision-making process.

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

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

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

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

In accordance with GAS 20.A1.3 and GAS 20.A2.3, the **structure** of the risk report is based on the risk types (chapters VI.8 to VI.21). The risk type-specific disclosures are preceded by general information and information relating to all risk types (chapters VI.1 to VI.7).

DZ BANK Group

2 Summary

2.1 Risk management system

2.1.1 Regulatory framework for risk management

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

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

2.1.2 Fundamental features of risk management

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

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

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

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

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

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

2.1.3 Management units and sectors

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

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

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

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

The **insurance business** operated at R+V differs in material respects from the other businesses of the DZ BANK Group. For example, actuarial risk is subject to factors that are largely different from those affecting the risks typically assumed in banking business. Furthermore, policyholders have a share in any gains or losses from investments in connection with life insurance, health insurance, and casualty insurance as specified under statutory or contractual arrangements, and this must be appropriately taken into account in the measurement of risk. Not least, the supervisory authorities also treat banking business and insurance business differently and this is reflected in differing regulatory regimes for banks and insurance companies.

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

Bank sector:
- DZ BANK
- BSH
- DZ HYP
- DZ PRIVATBANK
- TeamBank
- UMH
- VR Smart Finanz

Insurance sector:
- R+V

In the context of quantitative disclosures on the economic and the regulatory (normative) risk-bearing capacity of the DZ BANK Group and the DZ BANK financial conglomerate, the abbreviation R+V as used in this risk report refers to the R+V Versicherung AG insurance group for regulatory purposes. In contrast to the R+V subgroup defined in chapter I.3.1 of the group management report and chapter I.2.1 of the management report, the regulatory R+V Versicherung AG insurance group also comprises KRAVAG-SACH Versicherung des Deutschen Kraftverkehrs VaG, Hamburg.

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

2.1.4 Liquidity waiver

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

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

2.1.5 KPIs

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

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

- the minimum liquidity surplus;
- the structural minimum liquidity surplus;
- the liquidity coverage ratio (LCR); and
- the net stable funding ratio (NSFR).

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

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

2.1.6 Specific features of sustainability risk management

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

The **regulatory basis** for managing sustainability risks comprises the European Central Bank (ECB) guide on climate-related and environmental risks, the EBA guidelines on loan origination and monitoring, the Minimum Requirements for Risk Management (MaRisk), the Guidance Notice on Dealing with Sustainability Risks issued by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) [German Federal Financial Supervisory Authority], and the delegated regulation on the EU taxonomy.

Sustainability risks stem from risk factors affecting climate-related and environmental, social, or corporate governance matters. There are two ways of considering them:
- The 'inside-out' or impact perspective concentrates on the direct effects that the business activities of the DZ BANK Group have on the environment and society.
- The 'outside-in' or risk perspective considers the influence that ESG-related developments have on the DZ BANK Group.

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

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

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

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

2.2 Risk factors and risks

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

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

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

2.3 Risk profile and risk appetite

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

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

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

2.4 Solvency and risk-bearing capacity

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

The DZ BANK Group remained within its economic **risk-bearing capacity** in 2024 and also complied with regulatory requirements for capital adequacy on every reporting date.

FIG. VI.1 – RISKS AND OPERATING SEGMENTS IN THE BANK SECTOR[1]

Risks

Risk type		Definition	Risk factors
	RISK NOT COVERED BY CAPITAL		
	Liquidity risk	Risk that cash and cash equivalents will not be available in sufficient amounts to ensure that payment obligations can be met (insolvency risk)	– Follow-up funding risk – Collateral risk – Fair value risk – Drawdown risk – Termination risk – New business risk – Repurchase risk – Intraday risk – Foreign currency funding risk
	RISK COVERED BY CAPITAL		
Financial risks	**Credit risk** – Traditional credit risk – Issuer risk – Replacement risk	Risk of losses arising from the default of counterparties (borrowers, issuers, other counterparties) or from the migration of the credit ratings of these counterparties, or of losses in connection with the recovery of loans, advances, receivables, or collateral	General credit risk factors: – Increase in the concentration of volume in counterparties, industries, or countries – Accumulation of exposures with longer terms to maturity Specific credit risk factors: – Negative macroeconomic conditions – Materialization of sustainability risks
Financial risks	**Equity investment risk**	Risk of losses arising from negative changes in the fair value of that portion of the long-term equity investments portfolio for which the risks are not included in other types of risk, or from negative changes in the fair value of real estate	Increased requirement for the recognition of impairment losses on the carrying amounts of investments – as a result of impaired carrying amounts – as a result of a lack of information in the case of non-controlling interests
Financial risks	**Market risk** – Interest-rate risk – Equity risk – Fund price risk – Currency risk – Commodity risk – Spread risk and migration risk – Asset-management risk – Market liquidity risk	– Risk of losses that could arise from adverse changes in market prices or in the parameters that influence prices (market risk in the narrow sense of the term) – Risk of losses that could arise from adverse changes in market liquidity such that assets can only be liquidated in markets if they are discounted and that it is only possible to carry out dynamic risk management on a limited basis (market liquidity risk)	General market risk factors: – Changes in the yield curve – Changes in credit spreads – Changes in exchange rates – Changes in share prices Specific market risk factors: – Escalation of geopolitical tensions and resulting trade friction – Global economic downturn – Economic policy divergence in the eurozone – Rise in interest rates – Fall in interest rates – Global financial market volatility
Financial risks	**Technical risk of a home savings and loan company**[2] – New business risk – Collective risk	– Risk of a negative impact from possible variances compared with the planned new business volume (new business risk) – Risk of a negative impact that could arise from variances between the actual and forecast performance of the collective building society operations caused by significant long-term changes in customer behavior unrelated to changes in interest rates (collective risk)	– Decline in new business – Changed customer behavior (unrelated to changes in interest rates)
Financial risks	**Business risk**	Risk that financial performance is not in line with expectations, and this is not covered by other types of risk	– Costs of regulation – Competition based on pricing and terms – Materialization of sustainability risks
Non-financial risks	**Reputational risk**[3]	Risk of losses from events that damage confidence, mainly among customers (including the cooperative banks), shareholders, employees, the labor market, the general public, and the supervisory authorities, in the entities in the Bank sector or in the products and services that they offer	– Decrease in new and existing business – Backing of stakeholders is no longer guaranteed – Materialization of sustainability risks
Non-financial risks	**Operational risk**	Risk of losses from human behavior, technological failure, weaknesses in process or project management, or external events	– Compliance risk including compliance conduct risk: Violations of legal provisions; failure to comply with corporate policies – Legal risk: Violations of legal provisions or failures in applying such provisions; adverse changes in the legal environment – Information risk including ICT risk: Failure to maintain the confidentiality, integrity, availability, or authenticity of information or data – Security risk: Inadequate protection of individuals, premises, assets, or time-critical processes – Outsourcing risk: Disruptions to outsourced processes and services – Project risk: Failure to complete projects on schedule – Materialization of sustainability risks

1 Apart from migration risk on traditional loans, which are covered by the capital buffer.
2 Including business risk and reputational risk of BSH.
3 The Bank sector's reputational risk is contained in the risk capital requirement for business risk. BSH's reputational risk, which is covered mainly by the technical risk of a home savings and loan company, is not included here.

Risk management KPIs disclosed	Risks	DZ BANK	BSH	DZ HYP	DZ PRIVATBANK	TeamBank	UMH	VR Smart Finanz
– Liquid securities – Unsecured short-term and medium-term funding – Minimum liquidity surplus – Structural minimum liquidity surplus – LCR – NSFR	Chapter VI.6.2.6 Chapter VI.6.2.6 Chapter VI.6.2.7 Chapter VI.6.2.7 Chapter VI.6.3.2 Chapter VI.6.3.3	Quantitative and qualitative	Quantitative and qualitative	Quantitative and qualitative	Quantitative and qualitative	Quantitative and qualitative	Not relevant	Quantitative and qualitative
– Lending volume – Risk capital requirement for credit risk	Chapters VI.8.7 to VI.8.11 Chapter VI.8.12	Quantitative and qualitative	Quantitative and qualitative	Quantitative and qualitative	Quantitative and qualitative	Quantitative and qualitative	Not relevant	Quantitative
– Carrying amounts of investments – Risk capital requirement for equity investment risk	Chapter VI.9.5 Chapter VI.9.5	Quantitative and qualitative	Quantitative and qualitative	Quantitative	Not relevant	Quantitative	Quantitative	Quantitative
– Value-at-risk for market risk – Periodic interest-rate risk and periodic spread risk in the banking book – Risk capital requirement for market risk	Chapter VI.10.6.1 Chapter VI.10.6.2 Chapter VI.10.6.3	Quantitative and qualitative	Quantitative and qualitative	Quantitative and qualitative	Quantitative	Quantitative	Quantitative and qualitative	Quantitative
Risk capital requirement for the technical risk of a home savings and loan company	Chapter VI.11.5	Not relevant	Quantitative and qualitative	Not relevant	Not relevant	Not relevant	Not relevant	Not relevant
Risk capital requirement for business risk	Chapter VI.12.6	Quantitative and qualitative	Not relevant	Quantitative	Quantitative	Quantitative	Quantitative	Quantitative
		Quantitative and qualitative	Quantitative	Quantitative	Quantitative	Quantitative	Not relevant	Quantitative
– Losses from operational risk – Risk capital requirement for operational risk	Chapter VI.14.8 Chapter VI.14.9	Quantitative and qualitative	Quantitative	Quantitative and qualitative	Quantitative	Quantitative	Quantitative and qualitative	Quantitative

Management unit disclosures in the risk report:

Quantitative and qualitative disclosures

Quantitative disclosures

Not relevant

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

	Risk type	Definition	Risk factors	Risk management KPIs disclosed	
	RISK COVERED BY CAPITAL PURSUANT TO SOLVENCY II				
Financial risks	**Actuarial risk** – Life actuarial risk	Risk arising from the assumption of life insurance obligations in relation to the risks covered and the processes used in the conduct of this business	– Adverse change in the calculation assumptions for life insurance over the lifetime of the contract – Increase in claim events as a result of pollution and climate change	– Claims rates and settlements in non-life insurance	Chapter VI.16.6
Financial risks	– Health actuarial risk	Risk arising from the assumption of health and casualty insurance obligations in relation to the risks covered and the processes used in the conduct of this business	– Higher drawdown of benefits by health insurance policyholders – Increase in claim events as a result of pollution and climate change	– Overall solvency requirement	Chapter VI.16.7
Financial risks	– Non-life actuarial risk	Risk arising from the assumption of non-life insurance obligations in relation to the risks covered and the processes used in the conduct of this business	– Unexpected rise in claims incurred, e.g. due to weather-related natural disasters attributable to climate change – Inflationary effects driving the cost of claims – Rise in claims incurred as a result of silent cyber risk		
Financial risks	**Market risk** – Interest-rate risk – Spread risk – Equity risk – Currency risk – Real-estate risk	Risk arising from fluctuation in the level or volatility of market prices of assets, liabilities, and financial instruments that have an impact on the value of the assets and liabilities of the entity	– Escalation of geopolitical tensions and resulting trade friction – Global economic downturn – Economic policy divergence in the eurozone – Unexpected rise in interest rates – Unexpected fall in interest rates – Global financial market volatility – Transition risks of issuers	– Lending volume – Overall solvency requirement	Chapter VI.17.5 Chapter VI.17.6
Financial risks	**Counterparty default risk**	Risk of losses due to unexpected default or deterioration in the credit standing of counterparties or debtors of insurance or reinsurance companies over the subsequent twelve months	Deterioration of counterparties' financial circumstances	– Lending volume – Overall solvency requirement	Chapter VI.18.4 Chapter VI.18.4
Non-financial risks	**Reputational risk**[1]	Risk of losses that could arise from damage to the reputation of R+V or of the entire industry as a result of a negative perception among the general public	– Decrease in new and existing business – Backing of stakeholders is no longer guaranteed – Materialization of sustainability risks		
Non-financial risks	**Operational risk**	Risk of losses arising from inadequate or failed internal processes, personnel, or systems, or from external events	– Legal and compliance risk: Violations of legal provisions or failures in applying such provisions; adverse changes in the legal environment; violations of statutory provisions; failure to comply with corporate policies – Information risk, including ICT risk: Malfunctions or breakdowns in IT systems – Security risk: Business interruptions could result in lasting disruptions to processes and workflows – Outsourcing risk: Disruptions to outsourced processes and services – Project risk: Failure to complete projects on schedule – Materialization of sustainability risks	– Overall solvency requirement	Chapter VI.20.5
	RISK COVERED BY CAPITAL PURSUANT TO SOLVENCY I				
	Risks from entities in other financial sectors	The entities in other financial sectors mainly consist of pension funds and occupational pension schemes	Generally corresponding to the risk factors for risks backed by capital pursuant to Solvency II	– Overall solvency requirement	Chapter VI.21

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

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

	Measured figure		External minimum target		Internal minimum threshold		Internal observation threshold	
	Dec. 31, 2024	Dec. 31, 2023	2024	2023	2024	2023	2024	2023
LIQUIDITY ADEQUACY								
DZ BANK Group (economic perspective)								
Minimum liquidity surplus (€ billion)[1]	22.7	18.5	0.0	0.0	4.0	4.0	5.0	5.0
DZ BANK banking group (normative perspective)								
Liquidity coverage ratio (LCR, percent)[2]	143.9	145.8	100.0	100.0	112.5	110.0	125.0	120.0
Net stable funding ratio (NSFR, percent)[3]	125.0	126.5	100.0	100.0	106.0	106.0	110.0	107.0
CAPITAL ADEQUACY								
DZ BANK Group (economic perspective)								
Economic capital adequacy (percent)[4]	197.7	209.1	100.0	100.0	120.0	120.0	140.0	140.0
DZ BANK financial conglomerate (normative perspective)								
Coverage ratio (percent)[5]	135.3	152.5	100.0	100.0	113.0	113.0	123.0	121.0
DZ BANK banking group (normative perspective)[6]								
Common equity Tier 1 capital ratio (percent)	15.8	15.5	10.0	9.8	11.8	11.3	13.0	12.5
Tier 1 capital ratio (percent)	17.8	17.7	11.8	11.7	13.5	13.3	14.8	14.3
Total capital ratio (percent)	20.1	20.1	14.2	14.1	16.0	15.8	17.3	16.8
Leverage ratio (percent)	6.6	6.2	3.0	3.0	4.0	4.0	4.3	4.3
MREL ratio as a percentage of risk-weighted assets	36.2	37.6	27.0	25.1	28.4	26.8	28.7	27.1
MREL ratio as a percentage of the leverage ratio exposure	13.4	13.2	9.5	7.3	9.9	9.7	10.2	10.0
Subordinated MREL ratio as a percentage of risk-weighted assets	29.5	31.1	27.0	23.8	28.4	26.6	28.7	27.1
Subordinated MREL ratio as a percentage of the leverage ratio exposure	10.9	10.9	8.4	7.1	8.8	9.7	9.1	10.0

1 For details, see chapter VI.6.2.7.
2 For details, see chapter VI.6.3.2.
3 For details, see chapter VI.6.3.3.
4 For details, see chapter VI.7.3.2.
5 For details, see chapter VI.7.4.2.
6 For details, see chapter VI.7.4.3.

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

	Measured figure		External minimum target		Internal observation threshold	
	Dec. 31, 2024	Dec. 31, 2023	2024	2023	2024	2023
LIQUIDITY ADEQUACY						
Economic perspective						
Minimum liquidity surplus of DZ BANK (€ billion)[1]	11.8	4.8	0.0	0.0	1.9	1.9
Minimum liquidity surplus of the liquidity subgroup (€ billion)	13.3	6.8	0.0	0.0	1.9	1.9
Normative perspective						
Liquidity coverage ratio (LCR) of the liquidity subgroup (percent)[2]	138.6	143.1	100.0	100.0	120.0	115.0
Net stable funding ratio (NSFR) of the liquidity subgroup (percent)[3]	119.0	119.0	100.0	100.0	106.0	106.0
CAPITAL ADEQUACY						
Normative perspective[4]						
Common equity Tier 1 capital ratio (percent)	14.6	14.6	7.7	7.7	10.3	10.3
Tier 1 capital ratio (percent)	17.5	17.6	9.2	9.2	11.8	11.8
Total capital ratio (percent)	21.2	21.4	11.2	11.2	13.8	13.8
Leverage ratio (percent)	6.7	6.8	3.0	3.0	4.3	4.3

1 For details, see chapter VI.6.2.7.
2 For details, see chapter VI.6.3.2.
3 For details, see chapter VI.6.3.3.
4 For details, see chapter VI.7.4.3.

3 Risk-oriented corporate governance

3.1 Risk culture

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

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

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

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

3.2 Risk appetite statement

The entities in the DZ BANK Group define risk appetite as the nature and extent of the risks that will be accepted at group level or by the management units within their risk capacity when implementing their business models and business objectives. The term 'risk appetite' equates to the term 'risk tolerance' used by the supervisory authorities in a disclosure context. Risk capacity is the maximum risk that the DZ BANK Group can take on based on its capital adequacy, liquidity adequacy, capacity for risk management and control, and regulatory restrictions. Risk capacity is therefore largely determined by the DZ BANK Group's available internal capital, own funds, and available liquid assets. Risk capacity should always exceed risk appetite. The difference between risk capacity and risk appetite reflects the DZ BANK Group's need for security.

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

3.3 Risk strategies

The **systematic controlled assumption of risk in relation to target returns** is an integral part of corporate control in the DZ BANK Group and at DZ BANK. The activities resulting from the business model require the ability to identify, measure, assess, manage, monitor, and communicate risks. The need to hold appropriate reserves of cash and to cover risks with adequate capital is also recognized as an essential prerequisite for the operation of the business and is of fundamental importance.

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

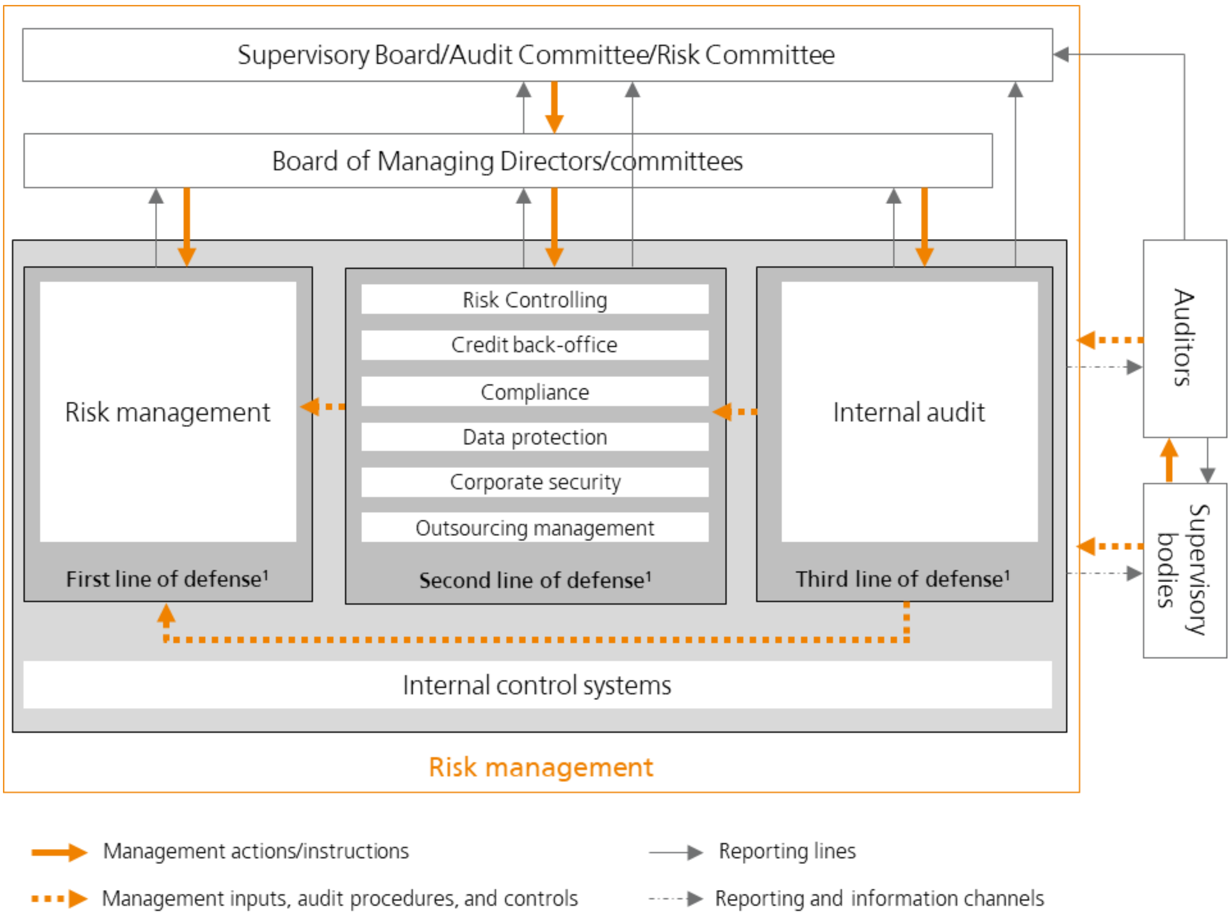
The annual updating of the risk strategies is integrated with the **strategic planning process** and is carried out by the Group Risk Controlling, Group Risk Control & Services, and Group Finance divisions in close consultation with other relevant divisions at DZ BANK and its subsidiaries.

The risk strategies are described in the chapters covering the individual risk types in this risk report. The strategic focus of the DZ BANK Group and DZ BANK that underlies the risk strategies is described in chapter I.1 of the (group) management report.

3.4 Governance structure of risk management

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

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



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

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

First line of defense:
– Day-to-day assumption and management of risk; related reporting to the Board of Managing Directors

Second line of defense:
– Establishment and enhancement of a framework for risk management
– Monitoring of compliance with the framework in the first line of defense and related reporting to the Supervisory Board and Board of Managing Directors
– Second vote in credit decisions as defined in MaRisk BA and other specific legal requirements, such as KAMaRisk
– Development and monitoring of principles for compliance with data protection requirements and structuring and monitoring of corporate security and external procurement management (referred to as outsourcing management at the level of the DZ BANK Group). These rules do not limit the data protection officers' freedom to operate independently.
– The tasks listed are primarily carried out by the Group Risk Controlling, Group Risk Control & Services, Credit, and Compliance divisions. They are also part of the remit of the Group IT Governance department.
– The Group Risk Controlling, Group Risk Control & Services, and Credit divisions together form the risk management function.

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

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

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

3.5 Risk management committees

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

The organization and remit of the main committees responsible for risk management are described in chapter I.2.2.3 of the (group) management report.

3.6 Risk management

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

3.7 Risk control

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

Both at DZ BANK and in the other management units, the risk control function is responsible for the transparency of risks assumed and aims to ensure that all risk measurement methods used are up to date. In cooperation with the other management units, the risk control function at DZ BANK therefore prepares groupwide **risk reports** covering all material types of risk. The risk reports are compiled for the Supervisory Board and the Board of Managing Directors and for the other management units.

The risk control units in the management units **monitor** compliance with the limits defined for the minimum liquidity surplus and with the entity-related limits that have been set based on the risk capital allocated by DZ BANK.

3.8 Credit back-office division

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

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

3.9 Compliance

3.9.1 Compliance function

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

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

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

The compliance policy sets out requirements for establishing and organizing the compliance functions and details of their duties. It is supplemented by compliance standards, which specify how to implement these requirements at an operational level. If individual requirements in the compliance standards cannot be fulfilled by a management unit, for example because they conflict with local rules or special legal requirements, the affected management unit must provide an explanation. Special circumstances may arise because R+V is subject to different legal and regulatory requirements. The DZ BANK Group's compliance framework is reviewed annually and on an ad hoc basis to check that it is up to date.

The entities of the DZ BANK Group that are subject to the German Supply Chain Due Diligence Act (LkSG) have taken steps to implement the relevant requirements. DZ BANK, for example, has created the role of human rights officer.

Further disclosures relating to compliance risk can be found in chapters VI.14.6.1 and VI.20.4.1.

3.9.2 Code of conduct

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

The code of conduct encompasses the responsibility to stakeholders who are directly affected by the management unit concerned. These stakeholders include customers, business partners, shareholders, and employees. Compliance with social and ethical standards also forms part of the code of conduct, as do aspects of sustainability.

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

3.9.3 Data protection

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

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

3.10 Corporate security

The entities in the DZ BANK Group take into account the relevant regulatory requirements in the following areas of corporate security:
- Information security
- Business continuity management (contingency and crisis management)

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

3.10.1 Information security

The aim of information security is to safeguard the confidentiality, integrity, authenticity, and availability of the data and information (information assets) used in business processes. Technical and organizational measures must be taken to adequately protect these information assets against unauthorized access, disclosure, or modification and against loss or theft.
To manage information security, the **DZ BANK Group** has established a groupwide information security management system (Group ISMS) based on ISO/IEC 27001:2022.

DZ BANK has implemented an information security management system (ISMS). The rules that it contains, along with the methodological framework that it provides, are also based on the ISO/IEC 27001:2022 standard. The ISMS is designed to ensure the confidentiality, integrity, availability, and authenticity of the data and information (information assets) used in DZ BANK's core processes, management processes, and support processes. The governance model implemented defines the methods, processes, roles, responsibilities, authority, and reporting channels that are necessary to achieve the strategic objectives and carry out the tasks of information security at operational level. It also provides an operational framework for the consistent quantitative and qualitative evaluation and management of information security risk, which forms part of operational risk.

Further disclosures relating to information risk, including ICT risk, can be found in chapters VI.14.6.3 and VI.20.4.2.

3.10.2 Business continuity management

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

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

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

Further disclosures relating to security risk can be found in chapters VI.14.6.4 and VI.20.4.3.

3.11 Outsourcing management

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

The sector-wide rules on outsourcing management include general requirements for the management units in the Bank sector to ensure that the management of outsourcing is largely standardized throughout the DZ BANK Group. The Insurance sector is subject to separate regulatory requirements that are described in internal guidance issued by R+V.

Further disclosures relating to outsourcing risk can be found in chapters VI.14.6.5 and VI.20.4.4.

3.12 Control functions

3.12.1 Internal audit

The internal audit departments of the management units are responsible for control and monitoring tasks. Independently of individual processes and with a focus on risk, they review and assess compliance with statutory and regulatory requirements and the effectiveness and appropriateness of risk management in general and the internal control system in particular. They also check that all activities and processes are carried out properly, regardless of whether they are outsourced or not. The internal audit departments also ensure that problems identified in audit findings are rectified.

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

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

3.12.2 Supervisory Board

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

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

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

3.12.3 External control functions

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

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

3.13 General internal control system

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

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

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

The internal control system for the (consolidated) financial reporting process, which is described in chapter VI.3.14 below, is a sub-system of the bank-wide internal control system.

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

3.14.1 Objective and responsibilities

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

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

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

3.14.2 Instructions and rules

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

3.14.3 Resources and methods for minimizing risk

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

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

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

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

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

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

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

3.14.4 Information technology

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

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

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

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

3.14.5 Ensuring and improving effectiveness

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

4 Risk management tools

4.1 Risk inventory check and appropriateness test

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

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

The risk inventory check and the materiality assessment also cover the **sustainability risk factors** of relevance to the DZ BANK Group's main types of risk. With regard to the risks that are backed by capital, the three sustainability dimensions (climate-related and environmental risks, social risks, and corporate governance risks) are each divided into several risk factor categories. The materiality assessment for these risk factors is based partly on concentration analysis and partly on scenarios, which are used to gauge the significance of potential transmission channels for the risks that are backed by capital. If a quantitative assessment is not possible, inhouse experts on the individual risk types are consulted instead. This materiality assessment of sustainability risks is based both on internal risk concentration data and portfolio data and on external data sources. It differentiates between short-term, medium-term, and long-term effects on the types of risk backed by capital.

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

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

4.2 Risk manual

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

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

4.3 Internal risk reporting

Internal risk reporting by DZ BANK Group entities is based on regulatory requirements. These include, in particular, the principles for the effective definition, collection, and processing of risk data set forth by the BCBS in BCBS 239, as well as MaRisk BA and KAMaRisk.

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

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

- **Standard reporting** is characterized by recurring analyses and reports that are prepared for a predefined group of recipients at fixed intervals. These reporting processes are standardized in terms of input parameters, processing times and timing, and reporting formats.

- **Special reporting** is one-off or ad hoc reporting that can be triggered for a variety of reasons, such as internal or external data requests. The special reports also include ad hoc reports that are triggered when a specific threshold is reached.

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

The standard reports are either aggregated and cover all risk types or they are specific to an individual risk type. While the reports covering all risk types relate solely to the DZ BANK Group, risk type-specific reports are prepared at the level of both the DZ BANK Group and DZ BANK.

The **subsidiaries** have comparable reporting systems for all relevant types of risk.

Fig. VI.6 provides an overview of the main internal risk reports of DZ BANK.

FIG. VI.6 – DZ BANK'S INTERNAL RISK REPORTS[1]

	Frequency[2]				Recipients				Risk types concerned									
	Daily	Monthly	Quarterly	Half-yearly	Board of Managing Directors[3]	Group Risk and Finance Committee	Risk Committee	Asset/Liability Committee	Aggregate risk	Liquidity risk	Credit risk[4]	Equity investment risk[4]	Market risk[4]	Technical risk of a home savings and loan company[4]	Business risk[4]	Reputational risk[4, 5]	Operational risk[4]	Risks in the Insurance sector[6]
Reports covering all risk types																		
Integrated management report of the finance and risk function		•			•	•			•	•	•	•	•	•	•	•	•	•
Monthly overall risk report		•			•		•		•	•	•	•	•	•	•	•	•	•
Quarterly overall risk report			•		•	•			•	•	•	•	•	•	•	•	•	•
Sustainability risk report				•	•		•				•		•			•		
Stress tests report			•		•	•			•		•	•	•	•	•	•	•	•
Risk type-specific reports																		
Daily liquidity risk report	•				•					•								
Monthly liquidity risk report		•			•		•			•								
Credit risk report			•		•	•					•							•
Daily market risk report	•				•								•					
Monthly market risk report		•					•	•					•					
Monthly trading business report		•					•				•		•					
IRRBB and CSRBB reporting		•			•		•	•					•					
Reputational risk report				•	•		•									•		•
Operational risk report			•		•		•										•	•

1 Standard reporting.
2 The reports listed are prepared as at June 30 and December 31.
3 Full Board of Managing Directors or individual members of the Board of Managing Directors.
4 Bank sector.
5 Covered by business risk in the reports covering all risk types.
6 Insurance sector.

4.4 Accounting basis for risk management

4.4.1 Accounting basis for risk measurement

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

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

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

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

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

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

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

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

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

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

4.4.2 Accounting basis for risk coverage

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

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

FIG. VI.7 – RISK-BEARING LINE ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS[1]

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

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

4.5 Risk measurement

4.5.1 Framework

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

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

4.5.2 Economic perspective

Economic liquidity adequacy

To ascertain the DZ BANK Group's economic liquidity adequacy, the minimum surplus cash that would be available based on the relevant key figures if various scenarios were to materialize – within the following year and in a longer period of up to 10 years – is determined as part of the measurement of liquidity risk. There is no capital requirement in connection with liquidity risk.

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

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

Economic capital adequacy

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

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

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

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

In the Insurance sector, risk measurement is based on the method specified in Solvency II with the aim of determining value-at-risk, which is the measure of economic capital. The value-at-risk for the change in economic own funds – also referred to as the **overall solvency requirement** – is determined with a confidence level of 99.5 percent over a period of 1 year.

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

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

4.5.3 Normative perspective

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

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

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

4.6 Risk concentrations

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

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

4.7 Stress tests

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

The stress tests include scenarios for the purposes of liquidity management, capital planning, and internal capital and risk management. Stress tests are also carried out as part of bank recovery and resolution planning. Furthermore, the DZ BANK Group takes part in supervisory stress tests organized by the EBA and ECB. The outcome of the stress tests provides guidance for the management of risk, business planning, and decisions on liquidity measures or corporate action.

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

4.8 Limitation principles

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

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

4.9 Hedging objectives and hedging transactions

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

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

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

4.10 Recovery and resolution planning

In the reporting year, DZ BANK updated its **group recovery plan** for the DZ BANK Group in accordance with the requirements specified by banking supervisors and submitted it to the ECB. The recovery plan is based on the requirements specified in the German Bank Recovery and Resolution Act (SAG) and in other legal sources, especially Commission Delegated Regulation (EU) 2016/1075, various EBA guidelines, and the German Regulation on Minimum Requirements for the Design of Recovery Plans (MaSanV). The recovery plan is closely linked to the risk appetite statement of the DZ BANK Group as it uses the same KPIs. In addition, R+V prepares a hypothetical recovery plan in accordance with section 26 (1) sentence 4 VAG in conjunction with section 275 (1) VAG. **R+V's recovery plan** was voluntarily updated in 2024.

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

The **resolution plan** is aimed at ensuring the resolvability of the banking group. In accordance with section 42 (1) SAG, the resolution authority (BaFin) can demand that the institution provide it with comprehensive assistance in connection with drawing up and updating the resolution plan. For this reason, DZ BANK supported the ongoing preparation of the resolution plan for the DZ BANK Group in 2024. It supplied the resolution authority with numerous analyses related to DZ BANK and completed standardized questionnaires.

5 General risk factors

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

5.1 Regulatory risk factors

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

In 2023, it had not been possible to fully predict the effects of the regulatory measures relating to the sectoral systemic risk buffer and the countercyclical capital buffer on the capital ratios of the DZ BANK banking group and DZ BANK. Based on BaFin's related general administrative acts that have since come into force, these risk factors are no longer relevant. There are currently no material regulatory risk factors.

5.2 Macroeconomic risk factors

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

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

5.2.1 Escalation of geopolitical tensions and resulting trade friction

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

The political implications of the conflict in the **Middle East** are much more far-reaching than previous disputes in the region, and the conflict has spread. The situation could deteriorate further over the course of US President Donald Trump's term in office as he is seen as a supporter of Israel's Prime Minister Benjamin Netanyahu. The biggest military, and economic, risk continues to lie in Iran entering the war, which would pit the region's two largest armies against each other. This would have serious consequences for the global economy. Major bottlenecks would be expected in the supply of crude oil and liquefied petroleum gas, which could send global market prices soaring and push up inflation again.

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

Macroeconomic Risk factors	Year-on-year change	Risk type affected and relevant chapter in the risk report			
		Bank sector		Insurance sector	
Escalation of geopolitical tensions and resulting trade friction	Deterioration	Credit risk	Chapter VI.8.9	Market risk	Chapter VI.17.2 Chapter VI.17.5.3
		Market risk	Chapter VI.10.3		
		Operational risk	Chapter VI.14.7		
Global economic downturn	Deterioration	Credit risk	Chapter VI.8.8 Chapter VI.8.10	Market risk	Chapter VI.17.2
		Market risk	Chapter VI.10.3		
Economic policy divergence in the eurozone	No change	Market risk	Chapter VI.10.3	Market risk	Chapter VI.17.2 Chapter VI.17.5.3
Ongoing weakness in the German economy	No change	Credit risk	Chapter VI.8.8 Chapter VI.8.10	Market risk	Chapter VI.17.2
Correction in real estate markets	Improvement	Credit risk	Chapter VI.8.8.2	Market risk	Chapter VI.17.2
		Market risk	Chapter VI.10.3		
Scenarios involving interest-rate cuts	Higher probability of occurrence	Market risk	Chapter VI.10.3	Market risk	Chapter VI.17.2
Scenarios involving interest-rate hikes	Lower probability of occurrence	Market risk	Chapter VI.10.3	Life actuarial risk	Chapter VI.16.2
		Technical risk of a home savings and loan company	Chapter VI.11.3	Market risk	Chapter VI.17.2
Heightened volatility in the global financial markets	New	Market risk	Chapter VI.10.3	Market risk	Chapter VI.17.2

The economic impact of the **war in Ukraine** continues to be felt globally. Russia's invasion of Ukraine triggered the biggest commodity price shock since 1973 and caused one of the most serious interruptions to wheat supply in a century. There is also a risk that Russia will step up its hybrid warfare against western countries. Hybrid warfare is a combination of conventional military operations, economic pressure, attacks on critical infrastructure, and propaganda in the media and on social networks. Attacks on critical infrastructure, in particular, can cause considerable economic damage. Other potential consequences of hybrid warfare in the affected economies would be a strain on public finances due to rising defense spending and a slowdown in economic growth due to increased uncertainty among economic players.

The dispute between **China and Taiwan**, in which Taiwan believes it is at constant risk of invasion, continues to simmer. The United States reiterated its security guarantees for Taiwan in response to a more aggressive stance from the Chinese government and a series of military maneuvers. As China does not recognize Taiwan's independence, this dispute is likely to continue fueling tensions between China and the United States. However, it is difficult to gauge China's willingness to escalate the dispute. There is also potential for conflict with other neighboring countries due to China's territorial claims in the South China Sea.

In addition, the protracted dispute on the **Korean peninsula** flares up repeatedly due to North Korea's nuclear weapons program and its many military provocations. Any escalation would directly affect the interests of the superpowers China and the United States and could widen into a conflict with global consequences.

The aforementioned geopolitical tensions can **adversely affect global trade**. In addition to the effects of disrupted supply chains, there is a risk of a renewed escalation of trade disputes between the United States, China, and the EU with a new US administration in place. Since entering office in January 2025, Trump has already imposed the first tariffs on Canada, Mexico, and China as well as on all imports of steel and aluminum. Tariffs will also be implemented for countries that impose their own tariffs on US imports. The new tariff arrangements and the anticipated responses could have a negative impact on the global economy, and for the export-dependent German economy in particular. For companies in Germany, the restrictions on global trade could lead to higher import prices and a shortage of input products on the one hand and, on the other, to a decline in exports.

5.2.2 Global economic downturn

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

The comparatively high level of stability of the **US economy** is attributable to exceptionally vast government support programs. The annual US budget deficit is currently running at between 7 and 8 percent of GDP. The country's significant public debt, standing at over 120 percent of GDP, will likely persist as the re-election of Trump could lead to more tax cuts and thus push up debt even further. If debt levels remain high in the United States, the interest burden could grow and thus dent consumer demand in the long term. This trend would be intensified by the inflationary impact of new tariffs and a more restrictive migration policy, exacerbating the country's labor shortage and, in the long term, damaging market confidence. In the near term, the US economy is likely to benefit from Trump's pro-business policies. However, if Trump does not change direction – in light of the response in the financial markets – this would, in turn, see capital spending fall, dampen economic activity, and ultimately bring about a recession in the United States.

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

Although the **Chinese economy** achieved solid growth of 5.0 percent in 2024, there has been a deep loss of confidence among China's population, which has increased its propensity to save and dampened consumer sentiment. This is reflected in the real estate market and in consumer prices, which have increased only slightly following a period of deflation. Poor domestic demand in China is having an adverse effect on its demand for imports, such as input goods and capital goods from Germany, and this situation is expected to be further compounded by weaker Chinese exports to the United States as a result of the reciprocal tariffs. Although Beijing is supporting the economy with fiscal and monetary policy measures aimed at mitigating the economic slowdown, any recovery will likely be only temporary.

5.2.3 Economic policy divergence in the eurozone

Chapter IV.1.3 of the (group) management report describes the anticipated economic situation in the eurozone. The ongoing **fiscal problems** in Spain, Italy, France, and Portugal have produced high levels of debt and mounting interest burdens. This is weighing on these countries' budgets and limiting the financial headroom for capital investment and public spending.

Italy's high level of government debt remains its number one challenge and is highly likely to rise further over the next 3 years. The EU has announced excessive deficit procedures against Italy and other member states, the outcome of which remains uncertain. Despite countermeasures and positive growth forecasts for GDP, Italy's funding requirements will probably remain very high. Given that Italy's government debt remains high with large holdings of domestic government bonds and its credit quality still in need of improvement, Italian banks will have to continue to accept an appropriate risk premium if they want to obtain funding in the capital markets. A reduction in the ECB's bond purchases or the absence of progress with bringing down government debt could make it much more difficult for Italy and banks located there to access the capital markets.

France has not managed to substantially reduce its deficit for many years. Its high level of government debt and budget deficit are increasingly becoming a political and financial problem. The leading French index is recording losses, and risk premiums on French government bonds are reaching record highs. Despite a budget for 2025 having been recently adopted, the political situation remains unstable due to the forthcoming negotiations concerning the controversial pension reforms. Given the weak outlook in the country's own fiscal forecasts, it is also unclear what the next steps in a potential excessive deficit procedure would be. France's economy is the second-largest in the eurozone and very diversified. Its credit ratings remain good, but there is a risk that they will be downgraded if the pension reforms are reversed and government debt goes up as a result.

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

In the last few years, the **expansionary monetary policy of the ECB**, and particularly its buying programs in various bond segments, largely prevented the structural problems in some European Monetary Union (EMU) member countries from being reflected in the capital markets. With the expiry of the pandemic emergency purchase program, this may change as a result of the potential renewed tightening of monetary policy. The ECB has developed the transmission protection instrument so that it can intervene in the markets in order to counteract any excessive rise in risk premiums. However, if it is unable to do so, the risk premiums of more highly indebted member states could increase sharply, which would make it considerably more difficult for these countries to obtain funding through the capital markets.

5.2.4 Ongoing weakness in the German economy

The **phase of weakness in the German economy** – with growth at around zero – could well continue for the time being, especially given the likely dampening effect of the announced US import tariffs for Germany and its huge export industry. There is also a risk that the months of political standstill during the recent federal election campaign and the subsequent process of forming a government will delay the extensive structural reforms and investment in the future that Germany urgently needs in order to restore its competitiveness and secure its prosperity.

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

5.2.5 Correction in real estate markets

The macroeconomic challenges presented by the anticipated situation in the real estate markets are described in chapter IV.1.5 of the (group) management report. Further corrections in conjunction with the difficult wider economic conditions could limit investment appetite. The additional and persistently high level of borrowing costs could therefore see the crisis in the real estate sector flare up again. This scenario poses a macroeconomic risk factor for the DZ BANK Group.

5.2.6 Unpredictable interest-rate market

Scenarios involving interest-rate cuts

Following interest-rate cuts by the Federal Reserve Board (Fed) and the ECB in 2024, market interest rates are down from the peaks they reached in 2023. However, interest rates continue to have an effect on the rate of inflation, which was only slightly higher than the ECB's target rate of 2 percent during 2024 due to the weak state of the economy and base effects in energy prices. The markets expects the ECB, in particular, to remain on its expansionary course and reduce interest rates further. If interest rates are cut too quickly, there is a risk that inflationary effects, such as a wage/price spiral, may push inflation back up.

Scenarios involving interest-rate hikes

The re-election of Donald Trump and a Republican majority in Congress have led to reassessments of economic prospects and the outlook for interest rates in the United States. The implementation of numerous measures by the future administration of the United States could lead to the economy overheating and inflation picking up again. In this scenario, unexpected interest-rate hikes by the Fed cannot be ruled out. In the event of an interest-rate rise in the United States, it is likely that interest rates would also climb in the eurozone, which would call the sustainability of government debt levels of some European countries into question too. Unexpectedly strong economic growth in Europe could also lead to higher interest rates in the eurozone.

5.2.7 Heightened volatility in the global financial markets

The stock market indices in Europe and the United States reached new heights in 2024 and the price/earnings ratios of listed companies were close to their cyclical peaks. At the same time, investor jitters increased, as was seen when implied volatility soared at the end of July 2024, for example. There is a systemic risk that the existing speculative interdependence of some asset classes or regions will give rise to large price falls in the stock markets around the world, which could diminish the value of market participants' assets and endanger financial stability. This would, in turn, have a negative impact on the global economy.

5.3 Sustainability risk factors

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

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

FIG. VI.9 – SUSTAINABILITY RISK FACTORS OF RELEVANCE TO THE RISK TYPES IN THE BANK SECTOR AND INSURANCE SECTOR

Sustainability risk factors	Risk type affected and relevant chapter in the risk report			
	Bank sector		Insurance sector	
Physical climate risks	Credit risk	Chapter VI.8.3.2	Life and health actuarial risk	Chapter VI.16.2.2
			Non-life actuarial risk	Chapter VI.16.2.2
Transition risks	Credit risk	Chapter VI.8.3.2	Market risk	Chapter VI.17.2.2
	Business risk	Chapter VI.12.3.2		
	Reputational risk	Chapter VI.13.3	Reputational risk	Chapter VI.19.2
	Operational risk	Chapter VI.14.5	Operational risk	Chapter VI.20.3
Social risks	Reputational risk	Chapter VI.13.3	Reputational risk	Chapter VI.19.2
Corporate governance risks	Reputational risk	Chapter VI.13.3	Reputational risk	Chapter VI.19.2
	Operational risk	Chapter VI.14.5	Operational risk	Chapter VI.20.3

5.3.1 Physical climate risks

Physical risk refers to the financial impact of climate change or the financial impact of environmental conditions. These impacts include more frequent occurrence of extreme weather events, gradual climate change, and progressive environmental degradation. A physical risk is considered acute if it arises as a result of extreme events, such as earthquakes, droughts, floods, or storms. If it is the result of gradual changes (e.g. due to rising temperatures, rising sea levels, loss of biodiversity), the risk is classified as chronic. The impacts can occur directly (such as damage to property or a reduction in productivity) or can have indirect consequences, such as supply chain disruptions.

5.3.2 Transition risks

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

5.3.3 Social risks and corporate governance risks

Social risks arise as a result of inadequate standards for upholding basic rights and protecting against discrimination, or as a result of unfair, opaque, or improper customer practices. Social risks can lead to the loss of employees who are particularly crucial to the success of the business. They can also lead to financial claims or liabilities caused by inappropriate practices. The social risks are reflected in reputational risk, in particular, where the negative effect on reputation can result in a change in customer behavior and demand along with financial losses for the entities in the DZ BANK Group.

Corporate governance risks can arise from insufficient or opaque corporate governance practices or from a lack of or inadequate codes of conduct. This includes a lack of established corporate policy on combating money laundering, bribery, and corruption. Inadequate management of critical supply chains can also increase corporate governance risks. The occurrence of corporate governance risks leads, in particular, to increased reputational risk due to a loss of confidence among customers and investors. This can result in lost income, higher funding costs, or penalties. It can also permanently impair the ability to carry out transactions.

5.4 Rating downgrades for DZ BANK

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

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

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

If the credit rating for a management unit were to fall out of the range covered by the top four rating categories (investment-grade ratings, disregarding rating subcategories), the operating businesses of all the entities in the DZ BANK Group could be adversely affected. This could also lead to an increase in the **liquidity requirement in**

relation to derivatives and to a rise in **funding costs**. The effects of downgrades of long-term ratings are discussed in the chapter covering the measurement of liquidity risk (see chapter VI.6.2.5).

The rating agencies S&P Global Ratings, Moody's Ratings, and Fitch Ratings confirmed **DZ BANK's ratings** in 2024. The outlooks for the ratings also remained stable.

6 Liquidity adequacy

6.1 Strategy
The management of liquidity adequacy is an integral component of business management in the DZ BANK Group and the management units. Liquidity adequacy is defined as the holding of sufficient liquidity reserves in relation to the risks arising from future payment obligations. It is considered from both an economic and a normative perspective. Whereas the economic perspective (focusing on the DZ BANK Group) takes into account the requirements of the ECB Guide to the ILAAP and MaRisk BA, the normative perspective (focusing on the DZ BANK banking group) – while also taking account of the ECB Guide to the ILAAP – additionally applies the requirements from the CRR and the German national requirements for the implementation of the Capital Requirements Directive (CRD) in KWG.

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

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

6.2 Liquidity adequacy in the economic perspective
Owing to the close ties between management of economic liquidity adequacy at DZ BANK and that of the DZ BANK Group, the information below on economic liquidity adequacy also applies to DZ BANK. Liquidity risk is a key aspect of economic liquidity adequacy. Liquidity risk at DZ BANK to a large degree determines liquidity risk in the DZ BANK Group.

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

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

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

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

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

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

6.2.3 Risk factors

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

- Funding is withdrawn but cash nevertheless still flows out when legally due (**follow-up funding risk**).
- Derivatives result in greater collateral requirements that involve cash outflows (**collateral risk**).
- Changes in the fair value of financial instruments mean that less liquidity can be generated (**fair value risk**).
- Cash is paid out earlier than expected because drawing rights are exercised (**drawdown risk**).
- Cash outflows are earlier than expected or cash inflows later than expected because termination rights are exercised (**termination risk**).
- New business is entered into on a significant scale, resulting in cash outflows (**new business risk**).
- Products are repurchased on a significant scale, resulting in cash outflows (**repurchase risk**).
- The liquidity requirement to ensure intraday payment obligations can be satisfied is greater than expected (**intraday risk**).
- There has been a negative impact on opportunities for funding in foreign currencies, for example the generation of currency-related liquidity through currency swaps (**foreign currency funding risk**).

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

6.2.4 Organization and responsibility

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

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

6.2.5 Risk management

Measurement of liquidity risk

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

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

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

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

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

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

Liquidity risk stress tests

Stress tests are conducted for the forward cash exposure and for the counterbalancing capacity using the following four scenarios with defined limits: downgrading, corporate crisis, market crisis, and combination crisis. The stress scenarios are defined as follows:

– **Downgrading**: Long-term ratings awarded by S&P Global Ratings, Moody's Ratings, and Fitch Ratings to one or more entities in the DZ BANK Group downgraded by one notch. The downgrade is triggered by a deterioration in profitability or in the earnings forecast or by a preceding loss of confidence among customers and banks.

– **Corporate crisis**: Serious entity-specific crisis, for example caused by reputational damage. The main consequences of this scenario could be a considerable negative impact on customer behavior and the downgrading by three notches of the long-term ratings awarded by all of the aforementioned rating agencies.

– **Market crisis**: Turmoil in global money and capital markets. The primary feature of this scenario is a sudden, sharp fall in the value of assets traded in these markets. The scenario assumes, for example, a loss of confidence among money market players, which could lead to a liquidity squeeze.

- **Combination crisis**: Analysis of a combination of bank-specific and market-related factors. However, it does not constitute a mere aggregation of the two stress scenarios arising from a market crisis and a corporate crisis. Instead, the interaction between the two scenarios is taken into account. The combination crisis assumes that the financial sector would be particularly badly affected. The underlying scenario is also based on a deterioration in the reputation of the entities in the DZ BANK Group. It assumes there would only be very limited access to unsecured funding from customers, banks, and institutional investors over the forecast period of 1 year.

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

Further stress scenarios in addition to the scenarios with defined limits are analyzed, and a **reverse stress test** is carried out and reported on a monthly basis. The reverse stress test shows which stress events (changes in risk factors) could still occur without liquidity falling below the limit in a subsequent liquidity risk measurement and triggering the need for a business model adjustment. In addition, **adverse stress tests** are carried out to provide a forward-looking assessment of liquidity risk. They involve analyzing whether the DZ BANK Group would be able to ensure an adequate level of liquidity even in the event of exceptional, but plausible, developments over a medium-term horizon. The adverse stress test scenarios underlying this forecast are also used in ICAAP stress testing.

For the purposes of DZ BANK's internal funding plan, which is closely linked to the business planning of the DZ BANK Group and is prepared at least once a year and reviewed monthly by retrospectively comparing the planned and actual volumes of business generated, the trend is forecast for the minimum liquidity surplus and structural minimum liquidity surplus KPIs in the time horizon of the next 3 calendar years. These forecasts are intended to ensure that DZ BANK's internal funding plan guarantees an adequate level of liquidity over the plan's time horizon.

Management of limits for liquidity risk

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

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

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

The new **structural minimum liquidity surplus** introduced in 2024 is managed at the level of the DZ BANK Group and for DZ BANK using limits that have been established for the maturity bands 2 to 5 years and 6 to 10 years.

The limits and the internal observation thresholds are set by the **Board of Managing Directors**. The liquidity risk control function at DZ BANK **monitors** compliance with the limits and internal observation thresholds for the minimum liquidity surplus both at group level and for DZ BANK, the liquidity subgroup, and the subsidiaries. The limits and internal observation thresholds relating to the structural minimum liquidity surplus are monitored at group level and for DZ BANK.

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

Liquidity risk mitigation

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

Liquidity transfer pricing system

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

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

6.2.6 Quantitative variables in liquidity risk

Liquid securities

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

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

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

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

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

As at December 31, 2024, the total liquidity value at the level of the **DZ BANK Group** was €57.7 billion (December 31, 2023: €37.3 billion). The total liquidity value attributable to **DZ BANK** as at December 31, 2024 was €45.3 billion (December 31, 2023: €26.9 billion). The rise in liquid securities that are eligible for GC Pooling and as collateral for central bank loans mainly resulted from the gradual growth of securities portfolios and from a higher number of reverse repos with customers, banks in the Cooperative Financial Network, and subsidiaries of DZ BANK.

FIG. VI.10 – LIQUID SECURITIES

	DZ BANK Group		DZ BANK	
€ billion	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Liquid securities eligible for GC Pooling (ECB Basket)[1]	**27.3**	15.8	**20.2**	9.9
Securities in own portfolio	28.1	20.5	19.0	12.0
Securities received as collateral	11.4	5.9	11.4	5.9
Securities provided as collateral	-12.2	-10.6	-10.3	-8.0
Liquid securities eligible as collateral for central bank loans	**25.5**	17.9	**20.4**	13.6
Securities in own portfolio	23.0	18.0	17.3	13.2
Securities received as collateral	5.2	3.5	5.2	3.5
Securities provided as collateral	-2.7	-3.6	-2.0	-3.2
Other liquid securities	**4.9**	3.7	**4.7**	3.5
Securities in own portfolio	3.3	3.3	3.1	3.0
Securities received as collateral	1.6	0.6	1.6	0.6
Securities provided as collateral	-0.1	-0.2	–	-0.1
Total	**57.7**	37.3	**45.3**	26.9
Securities in own portfolio	54.5	41.8	39.4	28.3
Securities received as collateral	18.2	9.9	18.2	9.9
Securities provided as collateral	-15.0	-14.4	-12.3	-11.3

1 GC = general collateral, ECB Basket = eligible collateral for ECB funding.

Unsecured short- and medium-term funding

The main factors determining the minimum liquidity surplus and the structural minimum liquidity surplus besides the liquid securities are the availability and composition of the sources of funding.

The DZ BANK Group has a diversified funding base for operational liquidity. A considerable portion is accounted for by money market activities resulting from the cash-pooling function with the **local cooperative banks**. Under these arrangements, the cooperative banks can invest excess liquidity with DZ BANK at any time. Conversely, if the cooperative banks need liquidity, they can obtain it from DZ BANK within the approved limits. Overall, this regularly results in a liquidity surplus in the DZ BANK Group and at DZ BANK, which provides one of the main bases for short-term funding in the unsecured money markets.

Corporate customers and **institutional customers** are another important source of funding for covering operational liquidity requirements in the DZ BANK Group. In the context of liquidity risk, corporate customers are those customers that are not banks and are not classified as institutional customers.

For funding purposes, the management units also issue **money market products based on debt certificates** under a standardized groupwide multi-issuer euro commercial paper program through the offices and branches in Frankfurt am Main, New York, Hong Kong, London, and Luxembourg. DZ BANK also runs a US-dollar-denominated commercial paper program for Frankfurt am Main. Key repo and securities lending activities, together with the collateral management process, are managed centrally in DZ BANK's Group Treasury division.

Funding on the **interbank market** is not strategically important, either to the DZ BANK Group or to DZ BANK. The range of funding sources in the unsecured money markets is shown in Fig. VI.11.

FIG. VI.11 – UNSECURED SHORT-TERM AND MEDIUM-TERM FUNDING

	DZ BANK Group		DZ BANK	
€ billion	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Deposits	**100.6**	**99.7**	**89.7**	**85.3**
Deposits of local cooperative banks	64.8	59.7	64.2	59.1
Current account deposits of other customers	35.8	40.0	25.5	26.1
Money market borrowing	**73.9**	**59.8**	**68.0**	**57.9**
Central banks, interbank, and customer banks	10.7	7.8	9.6	7.8
Corporate customers and institutional customers	41.6	36.2	39.2	36.0
Certificates of deposit/commercial paper	21.6	15.8	19.1	14.1

The changes in the composition of the sources of funding compared with December 31, 2023 arose because customers and investors were focused on diversification due to the interest-rate situation. The changes included term extensions as a result of reallocations from current account deposits to fixed-term deposits, which were made on the basis of assumptions about anticipated interest-rate cuts by the ECB.

Further information on liquidity management and funding can be found in chapter II.5 of the (group) management report.

The **maturity analysis of contractual cash inflows and cash outflows** is set out in note 86 of the notes to the consolidated financial statements. However, the cash flows in these disclosures are not the same as the expected and unexpected cash flows used for internal liquidity risk management.

6.2.7 Risk position

Minimum liquidity surplus

Short-term economic liquidity adequacy is assured if none of the four stress scenarios with defined limits exhibit a negative value for the key risk indicator 'minimum liquidity surplus'. Fig. VI.12 shows the results of measuring liquidity risk. The results are based on a daily calculation and comparison of forward cash exposure and counterbalancing capacity. The values reported are the values that occur on the day on which the liquidity surplus calculated over the forecast period of 1 year is at its lowest point.

FIG. VI.12 – LIQUIDITY UP TO 1 YEAR IN THE STRESS SCENARIOS WITH DEFINED LIMITS: MINIMUM LIQUIDITY SURPLUSES FOR THE DZ BANK GROUP

	Forward cash exposure		Counterbalancing capacity		Minimum liquidity surplus[1]	
€ billion	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Downgrading	7.6	-43.6	42.5	90.6	50.1	46.9
Corporate crisis	-60.3	-45.6	83.0	64.1	22.7	18.5
Market crisis	-67.4	-47.9	101.0	78.9	33.6	31.0
Combination crisis	-66.7	-47.4	93.0	72.1	26.3	24.7

1 The values with an orange background are the minimum liquidity surplus in the squeeze scenario.

The liquidity risk value measured for the **DZ BANK Group** as at December 31, 2024 for the stress scenario with defined limits with the lowest minimum liquidity surplus (squeeze scenario) was €22.7 billion (December 31, 2023: €18.5 billion). The liquidity risk value attributable to **DZ BANK** as at December 31, 2024 was €11.8 billion (December 31, 2023: €4.8 billion). The liquidity risk value attributable to the **liquidity subgroup** as at December 31, 2024 was €13.3 billion (December 31, 2023: €6.8 billion).

The rise in the minimum liquidity surplus was largely due to the increase in current account deposits and overnight money from banks in the Cooperative Financial Network.

The minimum liquidity surplus as at December 31, 2024 for all management levels – the DZ BANK Group, DZ BANK, and the liquidity subgroup – was positive in the stress scenarios with defined limits. This is due to the fact that the counterbalancing capacity was above the cumulative cash outflows on each day of the defined forecast period in every scenario, which indicates that the cash outflows assumed to take place in a crisis could be comfortably covered.

The limit for the minimum liquidity surplus of the **DZ BANK Group** as at December 31, 2024 was €1.0 billion. The internal observation threshold stood at €5.0 billion as at the reporting date. The limits and internal observation thresholds in place for **DZ BANK** and for the **liquidity subgroup** as at December 31, 2024 were unchanged compared with December 31, 2023 at €1.9 billion.

As at the reporting date, the minimum liquidity surplus for the DZ BANK Group, DZ BANK, and the liquidity subgroup exceeded the **external minimum targets** laid down by the supervisory authorities, the **internal minimum thresholds**, and the **internal observation thresholds**. The target/threshold values are shown in Fig. VI.3 and Fig. VI.4. The **limits** were adhered to.

Structural minimum liquidity surplus

The structural economic liquidity adequacy in the baseline scenario is ensured if there is no negative value below the relevant limit in either of the two maturity bands, 2 to 5 years and 6 to 10 years. The results of measuring liquidity risk in Fig. VI.13 are obtained by comparing the forward cash exposure and the counterbalancing capacity in the relevant maturity bands. The amount of the minimum liquidity surplus is disclosed for each maturity band.

The limits for the structural minimum liquidity surplus were adhered to as at December 31, 2024, both at the level of the DZ BANK Group and at DZ BANK.

FIG. VI.13 – STRUCTURAL MINIMUM LIQUIDITY SURPLUS OF THE DZ BANK GROUP AND DZ BANK[1]

		Limit		Structural minimum liquidity surplus	
€ billion	Period	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
DZ BANK Group	2–5 years	-4.0		50.6	
	6–10 years	-6.0		28.8	
DZ BANK	2–5 years	0.0		38.4	
	6–10 years	-6.0		14.2	

Not available

1 The structural minimum liquidity surplus was calculated for the first time in 2024, which is why no figures as at December 31, 2023 are available.

6.2.8 Possible impact from crystallized liquidity risk

One of the main operating activities of the management units is to make long-term liquidity available to their customers for different maturity periods and in different currencies, for example in the form of loans. The units generally organize their funding to match these transactions that tie up liquidity. Any funding needs that are not covered by the local cooperative banks are met by obtaining additional funding in the money and capital markets, with the deposit base from money market funding reducing the need for long-term funding. When funding matures, it is therefore possible that the replacement funding required to fund transactions with longer maturities has to be obtained at **unfavorable terms and conditions**.

The entities in the DZ BANK Group are also exposed to the risk that the minimum liquidity surplus will fall below the limit. If the minimum liquidity surplus were to fall below the limit for an extended period, the possibility of **reputational damage and a rating downgrade** could not be ruled out.

Crystallization of liquidity risk causes an unexpected **reduction in the liquidity surplus**, with potential negative consequences for DZ BANK's financial position and enterprise value. If a crisis were to occur in which the circumstances were more serious or the combination of factors were significantly different from those assumed in the stress scenarios, there would be a risk of **insolvency**.

6.3 Liquidity adequacy in the normative perspective

6.3.1 Regulatory framework, organization, and responsibility

The normative perspective is based on the liquidity ratios required under Basel Pillar 1. Its objective is to assess the DZ BANK banking group's ability to comply with regulatory minimum requirements (plus an internally specified management buffer). Internal liquidity risk management is supplemented by the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR) calculated in line with the CRR requirements.

The **Group Financial Services** division calculates the liquidity ratios reported for supervisory purposes resulting from the CRR and Commission Delegated Regulation (EU) 2015/61 for the DZ BANK banking group and the liquidity subgroup.

6.3.2 Liquidity coverage ratio

The liquidity coverage ratio has a short-term focus and is intended to ensure that institutions can withstand a liquidity stress scenario lasting 30 days. The LCR is defined as the ratio of available liquid assets (liquidity buffer) to total net cash outflows in defined stress conditions over the next 30 days. DZ BANK reports the LCR of the liquidity subgroup and that of the DZ BANK banking group, calculated in accordance with the CRR in conjunction with Commission Delegated Regulation (EU) 2015/61, to the supervisory authority on a monthly basis.

The LCRs for the **DZ BANK banking group** and the **liquidity subgroup** can be found in Fig. VI.14. The liquidity subgroup comprises DZ BANK and DZ HYP. The changes in the LCR in 2024 were unremarkable both at the level of the DZ BANK banking group and for the liquidity subgroup.

FIG. VI. 14 – LIQUIDITY COVERAGE RATIOS AND THEIR COMPONENTS

	DZ BANK banking group		Liquidity subgroup	
	Dec. 31, 2024	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Total liquidity buffer (€ billion)	122.0	125.6	106.2	105.8
Total net liquidity outflows (€ billion)	84.8	86.1	76.6	74.0
LCR (percent)	**143.9**	**145.8**	**138.6**	**143.1**

As at the reporting date, the **external minimum target** laid down by the supervisory authorities, the **internal minimum threshold**, and the **internal observation threshold** for the LCR were exceeded for both the DZ BANK banking group and the liquidity subgroup. The target/threshold values are shown in Fig. VI.3 and Fig. VI.4.

6.3.3 Net stable funding ratio

The net stable funding ratio has a long-term focus and is intended to identify mismatches between the maturity structures of assets-side and liabilities-side business. Its longer-term perspective means that it complements the LCR, which has a short-term focus.

The NSFR is the amount of available stable funding (equity and liabilities) relative to the amount of required stable funding (assets-side business). The funding sources are weighted according to their degree of stability and assets are weighted according to their degree of liquidity based on factors defined by the supervisory authority. Excess cover in relation to the NSFR is the difference between the available stable funding and the required stable funding.

The NSFRs calculated for the **DZ BANK banking group** and the **liquidity subgroup** are presented in Fig. VI.15. The liquidity subgroup comprises DZ BANK and DZ HYP. The changes in the NSFRs in 2024 were unremarkable both at the level of the DZ BANK banking group and for the liquidity subgroup.

FIG. VI.15 – NET STABLE FUNDING RATIO AND ITS COMPONENTS

	DZ BANK banking group		Liquidity subgroup	
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Available stable funding (weighted equity and liabilities; € billion)	290.7	287.9	222.0	212.7
Required stable funding (weighted assets; € billion)	232.5	227.6	186.6	178.7
Excess cover/shortfall (€ billion)[1]	58.1	60.3	35.4	34.0
NSFR (percent)	**125.0**	**126.5**	**119.0**	**119.0**

1 Excess cover = positive values, shortfall = negative values.

As at the reporting date, the **external minimum target** laid down by the supervisory authorities, the **internal minimum threshold**, and the **internal observation threshold** for the NSFR were exceeded for both the DZ BANK banking group and the liquidity subgroup. The target/threshold values are shown in Fig. VI.3 and Fig. VI.4.

7 Capital adequacy

7.1 Strategy, organization, and responsibility

7.1.1 Strategy

The management of capital adequacy is an integral component of business management in the DZ BANK Group and the management units. Capital adequacy is defined as the holding of sufficient capital to cover the risks assumed by the business. It is considered from both an economic and a normative perspective. Whereas the economic perspective takes into account the requirements of the ECB Guide to the ICAAP and MaRisk BA, the normative perspective – while also taking account of the ECB Guide to the ICAAP – additionally applies the requirements from the CRR and the German national requirements for the implementation of the CRD.

The aim of the ICAAP is to ensure that, from two complementary perspectives (the economic and the normative perspectives), **capital resources are adequate** for an institution to be able to continue operating. Both perspectives are equally valid management approaches. They are integrated mainly on the basis of the risk inventory check, which the management uses to determine and specify the main risks in the DZ BANK Group.

All management units are included in the groupwide management of capital adequacy. Management of economic and normative capital adequacy aims to ensure that the assumption of risk is consistent with the capital resources of the DZ BANK Group, the DZ BANK financial conglomerate, and the DZ BANK banking group.

7.1.2 Organization and responsibility

The **Board of Managing Directors of DZ BANK** defines the corporate objectives of the DZ BANK Group and DZ BANK in terms of both risks and returns and, in managing the risk profile, strives for an appropriate ratio between risk and risk coverage potential. DZ BANK is responsible for risk and capital management, and for compliance with capital adequacy at group level.

The management of economic and normative capital adequacy is based on internal target values. To avoid any unexpected adverse impact on **target values and capital ratios** and ensure that any changes in risk are consistent with corporate strategy, groupwide economic limits and risk-weighted assets are planned on an annual basis as part of the **strategic planning process**. This process results in a requirements budget for the economic and regulatory capital needed by the group. Any corresponding measures to raise capital are approved by the Asset/Liability Committee or recommended to the Board of Managing Directors for approval. The implementation of the measures is then coordinated by **Group Treasury** at DZ BANK.

At DZ BANK, the **Group Finance** division is responsible for monitoring and reporting on regulatory capital adequacy. Regular monitoring is designed to ensure that the applicable minimum regulatory requirements for solvency are met at every reporting date. Monitoring takes place monthly for the DZ BANK financial conglomerate, the DZ BANK banking group, and DZ BANK, and at least quarterly for R+V.

7.2 R+V's volatility adjustment and transitional measure on technical provisions

R+V uses two measures defined by the supervisory authorities – the volatility adjustment and the transitional measure on technical provisions – for individual personal insurance companies. Fundamentally, both measures have a positive impact on economic and regulatory capital adequacy.

The **volatility adjustment**, which can be used indefinitely, prevents a brief phase of heightened market volatility from affecting the valuation of long-term insurance guarantees.

The **transitional measure on technical provisions** is a time-limited measure designed to make it easier for insurance companies to transition from Solvency I to the current regulatory regime, Solvency II. Having obtained permission to do so from BaFin, R+V has been using the transitional measure on technical provisions for individual personal insurance companies since 2020. Use of this measure generally reduces insurance liabilities and therefore means that additional own funds can be taken into account, which – all other things being equal – results in an increase in both economic and regulatory capital adequacy.

In view of the rise in interest rates, BaFin requested, at the start of 2024, that the affected insurance companies remeasure their transitional measure on technical provisions. The remeasurement carried out for R+V as at January 1, 2024 produced a value of zero for the transitional measure on technical provisions. As instructed by BaFin, DZ BANK has been using the remeasured figure to calculate economic and regulatory capital adequacy since June 30, 2024. This resulted in a reduction compared with the end of 2023 both in the DZ BANK Group's economic capital adequacy (see chapter VI.7.3.2) and in the coverage ratios of the DZ BANK financial conglomerate (see chapter VI.7.4.2) and of R+V (see chapter VI.7.4.4).

7.3 Capital adequacy in the economic perspective

7.3.1 Traffic light system

Economic capital adequacy is monitored and managed using a traffic light system based on the ratio of available internal capital to aggregate risk (expressed as a percentage). The switch from green to amber in the traffic light system (**amber threshold**) is set at the internal threshold value for economic capital adequacy specified in the risk appetite statement, which in 2024 was kept unchanged year on year at 120.0 percent. The amber threshold serves as an early-warning indicator. The **red threshold** is the borderline between amber and red in the traffic light system. It was set at 110.0 percent in the year under review, again unchanged compared with 2023. The threshold values for economic capital adequacy are reviewed annually and adjusted if necessary.

7.3.2 Risk-bearing capacity

Retrospective recalculation of the overall solvency requirement

The annual recalculation of the overall solvency requirement took place as at December 31, 2024 owing to scheduled changes to the parameters for the risk measurement procedures carried out in the second quarter of 2025 for the Insurance sector on the basis of R+V's 2023 consolidated financial statements and the updating of actuarial assumptions. The recalculation reflects updated measurements of insurance liabilities based on annual actuarial analyses and updates to parameters in the risk capital calculation. Because of the complexity and the amount of time involved, the parameters are not completely updated in the in-year calculation and an appropriate projection is made.

The recalculation led to changes in the available internal capital, the key risk indicators at the level of the DZ BANK Group, and economic capital adequacy. The figures as at December 31, 2024 given in this risk report have been restated accordingly and are not directly comparable with the figures in the 2023 risk report.

Available internal capital and limit

Available internal capital is the economic value of equity. The equity used to determine available internal capital is the equity recognized on the balance sheet as calculated in accordance with the relevant accounting standards, plus/minus reserves and liabilities in respect of assets and liabilities, measured at present value. Adjustments are also made, in particular the deduction of components of additional Tier 1 capital.

The available internal capital is determined as follows:

– The available internal capital of the Bank sector is calculated on the basis of the IFRS data in accordance with regulatory financial reporting. In this process, R+V is not fully consolidated but taken into account using the equity method.
– The available internal capital of the Insurance sector is based on the own funds of R+V in accordance with Solvency II.
– The available internal capital from the two sectors is combined to produce the available internal capital of the DZ BANK Group. During this process, the effects of consolidation between the Bank and Insurance sectors are taken into account, resulting in a reduction in the available internal capital at group level.

The available internal capital is reviewed on a quarterly basis and, to some extent, on a monthly basis.

The Board of Managing Directors determines the risk capital requirement **limits** for the year on the basis of the available internal capital. If necessary, the limits can be adjusted during the year, e.g. if economic conditions change.

The DZ BANK Group's **available internal capital** as at December 31, 2024 stood at €28,987 million. The comparable figure as at December 31, 2023 was €31,720 million. The decrease in available internal capital compared with the end of 2023 was largely attributable to the remeasurement of the transitional measure on technical provisions. The inclusion of the resulting value of zero for the transitional measure on technical provisions served to increase insurance liabilities in the life insurance business and thereby decrease the surplus of assets over liabilities on the Solvency II balance sheet in the Insurance sector. Remeasuring the transitional measure on technical provisions had an overall impact of €3.6 billion on the DZ BANK Group's available internal capital.

The **limit** derived from the available internal capital was specified at €21,191 million as at December 31, 2024 (December 31, 2023: €19,698 million).

As at December 31, 2024, **aggregate risk** was calculated at €14,660 million. The comparable figure as at December 31, 2023 was €15,170 million.

Economic capital adequacy

As at December 31, 2024, the **economic capital adequacy ratio** for the DZ BANK Group was calculated at 197.6 percent. The comparable figure as at December 31, 2023 was 209.1 percent. The decrease in available internal capital compared with December 31, 2023 was sharper than the decrease in aggregate risk . This led to a decline in economic capital adequacy.

As at the reporting date, the economic capital adequacy ratio was above the **external minimum target**, the **internal minimum threshold**, and the **internal observation threshold**. The target/threshold values are shown in Fig. VI.3.

Fig. VI.16 provides an overview of economic capital adequacy and its components.

FIG. VI.16 – ECONOMIC CAPITAL ADEQUACY OF THE DZ BANK GROUP

	Dec. 31, 2024	Dec. 31, 2023
Available internal capital (€ million)[1]	28,987	31,720
Limit (€ million)	21,191	19,698
Aggregate risk (€ million)[1]	14,660	15,170
Economic capital adequacy (percent)[1]	**197.7**	**209.1**

1 Value as at December 31, 2023 after recalculation of R+V's overall solvency requirement. Different values were stated in the 2023 risk report.

The limits and risk capital requirements for the **Bank sector**, broken down by risk type, are shown in Fig. VI.17.

FIG. VI.17 – LIMITS AND RISK CAPITAL REQUIREMENTS IN THE BANK SECTOR

	Limit		Risk capital requirement	
€ million	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Credit risk	4,994	4,988	4,011	3,971
Equity investment risk	1,364	1,281	807	998
Market risk	7,120	6,470	3,621	4,169
Technical risk of a home savings and loan company[1]	820	820	719	730
Business risk[2]	500	450	–	363
Operational risk	1,157	1,148	1,041	978
Total (after diversification)	**14,941**	**14,218**	**9,565**	**10,471**

1 Including business risk and reputational risk of BSH.
2 Apart from that of BSH, reputational risk is contained in the risk capital requirement for business risk.

Fig. VI.18 sets out the limits and overall solvency requirements for the **Insurance sector**, broken down by risk type, and includes policyholder participation features. The definition of the limits and determination of overall solvency requirements take into account the ability to offset deferred taxes against losses (which arises where deferred tax liabilities can be eliminated in the loss scenario). Diversification effects between the risk types are also taken into consideration. Owing to these effects of correlation, the overall solvency requirement and limit for each risk type are not cumulative.

FIG. VI.18 – LIMITS AND OVERALL SOLVENCY REQUIREMENTS IN THE INSURANCE SECTOR

	Limit		Overall solvency requirement	
€ million	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023[1]
Life actuarial risk[2]	1,100	1,060	927	946
Health actuarial risk	400	285	335	255
Non-life actuarial risk	2,250	1,900	2,013	1,823
Market risk	4,450	3,695	3,965	3,580
Counterparty default risk	325	245	252	219
Operational risk	800	700	678	627
Risks from entities in other financial sectors	265	225	194	217
Total (after diversification)	**5,700**	**4,800**	**4,620**	**4,308**

1 Values after recalculation of the overall solvency requirement. Different values were stated in the 2023 risk report.
2 Reputational risk is implicitly included in the overall solvency requirement for life actuarial risk (lapse risk).

In addition to the figures shown in Fig. VI.17 and Fig. VI.18, the aggregate risk includes **a centralized capital buffer requirement across all types of risk**, which was calculated at €475 million as at December 31, 2024 (December 31, 2023: €391 million). The corresponding **limit** was €550 million (December 31, 2023: €680 million). The increase in the centralized capital buffer requirement was primarily due to equity investment risk.

7.3.3 Possible impact from crystallized risk covered by capital

If risk were to materialize and associated losses be incurred, there would be a risk that the risk capital requirement would exceed the available internal capital and the DZ BANK Group would thus **miss its economic capital adequacy target**. However, this situation could also occur with an increase in risk arising from heightened market volatility or as a consequence of changes in the business structure. Additional or more stringent regulatory requirements could also have a negative impact on the economic capital adequacy of the DZ BANK Group.

In a situation in which the economic capital adequacy of the DZ BANK Group could not be guaranteed, there would be insufficient capital available to meet the group's own standards with regard to the coverage of risk. If there is also insufficient capital to meet the level of protection demanded by the supervisory authority, this authority could initiate action, which in extreme cases could lead to the **resolution** of DZ BANK or its subsidiaries.

7.4 Capital adequacy in the normative perspective

7.4.1 Regulatory framework

The normative perspective is based on the capital ratios laid down by the supervisory authorities. It comprises three management dimensions: monitoring of actual regulatory KPIs, capital planning, and adverse stress tests.

Whereas the monitoring of actual and projected figures, together with capital planning, in the baseline scenario focuses on the current regulatory ratios and their changes in probable scenarios, the analysis of these ratios in adverse scenarios is based on capital planning and the quarterly adverse stress tests.

From the normative perspective, risk-bearing capacity is assured if, in the medium term, all regulatory minimum solvency requirements are met, even in crisis situations. An internal management buffer over and above the regulatory requirements for each ratio is also included in order to ensure that the group has an adequate level of capital.

The normative perspective is an integral part of the ICAAP. The key risk indicators in the normative perspective are specified by the regulatory requirements, mainly the CRR and the CRD, but the selection and specific design of the scenarios are internal decisions. With due regard to regulatory and supervisory guidance, such as the ECB Guide to the ICAAP and the EBA Guidelines on stress testing, the DZ BANK Group selects and simulates scenarios that adequately reflect the vulnerabilities of the business models operated in the group. The scenarios to be analyzed are determined at least once a year.

The regulatory ratios presented below are used as part of the internal management of the DZ BANK financial conglomerate, the DZ BANK banking group, and DZ BANK. The procedures used to determine these ratios are those that are required under the CRR transitional guidance.

7.4.2 DZ BANK financial conglomerate

The DZ BANK financial conglomerate comprises the DZ BANK banking group and R+V. FKAG forms the main legal basis for the supervision of the DZ BANK financial conglomerate. The calculation methodology for the coverage ratio is taken from Commission Delegated Regulation (EU) No. 342/2014 in conjunction with article 49 (1) CRR. The financial conglomerate coverage ratio is the ratio between the total of own funds in the financial conglomerate and the total of solvency requirements for the conglomerate. The resulting ratio must be at least 100.0 percent.

The changes in the coverage ratio and in the own funds and solvency requirements of the DZ BANK financial conglomerate are shown in Fig. VI.19.

FIG. VI.19 – REGULATORY CAPITAL ADEQUACY OF THE DZ BANK FINANCIAL CONGLOMERATE[1]

	Dec. 31, 2024[2]	Dec. 31, 2023[3]
Own funds (€ million)	37,651	39,195
Solvency requirements (€ million)	27,835	25,694
Coverage ratio (percent)	**135.3**	**152.5**

1 The values for the DZ BANK banking group included in the calculations were determined in accordance with the CRR transitional guidance.
2 Preliminary figures.
3 Final figures. Preliminary figures were stated in the 2023 risk report.

The coverage ratio calculated for the DZ BANK financial conglomerate declined from 152.5 percent as at December 31, 2023 to 135.3 percent as at December 31, 2024. This was attributable, in particular, to the decrease of €1,545 million in own funds resulting from the remeasurement of the transitional measure on technical provisions as at January 1, 2024. It was also due to an increase in solvency requirements of €2,141 million. The effects that led to this change in the coverage ratio were attributable to the DZ BANK banking group and R+V (see also chapter VI.7.4.3 and chapter VI.7.4.4).

The preliminary coverage ratio calculated for the financial conglomerate as at December 31, 2024 was higher than the **external minimum target** laid down by the supervisory authorities, the **internal minimum threshold**, and the **internal observation threshold**. The target/threshold values are shown in Fig. VI.3.

7.4.3 DZ BANK banking group

Procedure for determining risk-weighted assets

Capital adequacy from a normative perspective serves to ensure that the regulatory capital requirements and rules on capital are met. As part of risk-based banking supervision, it is intended to ensure that a bank's exposures are backed by capital in a volume that is as appropriate as possible for the risk involved. Capital adequacy is defined as meeting the minimum requirements for the common equity Tier 1 capital ratio, the Tier 1 capital ratio, and the total capital ratio.

For all three ratios, the relevant items of capital are calculated using the CRR rules and compared with the total risk exposure determined under the CRR (referred to below as risk assets). If the ratios calculated in this way exceed the minimum regulatory ratios, the requirements are deemed met.

The entities in the DZ BANK banking group use the following methods to calculate the risk-weighted assets in accordance with the CRR:

– **Credit risk**: Primarily the foundation internal ratings-based (IRB) approach, the IRB approach for the retail business and, in some cases, the Standardized Approach to credit risk
– **Market risk**: Predominantly the group's own internal models and, to a minor extent, the Standardized Approaches
– **Operational risk**: Primarily the Standardized Approach

Regulatory minimum capital requirements

The minimum capital requirements that the DZ BANK banking group had to comply with in 2024 under the Supervisory Review and Evaluation Process for Basel Pillar 2 (SREP) comprised those components of Pillar 1 laid down as mandatory by law and those individually specified by the banking supervisor.

Institution-specific requirements under the additional capital requirements in Pillar 2, determined in the outcome of the SREP conducted for the DZ BANK banking group in 2023, also have to be satisfied. In this process, the banking supervisor specifies a mandatory add-on (**Pillar 2 requirement**) that is factored into the external minimum targets for the capital ratios and into the basis of calculation used to determine the threshold for the maximum distributable amount (MDA). Distributions are restricted if capital falls below the MDA threshold.

In addition to this mandatory component, there is a recommended own funds amount under Pillar 2 (**Pillar 2 guidance**), which likewise is determined from the SREP, but unlike the mandatory component relates only to common equity Tier 1 capital. Failure to comply with the own funds guidance under Pillar 2 does not constitute a breach of regulatory capital requirements. Nevertheless, this figure is relevant as an early-warning indicator.

BaFin has classified DZ BANK as an other systemically important institution (O-SII). The DZ BANK banking group had to comply with an **O-SII capital buffer** (comprising common equity Tier 1 capital) as defined in section 10g (1) KWG at a level of 1.0 percent in 2024.

The minimum capital requirements applicable to **DZ BANK** comprised those components of **Pillar 1** laid down as mandatory by law and those individually specified by the banking supervisor. Pillar 2 add-ons are currently not relevant to DZ BANK.

The mandatory minimum capital requirements relevant to the DZ BANK banking group and DZ BANK under the SREP, and their components, are shown in Fig. VI.20.

Regulatory capital ratios

The regulatory **own funds** of the **DZ BANK banking group** as at December 31, 2024 determined in accordance with the CRR transitional guidance amounted to a total of €32,738 million (December 31, 2023: €30,647 million). This equated to a rise in own funds of €2,091 million compared with December 31, 2023 that mainly resulted from an increase in common equity Tier 1 capital of €2,031 million.

The increase in **common equity Tier 1 capital** from €23,632 million as at December 31, 2023 to €25,663 million as at the reporting date was primarily due to the interim profit of €1,606 million as at the reporting date, which was calculated taking account of all regulatory dividends and charges and was approved in accordance with Decision (EU) 2015/656 of the ECB. Moreover, switching to the dividend actually distributed for 2023 in May 2024 raised the retained earnings by €332 million because the dividend of €780 million as forecast for 2023 on the basis of regulatory requirements in accordance with Decision (EU) 2015/656 of the ECB was previously taken into account.

The rise of €10,415 million in **risk-weighted assets** from €152,148 million as at December 31, 2023 to €162,563 million as at December 31, 2024 was largely attributable to three effects:

– Risk-weighted assets for credit risk (including long-term equity investments) went up by €7,727 million. This rise was mainly due to the higher measurement, using the equity method, of DZ BANK’s long-term equity investment in R+V, business growth, portfolio adjustments during the course of the year, and changes to the internal model.
– The €1,861 million rise in risk-weighted assets for operational risk resulted from the improvement in earnings for the previous year (calculated in accordance with IFRS) compared with the corresponding earnings for 2023.
– Furthermore, the risk-weighted assets determined for market risk advanced by €826 million.

FIG. VI.20 – REGULATORY MINIMUM CAPITAL REQUIREMENTS

	DZ BANK banking group		DZ BANK	
Percent	2024	2023	2024	2023
Minimum requirement for common equity Tier 1 capital	4.5	4.5	4.5	4.5
Additional Pillar 2 capital requirement	1.1	1.0		
Capital conservation buffer	2.5	2.5	2.5	2.5
Countercyclical capital buffer[1]	0.7	0.7	0.7	0.7
Systemic risk buffer	0.1	0.2		
O-SII capital buffer	1.0	1.0		
Mandatory minimum requirement for common equity Tier 1 capital	**10.0**	**9.9**	**7.7**	**7.7**
Minimum requirement for additional Tier 1 capital[2]	1.5	1.5	1.5	1.5
Additional Pillar 2 capital requirement[2]	0.3	0.3		
Mandatory minimum requirement for Tier 1 capital	**11.8**	**11.7**	**9.2**	**9.2**
Minimum requirement for Tier 2 capital[2]	2.0	2.0	2.0	2.0
Additional Pillar 2 capital requirement[2]	0.4	0.5		
Mandatory minimum requirement for total capital	**14.2**	**14.2**	**11.2**	**11.2**

Not available

1 The amount of the countercyclical capital buffer and the systemic risk buffer is recalculated at each reporting date. Unlike the other reported values, which apply to the entire financial year, the countercyclical capital buffers shown for 2024 and 2023 relate solely to the reporting dates.
2 The minimum requirement and additional capital requirement can also be satisfied with own funds from higher categories.

As at December 31, 2024, the DZ BANK banking group's **common equity Tier 1 capital ratio** was 15.8 percent, an increase of 0.3 percentage points compared with December 31, 2023 (15.5 percent). The **Tier 1 capital ratio** of 17.8 percent calculated as at the reporting date was 0.1 percentage points higher than the figure as at December 31, 2023 (17.7 percent). The **total capital ratio** remained unchanged year on year at 20.1 percent as at December 31, 2024.

Fig. VI.21 provides an overview of the regulatory capital ratios for the DZ BANK banking group and for DZ BANK.

The **external minimum targets**, **internal minimum thresholds** , and **internal observation thresholds** for the common equity Tier 1 capital ratio, the Tier 1 capital ratio, and the total capital ratio were exceeded at the level of the DZ BANK banking group and DZ BANK as at December 31, 2024. The target/threshold values are shown in Fig. VI.3 and Fig. VI.4.

FIG. VI.21 – REGULATORY CAPITAL RATIOS[1]

	DZ BANK banking group		DZ BANK	
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Capital				
Common equity Tier 1 capital (€ million)	25,663	23,632	15,191	14,871
Additional Tier 1 capital (€ million)	3,293	3,293	3,043	3,043
Tier 1 capital (€ million)	**28,956**	**26,925**	**18,234**	**17,914**
Total Tier 2 capital (€ million)	3,782	3,722	3,867	3,836
Own funds (€ million)	**32,738**	**30,647**	**22,101**	**21,751**
Risk-weighted assets				
Credit risk including long-term equity investments (€ million)	145,975	138,249	94,808	93,332
Market risk (€ million)	5,509	4,683	4,975	4,296
Operational risk (€ million)	11,078	9,217	4,615	4,110
Total (€ million)	**162,563**	**152,148**	**104,398**	**101,738**
Capital ratios				
Common equity Tier 1 capital ratio (percent)	15.8	15.5	14.6	14.6
Tier 1 capital ratio (percent)	17.8	17.7	17.5	17.6
Total capital ratio (percent)	20.1	20.1	21.2	21.4

1 In accordance with the CRR transitional guidance.

Leverage ratio

The **leverage ratio** shows the ratio of Tier 1 capital to the total exposure measure. In contrast to credit-risk-related capital requirements for which the assumptions are derived from models, the individual exposures in the calculation of the leverage ratio are not allocated their own risk weight but are generally included in the total exposure measure without being weighted. The total exposure measure comprises exposures reported on the balance sheet (excluding derivatives and securities financing transactions), derivatives exposures, securities financing transaction exposures, and other off-balance-sheet exposures.

The leverage ratio and its components are shown in Fig. VI.22.

FIG. VI.22 – LEVERAGE RATIO AND ITS COMPONENTS

	DZ BANK banking group		DZ BANK	
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Tier 1 capital (€ billion)	29.0	26.9	18.2	17.9
Total exposure measure (€ billion)	440.6	432.6	272.0	262.4
Leverage ratio (percent)	**6.6**	**6.2**	**6.7**	**6.8**

The leverage ratio of the **DZ BANK banking group** determined in accordance with the CRR transitional guidance was up by 0.4 percentage points as at December 31, 2024. This is due to the €2.0 billion rise in Tier 1 capital in the numerator and a comparatively low €8.0 billion increase in the total exposure measure in the denominator. The leverage ratio of **DZ BANK** calculated as at the reporting date decreased slightly year on year.

The leverage ratios for the DZ BANK banking group and DZ BANK exceeded the **external minimum targets**, the **internal minimum thresholds**, and the **internal observation thresholds** as at the reporting date. The target/threshold values are shown in Fig. VI.3 and Fig. VI.4.

Minimum requirement for own funds and eligible liabilities

The Bank Recovery and Resolution Directive (BRRD), Implementing Regulation (EU) No. 806/2014 establishing a Single Resolution Mechanism, and the transposition of the BRRD into German law in the form of SAG created the legal basis at European and national level for a single resolution mechanism for banks.

The MREL requirements introduced with the BRRD are intended to ensure that banks hold a sufficiently large volume of own funds and liabilities that can be 'bailed-in' to make it possible at all times to carry out an orderly resolution. 'Bail-in-able' liabilities are those that provide for creditors to take an interest in losses incurred and recapitalization if a bank gets into financial difficulties, enabling resolution to take place on the basis of the bail-in and other instruments without recourse to government help and without jeopardizing the stability of the financial system.

The **MREL ratio as a percentage of risk-weighted assets** is the ratio of the MREL volume to the total risk exposure amount (risk-weighted assets) of the DZ BANK banking group. The MREL volume is the total of the regulatory own funds of the DZ BANK banking group and the eligible external MREL liabilities of DZ BANK. To calculate the **subordinated MREL ratio as a percentage of risk-weighted assets**, only the subordinated MREL liabilities are included in the numerator in addition to the regulatory own funds of the DZ BANK banking group. The denominator is the same as for the MREL ratio.

The **MREL ratio as a percentage of the leverage ratio exposure** is the ratio of the MREL volume to the total exposure measure, which comprises on-balance-sheet asset items and off-balance-sheet items (including derivatives), known as the leverage ratio exposure of the DZ BANK banking group. To calculate the **subordinated MREL ratio as a percentage of the leverage ratio exposure**, only the subordinated MREL liabilities are included in the numerator in addition to the regulatory own funds of the DZ BANK banking group. The denominator is the same as for the MREL ratio.

The MREL ratios are calculated for the DZ BANK banking group, but not for DZ BANK. The calculated MREL ratios are shown in Fig. VI.23.

FIG. VI.23 – MINIMUM REQUIREMENT FOR OWN FUNDS AND ELIGIBLE LIABILITIES OF THE DZ BANK BANKING GROUP

Percent	Dec. 31, 2024	Dec. 31, 2023
MREL ratio		
as a percentage of risk-weighted assets[1]	36.2	37.6
as a percentage of the leverage ratio exposure[2]	13.4	13.2
Subordinated MREL ratio		
as a percentage of risk-weighted assets[3]	29.5	31.1
as a percentage of the leverage ratio exposure	10.9	10.9

1 Corrected figure as at December 31, 2023. Original figure given in the 2023 risk report: 42.4 percent.
2 Corrected figure as at December 31, 2023. Original figure given in the 2023 risk report: 14.9 percent.
3 Corrected figure as at December 31, 2023. Original figure given in the 2023 risk report: 31.0 percent.

The **external minimum targets**, **internal minimum thresholds**, and **internal observation thresholds** applicable to the MREL ratios and the subordinated MREL ratios were exceeded as at December 31, 2024. The target/threshold values are shown in Fig. VI.3.

7.4.4 R+V

The regulatory solvency requirements for insurance companies and insurance groups provide a means of evaluating the overall risk position at R+V.

The group's risk-bearing capacity for regulatory purposes is defined as the eligible own funds at group level in relation to the risks arising from operating activities. The changes in the regulatory risk-bearing capacity of R+V as a whole and each of its constituent entities are analyzed at least once a quarter.

The preliminary figure for the **regulatory risk-bearing capacity** of R+V as at December 31, 2024 was calculated at 168.5 percent. The coverage ratio was thus above the external minimum target of 100.0 percent, which was the same target as had applied in 2023. The final figure as at December 31, 2023 was 224.1 percent (preliminary figure given in the 2023 risk report: 230.2 percent).

Fig. VI.24 shows how the solvency requirements are covered by eligible own funds.

FIG. VI.24 – REGULATORY CAPITAL ADEQUACY OF R+V

	Dec. 31, 2024[1]	Dec. 31, 2023[2]
Own funds (€ million)	14,810	17,642
Solvency requirements (€ million)	8,791	7,871
Coverage ratio (percent)	**168.5**	**224.1**

1 Preliminary figures.
2 Final figures. The preliminary figures were stated in the 2023 risk report.

The changes in the regulatory risk-bearing capacity are primarily due to the decrease in own funds resulting from the remeasurement of the transitional measure on technical provisions. In addition, the solvency requirements increased as a result of lower policyholder participation in risk.

The **recalculation of the overall solvency requirement** described in chapter VI.7.3.2 for economic risk-bearing capacity also affected the regulatory risk-bearing capacity of R+V and led to retrospective changes in the solvency requirements as at the end of 2023. The prior-year figures as at December 31, 2023 given in this risk report have been restated accordingly and are not directly comparable with the figures in the 2023 risk report.

7.5 Stress tests for types of risk covered by capital

7.5.1 Adverse stress tests

Adverse stress tests are used to examine the impact on capital, liquidity, and risk from potential **crisis scenarios** that are exceptional, but plausible, and particularly relevant to the DZ BANK Group’s value drivers and risk factors. The **KPIs** relating to economic and regulatory capital adequacy are analyzed in this context. However, the stress tests also reflect events that go beyond the methods established for calculating capital adequacy. The term ‘adverse stress tests’ encompasses those stress scenarios that represent negative macroeconomic trends or events from the perspective of the DZ BANK Group. In this context, ‘adverse’ indicates that the scenarios may be particularly disadvantageous or even harmful.

Adverse stress tests can provide information on whether the level of capital resources – especially the buffer held to cover crisis situations – is also sufficient to cover various types of moderate to serious crisis scenario. The stress test results also facilitate an assessment of the extent to which the analyzed value drivers and risk factors are material for the DZ BANK Group.

The methods used are designed so that the specific features of R+V’s business model and its risk and capital management systems are taken into account when determining the results of stress testing in the DZ BANK Group.

For the adverse stress tests, DZ BANK has put in place a system of threshold values as an **early-warning mechanism**. The threshold values for the scenarios across all risk types are monitored in the ongoing reporting system. These early-warning signals trigger various risk management processes so that there can be an early response to the potential risks highlighted by the stress tests. Control measures potentially available for the crisis scenario in question are also taken into account so that there is a comprehensive, critical evaluation of the stress test results.

7.5.2 Reverse stress tests

Reverse stress tests complement the adverse stress tests and are used to investigate which of the hypothetical scenarios could conceivably be sufficiently plausible and relevant to jeopardize the ability of the DZ BANK Group to **continue as a going concern**.

'Reverse' indicates that the tests are in the opposite direction and distinguishes them from the adverse stress tests. In adverse stress tests, scenarios are defined and the corresponding KPIs determined in order to assess whether there is a sufficient level of capital resources available to cover moderate or serious crisis scenarios. Reverse stress tests, on the other hand, examine which scenarios would have to occur to jeopardize the DZ BANK Group's ability to continue as a going concern.

In reverse stress tests, the risk particularly to the regulatory KPIs is simulated with scenarios in which it would no longer be feasible to **continue the business model** or in which the business model would prove to be no longer sustainable. In the case of reverse stress tests, the priorities are therefore as follows: firstly, to identify relevant scenario approaches that could have the potential to jeopardize the bank's ability to continue as a going concern, and secondly, to estimate the probability and plausibility of a specific, sufficiently serious scenario of this nature.

7.5.3 Scenario analyses in the risk types

The adverse and reverse stress tests are supplemented by a credit risk stress test in the normative perspective and by various risk type-specific scenario analyses in the economic perspective. These analyses serve as a link between vulnerabilities and sensitivities on the one hand and between potential events and adverse scenarios on the other. The scenario analyses also enhance the risk quantification for each risk type by including an alternative perspective.

In the scenario analyses, specific vulnerabilities, risk concentrations, or events are examined in detail for each type of risk by simulating economic losses and comparing them against the relevant risk limit.

7.5.4 Climate stress tests

DZ BANK carries out **exploratory climate risk scenario analysis** in order to obtain a quantitative assessment of the materiality of relevant climate risk factors. This analysis includes the simulation of effects of different physical scenarios (including river flooding and forest fire) and transition scenarios on the DZ BANK Group. For the transition scenarios, macroeconomic models are combined with company- and sector-specific channels of impact and with data relating to the energy efficiency of real estate collateral. Various transmission channels are examined in terms of credit risk, market risk, reputational risk, operational risk, and insurance-related risks. The impacts on economic and normative capital adequacy are presented too.

Climate risks in the adverse stress tests are also factored in, for example by analyzing a specific adverse scenario that represents accelerated climate transition.

Bank sector

8 Credit risk

8.1 Definition

Credit risk is defined as the risk of losses arising from the default of counterparties (borrowers, issuers, other counterparties) or from the migration of the credit ratings of these counterparties, or of losses in connection with the recovery of loans, advances, receivables, or collateral.

Credit risk may arise in traditional lending business and also in trading activities. **Traditional lending business** is for the most part commercial lending, including financial guarantee contracts and loan commitments. In the context of credit risk management, **trading activities** refer to securities business in the banking book and trading book, money market business, transactions involving tradable loans and advances (such as promissory notes), currency transactions, transactions involving derivatives, and transactions involving commodities (such as precious metals).

In **traditional lending business**, credit risk arises mainly in the form of default risk and migration risk. In this context, default risk refers to the risk that a customer may be unable to settle receivables arising from loans or advances made to the customer (including lease receivables) or make due payments. It also includes risks arising from contingent liabilities (such as issued guarantees and indemnities). In addition to loans that have already been drawn down (including any existing overdrawn accounts), the calculation of the exposure encompasses undrawn loan facilities promised to third parties. Migration risk is a sub-risk within traditional credit risk and reflects the risk of changes in the fair value of types of exposure in the traditional lending business caused by a change in the rating for a borrower (rating migration).

Credit risk in connection with **trading activities** arises in the form of default risk, which can be subdivided into issuer risk, replacement risk, and settlement risk, depending on the type of transaction involved.

Issuer risk is the risk of default of issuers of tradable debt or equity instruments (such as bonds, shares, profit-participation certificates), of underlying instruments in derivatives (for example, credit or equity derivatives), or a default in connection with investment fund units or the underlying assets.

Replacement risk on derivatives is the risk of a counterparty defaulting during the term of a trading transaction.

Transaction processing risk is a default risk subcategory of replacement risk. It arises in connection with both delivery-versus-payment (DVP) settlement and unilateral payments in a trading transaction and is the result of the counterparty in a trading transaction being unable to perform its contractual obligation.

Migration risk is another sub-risk within replacement risk and reflects the danger of changes in fair value caused by a change in the rating for a counterparty (rating migration). For the migration risk of OTC derivatives, the term CVA risk is used, which also includes spread risk. CVA stands for credit valuation adjustment.

Settlement risk arises when there are two mutually conditional payments and there is no guarantee that when the outgoing payment is made the incoming payment will be received. Settlement risk is the risk of a loss if counterparties do not meet their obligations, counter-performance already having taken place.

Recovery risk forms part of credit risk. It cannot be determined as an exposure amount but increases the risk capital requirement for traditional credit risk, issuer risk, and replacement risk. Recovery risk results from uncertainty regarding the recovery rate for existing collateral and uncertainty regarding the recovery rate for unsecured receivables (or partial receivables).

Country risk is also included within credit risk. Country risk in the narrower sense of the term refers to conversion, transfer, payment prohibition, or moratorium risk (CTPM risk). It is the risk that a foreign government may impose restrictions preventing a debtor in the country concerned from transferring funds to a foreign creditor. It also includes the danger that a creditor is prohibited from accepting a payment due to sanctions or other restrictive measures imposed by intermediary countries or the creditor's home country.

Another form of CTPM risk is the risk of cross-border payments no longer being made in the agreed currency and instead being made in another currency (local currency or third-party currency). This can be due to statutory rules or individual agreements requiring this in response to a CTPM risk event in relation to the contractual currency. In the broader sense of the term, country risk refers to sovereign risk (the risk arising from exposure to a government itself) or the risk that the quality of the overall exposure in a country may be impaired as a result of country-specific events (country-related borrower risk). In this case, it is not viewed as a separate risk type but as a component of credit risk and is thus recorded within traditional credit risk, issuer risk, and replacement risk.

8.2 Business background and risk strategy

The DZ BANK Group is exposed to considerable credit risk in the Bank sector. The lending business is one of the most important core activities of the entities in the Bank sector. In its role as the central institution, DZ BANK covers a **broad range of lending business**, either in partnership with the local cooperative banks or in direct business, and provides its customers with financing solutions. Its customers include the local cooperative banks themselves, corporate customers, retail customers, the public sector, international companies, and banks and institutions both in Germany and abroad.

Default risk from traditional lending business arises primarily at DZ BANK, DZ HYP, BSH, and TeamBank. The risk results from the specific transactions in each management unit and therefore has varying characteristics in terms of diversification and size in relation to the volume of business.

Default risk relating to trading transactions arises from issuer risk, particularly in connection with the trading activities and investment business of DZ BANK. Replacement risk arises for the most part at DZ BANK and DZ PRIVATBANK.

The entities in the Bank sector pursue a decentralized business policy aimed at promoting the cooperative banks and are bound by the core strategic guiding principle of fulfilling the role of a **network-oriented central institution and financial services group**. The business and risk policy for the credit-risk-bearing core businesses in the group is formulated on the basis of risk-bearing capacity. The credit risk strategy therefore forms the basis for credit risk management and reporting across the whole group and ensures that there is a standard approach to credit risk within the group. It takes into account the business models of each of the management units.

The management units aim to ensure that their credit portfolios always have **a sound credit quality and risk structure**. One of the objectives is to make sure that the portfolios remain highly diversified going forward.

8.3 Risk factors

8.3.1 General credit risk factors

Key values used in determining credit risk include the concentrations of lending volume in terms of counterparties, sectors, country groups, and residual maturities, and the credit quality structure of the credit portfolio. **Significant concentrations of volume** in counterparties, sectors, or countries increase the risk that an accumulation of credit risk will become critical, for example if there are defaults among greater concentrations of counterparties or, in economic crises, defaults in sectors or countries with significant concentrations in the credit portfolio.

The term of loan agreements is also a key credit risk factor because the probability of a deterioration in credit rating and therefore of a counterparty default during the term of an agreement generally increases over time.

Particularly in the case of an **accumulation of exposures that have longer terms to maturity** and a non-investment-grade rating, there is a danger that the credit risk will materialize and the recognition of impairment losses will become necessary.

8.3.2 Specific credit risk factors

Negative macroeconomic conditions

In addition to the general risk factors, negative macroeconomic conditions could lead to higher credit risk, more defaults among individual counterparties, and therefore a greater need to recognize impairment losses in the lending business. The biggest threats to general borrower credit quality stem from the following adverse factors:

– Escalation of geopolitical tensions and resulting trade friction (chapter VI.5.2.1)
– Global economic downturn (chapter VI.5.2.2)
– Ongoing weakness in the German economy (chapter VI.5.2.4)
– Correction in real estate markets (chapter VI.5.2.5)

If the macroeconomic trends described there persist for a while longer yet, or escalate, credit risk in the Bank sector will likely rise significantly.

The lending exposures affected to differing extents by these macroeconomic risk factors are described in chapters VI.8.8, VI.8.9, and VI.8.10.

Sustainability risk factors

Negative cross-sectoral or sector-specific **climate-related developments** and negative **transition effects** can directly or indirectly cause the financial circumstances of counterparties – borrowers, issuers, and other counterparties – to deteriorate. This can lead to higher probabilities of default and lower credit ratings for the relevant counterparties and to a greater need for the entities in the Bank sector to recognize impairment losses. There is also a risk that collateral for loan exposures could become impaired. The degree to which the entities in the Bank sector are affected by climate-related and environmental risks depends on their individual business model.

8.4 Organization and responsibility

Responsibilities in the lending process have been laid down and are documented in a written set of procedural rules. These responsibilities cover loan applications, approvals, and termination, including periodic credit control with regular analysis of ratings. Decision-making authority levels are specified by the relevant **rules** based on the risk content of lending transactions.

Established **reporting and monitoring processes** help to provide decision-makers with information about the risk structure of credit portfolios and changes therein and form the basis for managing credit risk.

8.5 Risk management

8.5.1 Rating systems

Use and characteristics of the rating systems

The generation of internal credit ratings for the counterparties of entities in the Bank sector helps to provide a solid basis for lending decisions and loan monitoring processes. In addition, internal ratings are used to incorporate the credit quality of the counterparties when calculating expected and unexpected losses in the credit portfolio. In this way, credit quality is included in risk measurement, pricing, risk management, and the calculation of loss allowances.

The **VR rating system** used as standard throughout the Cooperative Financial Network aims to ensure that all the entities in the network apply a sophisticated uniform methodology producing ratings that are comparable.

DZ BANK primarily uses rating systems in its credit risk management system to assess large corporates, banks, investment funds, and project finance (slotting approach). The internal assessment approach is also used to evaluate the liquidity lines and credit enhancements made available by DZ BANK to programs for the issuance of asset-backed commercial paper (ABCP). These rating systems have been approved by the competent supervisory authority for the purposes of calculating regulatory capital using the **foundation IRB approach** or the **slotting approach**.

For **internal management purposes**, DZ BANK uses further rating systems to assess small and medium-sized enterprises (corporate customers, including agricultural businesses and not-for-profit organizations; foreign SMEs), countries, object finance, acquisition financing, public-sector entities, and insurance companies.

Most of the other entities in the Bank sector use the DZ BANK rating systems for banks, countries, and large corporates. Rating systems for specific business segments are also used by individual subsidiaries.

Development and expansion of rating systems

All internal rating systems and those approved by the banking supervisor for solvency reporting were validated in the reporting year. In the first half of 2024, the new corporate customer rating system was introduced to replace the previous system for SMEs, agricultural businesses, and not-for-profit organizations. A substantially revised rating system for project finance was also implemented.

DZ BANK credit rating master scale

The credit rating master scale serves as a groupwide rating benchmark with which to standardize the different rating systems used by the entities in the Bank sector as a result of differences in their business priorities. It thereby provides all management units with a uniform view of counterparties' credit ratings.

Fig. VI.25 shows DZ BANK's credit rating master scale and matches the internal credit ratings to the ratings used by S&P Global Ratings, Moody's Ratings, and Fitch Ratings. Some internal ratings cannot be matched with a particular external rating because of the greater degree of refinement in the credit rating master scale. The ratings for securitization exposures are matched to various different external ratings depending on the asset class and region.

In DZ BANK's master scale, the default bands remain unchanged to ensure comparability over the course of time, whereas some fluctuation in default rates can be seen in external ratings. Therefore, it is not possible to map the internal ratings directly to the ratings used by the rating agencies. Consequently, the chart can only be used as a starting point for comparison between internal and external credit ratings.

DZ BANK rating desk

The VR rating systems for banks and countries are also available to DZ BANK subsidiaries and the cooperative banks. Users can enter into a master agreement to access the ratings via an IT application (Rating Desk), which is available throughout the Cooperative Financial Network, in return for the payment of a fee. Any accessed ratings are first validated by the entities in the Bank sector or the cooperative banks before they are included in the user's credit procedures.

FIG. VI.25 – BANK SECTOR: DZ BANK'S VR CREDIT RATING MASTER SCALE AND EXTERNAL CREDIT RATINGS

		External rating classes			
Internal rating class	Average default probability	Moody's Ratings	S&P Global Ratings	Fitch Ratings	Rating category
1A	0.01%	Aaa to Aa2	AAA to AA	AAA to AA	Investment grade
1B	0.02%	Aa3	AA-	AA-	
1C	0.03%				
1D	0.04%	A1	A+	A+	
1E	0.05%				
2A	0.07%	A2	A	A	
2B	0.10%	A3	A-	A-	
2C	0.15%	Baa1	BBB+	BBB+	
2D	0.23%	Baa2	BBB	BBB	
2E	0.35%				
3A	0.50%	Baa3	BBB-	BBB-	
3B	0.75%	Ba1	BB+	BB+	Non-investment grade
3C	1.10%	Ba2	BB	BB	
3D	1.70%				
3E	2.60%	Ba3	BB-	BB-	
4A	4.00%	B1	B+	B+	
4B	6.00%	B2	B	B	
4C	9.00%	B3	B-	B-	
4D	13.50%				
4E	30.00%	Caa1 or lower	CCC+ or lower	CCC+ or lower	
5A	DPD default				Default
5B	Specific loan loss allowance / internal neutralization of interest / rating-related sale with significant loss / further bank-internal criteria				
5C	Distressed restructuring				
5D	Insolvency				
5E	Direct impairment / workout				
NR	Not rated				

8.5.2 Management of exposure in traditional lending business

Measuring exposure in traditional lending business

Individual lending exposures are managed on the basis of an analysis of gross lending exposure. The period taken into account in this case is equivalent to the monitoring cycle of 1 year. Together with risk-related credit-portfolio management, volume-oriented credit risk management is one of the components in the management of risk concentrations in the lending business.

In traditional lending business, the credit exposure or lending volume is generally the same as the nominal value of the total loan book and reflects the maximum volume at risk of default. The credit exposure is a gross value because risk-bearing financial instruments are measured before the application of any credit risk mitigation and before the recognition of any loss allowances. The maximum credit exposure comprises the total lines of credit committed to third parties, or in the case of limit overruns, the higher amounts already drawn.

In building society operations, nominal amounts are used as a basis for measuring the lending volume. In addition, loans and advances to customers in building society operations are reduced by the associated deposits.

Limit system for managing exposures in traditional lending business

Limits are set in the relevant entities in the Bank sector for individual borrowers and groups of connected customers. Counterparties are also managed centrally at the level of the Bank sector, depending on the limit level and credit rating.

As a prerequisite for prompt monitoring of limits, suitable **early-warning processes** have been established in the management units that are of material significance for the Bank sector's credit risk. In this context, financial covenants are often incorporated into loan agreements to act as early-warning indicators for changes in credit standing and as a risk management tool for lending exposures.

In addition, processes have been set up in the Bank sector to handle instances in which limits are **exceeded**. Such excess exposures must be approved by the relevant level of authority in the management units concerned and in accordance with applicable internal requirements; measures to reduce them must also be initiated if necessary.

Country exposure in the traditional lending business is managed by setting **country limits** for industrialized countries and emerging markets at the Bank sector level.

8.5.3 Management of credit exposure in trading transactions

Measuring credit exposure in trading transactions

Issuer risk, replacement risk, and settlement risk are exposure-based measurements of the potential loss in trading transactions. These are determined without taking into account the likelihood of a default. In order to determine the credit exposure, securities in the banking book and trading book are predominantly measured at fair value, while derivatives are measured at fair value and, in respect of settlement risk, at the cash-flow-based accepted value.

The fair value of a securities exposure is used to determine the **issuer risk**. Risks relating to the underlying instruments in derivative transactions are also included in issuer risk.

At the level of the Bank sector, **replacement risk** is generally determined on the basis of fair value, taking into account appropriate add-ons. At **DZ BANK**, which is of particular significance as far as replacement risk is concerned, these add-ons are determined primarily according to each individual transaction as part of a portfolio simulation. The portfolio simulation models future exposures, taking into account a large number of risk factors. The add-ons for the remaining derivatives not included in the portfolio simulation are determined on the basis of a product-specific allocation, which also takes into account specific risk factors and residual maturities. Transaction processing risk is additionally factored into the exposure calculation for replacement risk. This risk is largely determined as the net present value of the reciprocally required performance.

With regard to exchange-traded derivatives, the replacement risk vis-à-vis the customer in customer brokerage business consists of the actual collateral exchanged (the variation margin for the daily settlement of profits and losses, and the initial margin as the collateral to be provided in advance to cover the loss risk), the fair value, and additional collateral requirements. To calculate the replacement risk vis-à-vis stock exchanges, additional potential for changes in value or add-ons for individual transactions are also taken into consideration. Where legally enforceable, netting agreements and collateral agreements are used at counterparty level for all derivatives in order to reduce exposure. In the case of repos and securities lending transactions, haircuts are applied instead of add-ons. Unsecured money market transactions are measured at fair value.

As regards **settlement risk**, the risk amount is the expected payment due. Settlement risk is recognized for the specified settlement period. It takes into account the amount and timing of outstanding cash flows for the purposes of managing the risk associated with settlement by the two parties at points of time in the future. These future cash flows are already factored into the replacement risk through the fair value measurement and are therefore included in the risk capital requirement. As a result, settlement risk does not need to be covered with risk capital in addition to that for the other types of credit risk related to trading activities.

Limit system for managing trading exposure

DZ BANK has established an exposure-oriented **limit system** related to credit ratings to limit the default risk arising from trading business. Replacement risk is managed via a structure of limits broken down into maturity bands. Unsecured money market transactions are subject to separate limits. The transaction processing risk forming part of the replacement risk is included in the shortest maturity band. A daily limit is set in order to manage settlement risk. A specific limit for each issuer or, in certain circumstances, a general limit is determined as the basis for managing issuer risk. The specific limit can also be broken down into seniority bands; in the case of asset-backed securities, the specific limit can be broken down into rating bands. Issuer risk relating to cover assets is subject to separate limits, as are settlement risk and replacement risk attaching to cover assets. Issuer risk in connection with the trading book and issuer risk in connection with the banking book are subject to separate limits. The material subsidiaries have their own comparable limit systems.

The standardized methodology for measuring and monitoring trading exposure at DZ BANK (**pre- and post-transaction control**) is included in an IT-supported limit monitoring system, to which all relevant trading systems are directly or indirectly connected. Furthermore, the trading exposure in the Bank sector is managed on a decentralized basis at management unit level.

As in the traditional lending business, processes have also been established in the trading business to provide **early warnings and notification of limit overruns** and for daily and monthly reporting. The material subsidiaries have their own comparable processes.

Country exposure in the trading business is managed in the same way as in the traditional lending business by setting **limits for countries** at the Bank sector level.

8.5.4 Management of risk concentrations and correlation risks

Identifying risk concentrations

One of the Bank sector's key concerns in the management of credit risk is to avoid undesirable concentrations and correlations of risks in the credit portfolio. To this end, it has established credit risk strategies, policies, and principles that must be applied in the various areas of business. The main structural elements are managed on this basis with the aim of ensuring that the credit portfolio is appropriately diversified. The structural elements include specifications for rating-related maximum exposures, strategic borrower limits, restriction of areas of business to specified countries or regions, maturity limits, specific requirements for certain operating segments and industries, and requirements relating to collateral, loan agreement clauses, and key credit-risk-related figures.

Measurement and monitoring of risk concentrations

The structural requirements include general parameters to ensure that the credit portfolio in the Bank sector is comprehensively diversified. They therefore provide important guidance for managing new business. The ongoing monitoring of potential risk concentrations is also of fundamental importance. With this in mind, the Bank sector's credit portfolio is constantly checked for concentrations in terms of asset class, area of business, industry, country, country group, residual maturity, size category, and rating class. Significant attention is also paid to monitoring concentrations linked to individual borrowers. Exposures are analyzed and managed using monitoring lists, particularly to identify if specified volume limits are exceeded.

Besides volume-oriented parameters, the credit value-at-risk for individual borrowers and groups of connected customers is a core parameter used in modeling concentration risk. A key factor is the possibility of a simultaneous default by a number of borrowers who share the same characteristics. This is why determining the correlated exposure to loss as a part of the calculation of the risk capital required for credit risk is essential for managing risk concentrations.

Risk concentrations in credit and collateral portfolios

In managing the traditional lending business and its trading business, DZ BANK takes into account the correlation between collateral and the borrower pledging the collateral or between the collateral and the counterparty whose replacement risk the collateral is intended to mitigate. If there is a significant positive correlation between the collateral and the borrower or the counterparty pledging the collateral, the collateral is disregarded or accorded a reduced value as collateral. This situation arises, for example, where a protection provider, garnishee, or issuer forms a group of connected clients or a similar economic entity with the borrower or counterparty.

Wrong-way risk in trading activities

General wrong-way risk can arise as a result of DZ BANK's trading activities. This is defined as the risk of a positive correlation between the default probability of a counterparty and the replacement value (replacement risk exposure) of a (hedging) transaction entered into with this counterparty because of a change in the macroeconomic market factors of the traded underlying instrument (e.g. price changes for exchange rates).

Specific wrong-way risk can also occur. This is the risk of a positive correlation between the default probability of a counterparty and the replacement value (replacement risk exposure) of a (hedging) transaction entered into with this counterparty because of an increase in the default probability of the issuer of the traded underlying instrument. This type of risk largely arises in connection with OTC equity and credit derivatives in which the underlying instrument is a (reference) security or (reference) issuer.

Other measures to prevent concentration risk and wrong-way risk in trading activities

In order to prevent unwanted risks that may arise from the concentration or correlation of collateral in the trading business or from general wrong-way risk, DZ BANK has brought into force a **collateral policy** and its own internal **minimum requirements for bilateral reverse repo transactions and securities lending transactions**. Both policies are explained in chapter VI.658.5.5.

If material specific wrong-way risk arises in connection with a bilateral OTC trading transaction, it is taken into account when the exposure is calculated.

Through the **monthly trading business report**, DZ BANK's **Risk Committee** is informed about relevant wrong-way risk and concentration risk arising in connection with derivatives and securities financing, including any necessary exposure adjustments.

8.5.5 Mitigating credit risk

Collateral strategy and secured transactions

In accordance with the credit risk strategy, customer credit quality forms the main basis for any lending decision; collateral has no bearing on the borrower's credit rating. However, depending on the structure of the transaction, collateral may be of material significance in the **assessment of risk** in a transaction. In particular, collateral received reduces the credit value-at-risk (see chapter VI.8.5.8).

Collateral in line with the level of risk is generally sought where the rating category is 3B or below on the credit rating master scale and in medium-term or long-term financing arrangements. In addition, recoverable collateral equivalent to 50.0 percent of the finance volume is expected in the joint credit business with the local cooperative banks for new business entered into with SME customers in rating category 3E on the credit rating master scale.

Collateral is used as an appropriate tool for the management of risk in export finance or structured trade finance transactions. In the case of project finance, the financed project itself or the assignment of the rights in the underlying agreements typically serve as collateral.

Secured transactions in traditional lending business encompass commercial lending including financial guarantee contracts and loan commitments. In order to limit defaults in these transactions, a decision on whether to obtain traditional collateral is made on a case-by-case basis.

Types of collateral

The entities in the Bank sector use all forms of **traditional loan collateral**. Specifically, these include mortgages on residential and commercial real estate, registered ship and aircraft mortgages, guarantees (including sureties, credit insurance, and letters of comfort), financial security (certain fixed-income securities, shares, and investment fund units), assigned receivables (blanket and individual assignments of trade receivables), and physical collateral.

Privileged mortgages, guarantees, and financial collateral are the main sources of collateral recognized for regulatory purposes under the CRR.

In accordance with DZ BANK's collateral policy, only cash, investment-grade government bonds, and/or Pfandbriefe are normally accepted as **collateral for trading transactions** required by the collateral agreements used to mitigate the risk attaching to OTC derivatives. Entities in the Bank sector also enter into netting agreements to reduce the credit risk arising in connection with OTC derivatives. The prompt evaluation of collateral within the agreed margining period also helps to limit risk.

Credit derivatives, such as credit default swaps, are used to reduce the issuer risk arising on bonds and derivatives. Macro hedges are used dynamically to mitigate spread risk and migration risk as well as risks attaching to underlying assets. In isolated cases, transactions are conducted on a back-to-back basis. For risk management purposes, the protection provided by credit derivatives is set against the reference entity risk, thereby mitigating it. The protection providers/counterparties in credit derivatives are financial institutions, namely investment-grade banks and funds in the VR rating classes 1A to 2E.

Management of traditional loan collateral

Collateral management is the responsibility mainly of **specialist units**, generally outside the front-office divisions. The core tasks of these units include providing, inspecting, measuring, recording, and managing collateral and providing advice to all divisions in related matters.

To a large extent, standardized contracts are used for the provision of collateral and the associated declarations. Specialist departments are consulted in cases where customized collateral agreements are required. Collateral is managed in separate IT systems.

Collateral **is measured** in accordance with internal guidelines and is usually the responsibility of back-office units. As a minimum, carrying amounts are normally monitored annually or on the agreed submission date for documents relevant to measurement of the collateral. Shorter monitoring intervals may be specified for critical lending exposures. Regardless of the specified intervals, collateral is tested for impairment without delay if any indications of impairment become evident.

The workout units are responsible for **recovering collateral**. In the case of non-performing loans, it is possible to depart from the general measurement guidelines and measure collateral on the basis of its likely recoverable value and time of recovery. Contrary to the general collateralization criteria, collateral involved in restructuring exposures can be measured using market values or the estimated liquidation proceeds.

Collateral management

In addition to **netting agreements** (ISDA Master Agreement and German Master Agreement for Financial Futures), both collateral agreements for variation margin (Credit Support Annex to the ISDA Master Agreement and Collateralization Annex to the German Master Agreement for Financial Futures) and collateral agreements for initial margin are entered into as instruments to reduce credit exposure in OTC transactions.

DZ BANK's **collateral policy** regulates the economic aspects of collateral agreements and the responsibilities and authorization levels. This policy specifies contractual parameters, such as the type and quality of collateral, minimum transfer amounts, and delivery deadlines as permitted by regulatory requirements. As a rule, the collateral policy permits only collateral in the form of cash (in euros) to be accepted for mitigating risks arising from OTC derivatives on the basis of the Credit Support Annex or the German Collateralization Annex. General exceptions to this rule exist for older contracts entered into before the collateral agreement obligation came into force and, in particular, for contracts with local cooperative banks that permit thresholds and securities collateral. Securities collateral must be eligible as collateral with the ECB and have a minimum credit rating of A3 (Moody's Ratings) or A- (S&P Global Ratings, Fitch Ratings). Exceptions to the standard conditions are approved on the basis of the authorization levels specified in the collateral policy.

High-grade collateral is also required for repo and securities lending transactions in compliance with generally accepted master agreements and DZ BANK's own internal **minimum requirements for bilateral reverse repo transactions and securities lending transactions**, although the range of collateral is somewhat broader here than in the case of OTC derivatives. There are a few individual exceptions for banks in the Cooperative Financial Network. Furthermore, the minimum requirements applicable at DZ BANK exclude prohibited correlations and specify collateral quality depending on the credit rating of the counterparties.

DZ BANK regularly uses **bilateral collateral agreements**. Exceptions apply to cover assets and special-purpose entities, as the special legal status of the counterparties means that only unilateral collateral agreements can be usefully enforced, and to supranational or government entities. Any decision not to use a bilateral collateral agreement for counterparties not subject to the European Market Infrastructure Regulation (EMIR) rules must be approved by a person with the relevant authority.

Netting and collateralization generally result in a significant reduction in the exposure from trading business. IT systems are used to measure exposures and collateral. **Margining** is carried out on a daily basis for the vast majority of collateral agreements in accordance with the collateral policy requirements.

Collateral agreements generally include minimum transfer amounts and, in some cases, also **thresholds** that are independent of the credit rating. There are also some agreements with triggers based on the credit rating. In these agreements, for example, the unsecured part of an exposure is reduced in the event of a ratings downgrade or the borrower is required to make additional payments (for example, payments known as 'independent amounts'). The supervisory authorities have specified these contractual provisions as standard for EMIR-compliant agreements.

EMIR requires the exchange of an initial margin in bilateral OTC derivatives transactions in addition to the variation margin. The transfer of initial margin takes account of counterparty-specific thresholds.

Other risk mitigation methods

Under EMIR, market players must report and promptly confirm all exchange-traded and OTC derivatives to central trade repositories. The regulation also requires a daily portfolio reconciliation of transactions for which the bilateral variation margin is exchanged.

Central counterparties

Under EMIR, market players must also use predefined steps to settle certain standardized OTC derivatives via central counterparties (known as clearing houses). Furthermore, risk mitigation methods have to be used for OTC derivatives that are not settled centrally through a clearing house. This is intended to minimize counterparty risk.

Any market players not exempted from this clearing obligation must be connected to a central counterparty. The market player concerned may be a direct member of a clearing house or may process its derivative contracts using a bank that is a clearing member of a central counterparty.

DZ BANK is a direct member of London Clearing House Ltd, London, (LCH Ltd), which is Europe's largest clearing house for interest-rate derivatives, and of Eurex Clearing AG, Eschborn. DZ BANK therefore has direct access to central counterparties for derivatives for the purposes of clearing derivative transactions. In the case of credit derivatives, it also has indirect access to London Clearing House S.A., Paris, (LCH S.A) via clearing broker Deutsche Bank AG, Frankfurt am Main.

As a direct member, DZ BANK is connected to LCH S.A. and LCH Ltd for the purpose of clearing repos. Derivatives on foreign exchanges are settled through UBS Group AG, Zurich.

8.5.6 Management of closely monitored and non-performing lending exposures

The following descriptions apply to **DZ BANK**. Where required, similar procedures have been implemented in the subsidiaries that have a material traditional lending business (**BSH**, **DZ HYP**, and **TeamBank**), which adapt them to the characteristics of the risks faced in their particular business.

Management and monitoring

Early identification of risk is a key component of the management and monitoring of traditional lending business. The system for identifying risk at an early stage is designed to detect emerging risks at the earliest opportunity and return the affected lending exposures to acceptable levels of risk quality. Another objective is to minimize losses from loan defaults.

In order to identify risk at an early stage, criteria are defined as early-warning indicators that should show when exposures must become subject to special, closer monitoring (intensified loan management) and when lending exposures must be transferred to the specialist units responsible for loan restructuring and workout.

The following lists are maintained to closely monitor lending exposures that are subject to intensified management and lending exposures that are in default:

– The **yellow list** for exposures with latent risk
– The **watchlist** for exposures with heightened risk
– The **default list** for exposures with acute risk (exposures that are classified as in default and thus non-performing)

Borrowers are classified as in default and thus **non-performing** either if a material portion of their overall obligation under the loan agreement is past due by more than 90 consecutive calendar days or if it is unlikely that they will meet their payment obligations under the loan agreement in full without the management unit in the Bank sector that granted the loan having recourse to actions such as the recovery of any available collateral. This corresponds to the definition of default specified by the CRR. Borrowers in default are assigned a rating of between 5A and 5E on the VR credit rating master scale.

Non-performing loan exposures are also referred to by the abbreviation NPL. They are monitored using the following key figures:

– **Coverage ratio** (specific loan loss allowances plus collateral as a proportion of the volume of non-performing loans)
– **NPL ratio** (volume of non-performing loans as a proportion of total lending volume)

Workout units become involved at an early stage of identified difficulties. By providing intensified loan management for critical exposures and applying problem-solving strategies, these special units aim to establish the basis for securing and optimizing exposures with heightened risk.

Exposures with heightened risk are generally reviewed, updated, and reported on a quarterly basis. The process is also carried out at shorter intervals if required. This process is supported by IT systems.

Forbearance

Forbearance is a tool for managing non-performing exposures or those close to non-performing. Forbearance measures include **concessions** regarding the obligations under a loan agreement of a borrower in financial difficulties. Such concessions may consist of **contractual modifications**, such as adjustments to covenants or changes to the interest rate, repayment structure, or loan maturity. They may also amount to **refinancing measures**, such as debt-equity swaps, further loan facilities, turnaround or bridging financing, or debt restructuring. The aim of such concessions is to ensure that borrowers who cannot satisfy the terms and conditions of their loan agreements because of their financial circumstances are placed in a position whereby they can repay the loans granted by DZ BANK.

Concessions qualify as forbearance measures if a borrower is found to meet one of the following **criteria** during the monitoring of credit risk:
– The borrower is included in the default list, watchlist, or yellow list with a rating of 4A.
– The borrower is classified with a rating of 4B or worse, regardless of whether the borrower is on one of the lists or not.
– Payments are past due by more than 30 days within a period of 3 months prior to the concession.

The borrower must satisfy all of the following criteria before **exiting forbearance status**:
– The borrower is classified as performing.
– The borrower has undergone a probation period of at least two years. In the case of borrowers who have recovered from a default, the probation period begins with their reclassification as 'recovered'. Borrowers not previously in default begin the probation period when forbearance measures are initiated.
– The borrower has made regular interest payments or repayments of principal during at least half of the probation period.
– No payments are past due by more than 30 days.

Recognition of loss allowances

The description required by GAS 20 A1.7(c) of the methods used for recognizing loss allowances is included in note 5 of the notes to the consolidated financial statements.

8.5.7 Credit-portfolio management

Internal credit-portfolio models operated on a decentralized basis in the material management units are used together with value-at-risk methods to quantify unexpected losses from lending and trading business. The **credit value-at-risk** reduced by the expected loss is referred to as the risk capital requirement for transactions subject to credit risk. Credit value-at-risk is calculated on the basis of a holding period of 1 year and a confidence level of 99.9 percent. The risk capital requirement quantifies the risk of unexpected losses if default or migration events were to materialize.

Expected loss is calculated by multiplying the exposure at default (EAD) by the loss given default (LGD) and by the probability of default (PD). **Exposure at default** equates to the expected outstanding loan or receivable or the potential economic loss in respect of a counterparty if the counterparty defaults, without taking into account any collateral. **Loss given default** refers to the expected percentage loss on default of a borrower, whereby the loss is reduced by any proceeds anticipated from the recovery of **collateral**. **Probability of default** is the probability, calculated on the basis of historical data, that a borrower will not be able to meet their payment obligations within a particular, future period. For the purposes of credit-portfolio management in the Bank sector, this period is 1 year. The probability of default reflects the borrower's current rating and, in individual cases, also takes into account business-specific factors.

When determining credit value-at-risk, **recovery risk** is taken into account as the amount by which the actual loss deviates from the expected recovery rate or – in the case of transactions already in default – from the specific loan loss allowances. Existing netting agreements are included in the measurement of trading exposures subject to default risk.

The credit value-at-risk amounts determined for the management units are aggregated by DZ BANK at **Bank sector** level.

For the purposes of **managing** the credit portfolio, the credit value-at-risk and the decentralized capital buffer requirement are restricted by the **credit risk limit**. The calculation of the decentralized capital buffer requirement is explained in chapter VI.4.5.2. A **traffic light system** is used to monitor Bank sector management units' compliance with the limits specified for credit risk.

8.6 Managing sustainability risks in the lending business

8.6.1 Principles of sustainability risk management in the lending business

The **group credit standard** on the consideration of risks associated with ESG factors in the DZ BANK Group provides guidelines for the lending business on sustainable lending in the Bank sector. The document contains exclusion criteria that prohibit lending that does not satisfy the minimum ESG requirements or entails heightened greater reputational risk. The sustainability assessment considers positive criteria and ascertains that the funding has a sustainability-oriented focus. In addition, the group credit standard includes a definition of sustainability risks and a description of how these should be addressed in the business activities, especially in the granting and monitoring of loans and the valuation of collateral.

The rules on taking account of sustainability matters in **lending processes** encompass processes for the extension of loans, the monitoring of loans, and the valuation of collateral. Sustainability matters are also taken into account in regular and ad hoc credit control. The rules are continually refined. Employees working in front-office divisions and credit analysis are kept up to date and trained on any changes.

Before a detailed sustainability-related credit check is carried out, funding projects are checked as to whether **exclusion criteria** apply and whether **sector criteria** are satisfied. If the findings of the check are negative, the funding project is not pursued further.

DZ BANK has committed to the 10 universally accepted principles of responsible conduct in relation to human rights, labor standards, environmental protection, and the fight against corruption set forth in the **United Nations Global Compact** and it observes these principles when considering funding projects. It has also undertaken to comply with other voluntary frameworks, such as the **Equator Principles** – a voluntary set of guidelines adopted by banks to ensure compliance with environmental and social standards in project finance – and the **International Finance Corporation (IFC) Performance Standards**. The above standards are operationalized using the exclusion criteria, the sector criteria, and an ESG checklist.

The **ad hoc exclusion criteria committee** supports DZ BANK in the interpretation of exclusion criteria and sector criteria in its lending decisions. Its members are points of contact for the Credit, Corporate Banking, Structured Finance, and Strategy & Group Development divisions and meet weekly.

8.6.2 Exclusion criteria and sector criteria

The entities in the Bank sector have developed sector-specific **exclusion criteria** for lending activities in order to prohibit lending that does not satisfy the minimum ESG requirements or entails heightened reputational risk. The exclusion criteria are reviewed on an ongoing basis, and adapted and expanded as necessary. The current principles applicable to the Bank sector are very similar to DZ BANK's exclusion criteria.

DZ BANK's exclusion criteria primarily relate to the following activities and types of business:
- Oil extraction activities (upstream) and oil/gas extraction that involves fracking, oil shale/oil sands, Arctic drilling, or deep sea mining
- Activities connected with the construction, operation, or maintenance of nuclear power stations
- Trading of endangered animal or plant species
- Significant threats to the environment, particularly uranium/asbestos extraction, mining activities involving the mountain-top removal method, and projects, assets, or activities that pose a high risk of nuclear, biological, or chemical contamination (excluding biogas facilities), or hazardous goods with insufficient measures to minimize risk

A borrower's corporate governance can also pose a risk in the course of lending business. Indications of such risk include suspected corruption, tax evasion proceedings, and ongoing antitrust proceedings. In these cases, the risk lies in the potentially negative effects of judicial proceedings on the borrower's reputation, which could lead to declining revenue and a reduction in earnings power. The lending and loan monitoring process is designed to ensure that transactions with customers that do not satisfy the minimum corporate governance requirements defined by the DZ BANK Group are prohibited. Checks for critical corporate governance aspects relating to anti-corruption, competition, and tax are conducted and evaluated in a standardized manner prior to lending.

DZ BANK applies further sector-specific requirements – **sector criteria** – for certain industries that are particularly vulnerable from a sustainability perspective. These criteria specify the details to be reviewed with reference to international industry-specific conventions, recognized standards and certification, and optimum production processes.

The sector criteria mainly focus on the following aspects:
– Dams and water infrastructure
– Commodities industry
– Agriculture
– Forestry
– Fishing
– Maritime industry
– Palm oil

8.6.3 ESG checklists
Factors of relevance to the financing arrangement in question are systematically assessed and documented in relation to social, ethical, and environmental risks using **ESG checklists**, which are based on the 10 principles of the UN Global Compact. Various asset-class-specific ESG checklists exist for corporates, finance companies, and countries as well as for project finance. The ESG checklist for project finance looks at whether the Equator Principles are applied. The corporates ESG checklist used by DZ BANK and DZ HYP forms the basis for all other ESG checklists, which differ from the corporates checklist in that they only include questions that are relevant to the specific asset class.

The ESG checklists are intended to help to gauge the sustainability efforts of a customer or the sponsor of a funding project and to determine the funding's reputational impact on DZ BANK. They contain up to 16 questions that examine the environmental, social, and corporate governance dimensions and analyze the customer's / project sponsor's general engagement with sustainability. The ESG checklists also enable possible negative environmental impacts of a funding project (such as air pollution and water shortages), including on biodiversity, to be identified. As a rule, the ESG checklists are initially filled in for each counterparty to the application by front-office employees and are then checked by credit analysis employees.

The findings of the sustainability assessment are depicted on a four-level scale that ranges from neutral/green (neutral impact on DZ BANK's reputation) to high/red (strong negative impact on DZ BANK's reputation). Loan applications with an elevated or strong ESG-related negative reputational impact require approval at a higher authorization level.

8.6.4 ESG credit risk score and pricing
Since 2023, DZ BANK has used the **ESG credit risk score** to assess the effects of sustainability matters on DZ BANK customers' credit risk. This score supplements the internal credit rating for corporate customers by providing an additional statement on the probability and scope of a potential future change in creditworthiness due to sustainability matters for a medium-term time horizon (5 to 10 years). The process provides a cross-sectoral statement on creditworthiness. This means that two corporate customers that operate in different sectors but have the same ESG credit risk score can be affected to a similar degree, irrespective of how their respective sector is affected by ESG risk.

The underlying methodology of the ESG credit risk score is based on relative revenue intensity, which is calculated, for example, as the absolute greenhouse gas emissions of a counterparty relative to the entity's revenue. In addition to internally available revenue data, data from external sources is also used.

The ESG credit risk score encompasses physical environmental risks and transition risks, social risks, and corporate governance risks, providing a separate subscore for each risk type. The individual results for the different risk types within the ESG credit risk score have five possible risk levels, ranging from A (very low risk) to E (very high risk).

Particularly in the case of transition risks, statutory measures such as a ban on internal combustion engines will lead to credit rating downgrades and potentially even loan defaults if companies fail to transform in the ESG sphere. However, such effects will materialize only in the medium term. Poor ESG credit risk scores are therefore mainly significant for long-term loan agreements and less so for short-term lending. The greenhouse gases associated with a financing arrangement are critical in determining transition risk. In 2024, this information was only publicly available from companies that were subject to statutory ESG disclosure requirements. Greenhouse gas emissions were therefore not available for all of DZ BANK's borrowers. Average industry figures were used in these cases.

The ESG credit risk score is factored into **pricing** for lending business with corporate customers by adding an ESG markup factor to the standard risk costs for corporates in pre- and ex-post analysis of loans. Changes in the probability of default for a customer (known as a PD shift) are determined in a two-step process. In the first step, the average anticipated markups for the corporate portfolio are calculated using the simulation results from the climate scenarios devised by the Network for Greening the Financial System (NGFS) and from the NGFS baseline scenario. In a second step, these average markups are used to define customer-specific markups, taking the customers' individual ESG credit risk scores into account. The level of the customer-specific markup depends on the customer's individual score. In line with the observation period for the ESG credit risks, the markups are only applied to business with a term of more than 5 years. This process applies both to new business and to extensions.

8.6.5 Sustainability-related valuation of collateral

The sustainability-related valuation of collateral has been integrated in DZ BANK's general collateral valuation process. DZ BANK checks and documents relevant sustainability matters that could negatively affect the value of collateral in the first valuation and any subsequent valuation of collateral. The main types of collateral concerned are real estate and immovable collateral (machinery, equipment, inventories). On the one hand, the recoverability of such collateral may be jeopardized by physical climate-related and environmental risks, such as flooding or heavy rain. On the other hand, these types of collateral may themselves have an adverse impact on the climate or environment, for example due to harmful emissions or consumption of energy and other resources. In turn, this may have a negative or positive (e.g. where a building is exceptionally energy-efficient) effect on market value and thus on the value of the collateral.

If elevated physical climate-related and environmental risks are identified for collateral, DZ BANK checks whether any mitigation measures – such as sufficient insurance cover for identified risks or construction work following a property inspection – need to be requested. If any uncertainty remains as to whether the risk has been reasonably mitigated, the organizational unit responsible for handling collateral reduces the valuation by an adequate amount.

The real estate finance providers in the Bank sector largely classify collateral risk at asset level. At **BSH**, physical and transition risks in the existing credit portfolio are regularly monitored, in particular because properties with poor energy efficiency are exposed to heightened transition risk, for example due to statutory requirements regarding building renovation. In recent years, **DZ HYP** has developed a scorecard for measuring physical and transition risks, the results of which are considered in lending decisions.

The mortgageable value of a property is based on the long-term and sustainability-related characteristics of that property. **BSH** and **DZ HYP** take into account all circumstances that affect this value. Identifiable sustainability risks that may arise due to the property's characteristics or location are also factored into the valuation, such as risks resulting from flooding or poor energy efficiency.

8.6.6 Overall assessment of a loan application from a sustainability perspective

The findings from application of all of the ESG tools (check against exclusion criteria and sector criteria, ESG checklist, ESG credit risk score) are factored into the separate **ESG vote** within the loan application process. The aim is to provide decision-makers with an overview of the customer's ESG aspects so that they can be taken into account in the lending decision.

8.7 Lending volume in the entire credit portfolio

8.7.1 Definition of lending volume

One of the ways in which credit risk is managed is on the basis of the lending volume. In the **traditional lending business**, the lending volume is no more than the total amount of loans already drawn down, plus commitments to third parties. In the **trading business** (securities business, together with derivatives business and money market business), the lending volume largely equates to the exposure at default.

Business with **central banks** of EU countries, the Bank of England, the Swiss National Bank, and the Federal Reserve Board that is denominated in the currency of the relevant central bank is not included in the determination of the risk capital requirement or in the presentation of the credit portfolio.

8.7.2 Reconciliation of lending volume to the consolidated financial statements

To reconcile the lending volume managed at Bank sector level with the lending volume reported on the balance sheet, the volume is broken down by traditional lending business, securities business, derivatives business, and money market business, because this breakdown corresponds to the classes of risks from financial instruments used for external reporting purposes.

Fig. VI.26 shows a reconciliation of the gross lending volume on which the risk management is based to individual balance sheet items in order to provide a transparent illustration of the link between the consolidated financial statements and risk management.

For some financial instruments, there are discrepancies in **recognition** and **measurement** between the internal management and external consolidated financial reporting figures owing to the focus on the risk content of the items.

Another reason for the discrepancies between the internal management figures and those in the external consolidated financial statements are differences in the **scope of consolidation**. These differences result from the fact that, in internal credit risk management, only the entities in the Bank sector that contribute significantly to the aggregate risk of the sector are included, whereas, in the consolidated financial statements, all entities subject to consolidation in the Bank sector are included.

The discrepancy in the **securities business** is mainly due to the variations in carrying amounts that arise because credit derivatives are offset against the issuer risk attaching to the underlying transaction in the internal management accounts, whereas such derivatives are recognized at their fair value as financial assets or financial liabilities held for trading in the consolidated financial statements.

The differences between the measurements in the **derivatives business** and those in the **money market business** arise because of differences in the treatment of offsetting items in internal risk management and in external financial reporting. Offsetting items are actually netted for the purposes of risk management, whereas netting of this nature is not permitted in the consolidated financial statements. In addition, add-ons are attached to the current fair values of derivative positions in the internal management accounts to take account of potential future changes in their fair value. By contrast, the external (consolidated) financial statements focus exclusively on the fair values determined on the valuation date, and, unlike in the internal accounts, collateral must not be recognized for risk mitigation purposes.

In money market business, further discrepancies arise between the consolidated financial statements and internal risk management due to the method used for the recognition of repo transactions. In contrast to the treatment in the consolidated financial statements, securities provided or received as collateral are offset against the corresponding assets or liabilities for the purposes of the internal analysis.

8.7.3 Asset class structure of the credit portfolio

The reporting to the Board of Managing Directors on concentrations of credit risk includes a presentation of the credit portfolio broken down by asset class. This is done by dividing the credit portfolio into business-related homogeneous segments on the basis of characteristics such as industry code to reflect the sector, product type, and the rating system used to determine the credit rating. The characteristics are selected in such a way that the segments are subject to uniform risk factors.

In its role as central institution for the Cooperative Financial Network, DZ BANK provides funding for the entities in the Bank sector and for the cooperative banks. For this reason, the cooperative banks, which are assigned to the asset class **entities within the Cooperative Financial Network**, account for one of the largest loans and receivables items in the group's credit portfolio.

DZ BANK also supports the cooperative banks in the provision of larger-scale funding to corporate customers. Corporate banking exposures relate to business with commercial customers, which is assigned mainly to the 'corporates' asset class and the 'asset-based lending / project finance' asset class. The syndicated business resulting from the corporate customer lending business, the direct business of DZ BANK, the real estate lending business of DZ HYP and BSH, and DZ HYP's local authority lending business determine the asset-class breakdown for the remainder of the portfolio.

The total lending volume of the **Bank sector** increased by 3 percent in the year under review, from €471.0 billion as at December 31, 2023 to €486.1 billion as at December 31, 2024. The rise in the lending volume was mainly due to an increase in volume in the 'public sector' asset class, which went up by €9.2 billion compared with the end of 2023. DZ BANK made a particularly large contribution to this increase, which was driven by investments in bonds, especially bonds of the Federal Republic of Germany, the German federal states, and other European countries. The 'financials' asset class recorded an increase of €4.2 billion, while the 'corporates' asset class (Corporate Banking and Structured Finance) saw a rise of €3.6 billion. However, the lending volume in business with entities within the Cooperative Financial Network, especially development lending business, money market loans, and undrawn credit lines, decreased by €5.2 billion.

As at December 31, 2024, a significant proportion (40 percent) of the **Bank sector's** lending volume was concentrated in the financial sector (December 31, 2023: 41 percent). The financial sector comprises entities within the Cooperative Financial Network (cooperative banks) and the 'financials' asset class (mainly banks from other sectors of the banking industry and other financial institutions).

As at December 31, 2024, a significant proportion (59 percent) of **DZ BANK's** lending volume was also concentrated in the **entities within the Cooperative Financial Network** and **financials** asset classes (December 31, 2023: 62 percent). The composition of these asset classes is the same both at DZ BANK and in the Bank sector.

Fig. VI.27 shows the breakdown of the credit portfolio by asset class.

FIG. VI.26 – BANK SECTOR: RECONCILIATION OF THE LENDING VOLUME

€ billion	Lending volume for internal management accounts		Reconciliation: Scope of consolidation		Reconciliation: Carrying amount and measurement		Lending volume for the consolidated financial statements					Note
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024		Dec. 31, 2023			
Traditional lending business	381.3	379.8	6.3	6.3	20.8	18.5	408.4	113.4	404.7	111.0	Loans and advances to banks	
								113.4		111.0	of which: loans and advances to banks excluding money market placements	49
								–		–	of which: loss allowances for loans and advances to banks	58
								202.9		200.4	Loans and advances to customers	
								205.7		202.6	of which: loans and advances to customers excluding money market placements	50
								-2.8		-2.2	of which: loss allowances for loans and advances to customers	58
								92.2		93.3	Financial guarantee contracts and loan commitments	98
Securities business	83.8	70.6	–	–	-17.8	-17.8	66.1	66.1	52.8	52.8	Bonds and other securities	
								9.1		8.3	of which: financial assets held for trading / bonds excluding money market placements	52
								1.0		1.0	of which: financial assets held for trading / promissory notes and registered bonds	52
								56.0		43.5	of which: investments / bonds excluding money market placements	53
Derivatives business	13.5	13.1	–	-0.1	-12.1	-13.3	1.4	1.4	-0.3	-0.3	Derivatives	
								0.8		0.9	of which: derivatives used for hedging (positive fair values)	51
								16.2		16.5	of which: financial assets held for trading / derivatives (positive fair values)	52
								-0.7		-0.6	of which: derivatives used for hedging (negative fair values)	64
								-15.0		-17.1	of which: financial liabilities held for trading / derivatives (negative fair values)	65
Money market business	7.4	7.4	–	–	29.8	21.4	37.2	37.2	28.8	28.8	Money market placements	
								30.1		17.8	of which: loans and advances to banks / money market placements	49
								3.0		2.2	of which: loans and advances to customers / money market placements	50
								1.4		0.1	of which: financial assets held for trading / money market instruments	52
								0.7		7.8	of which: financial assets held for trading / money market placements	52
								2.1		0.9	of which: investments / money market instruments	53
Total	486.1	471.0	6.2	6.2	20.8	8.8	513.1		486.0			
Difference							27.0		15.0			
Difference (percent)							5.6		3.2			

FIG. VI.27 – BANK SECTOR: LENDING VOLUME, BY ASSET CLASS

	Bank sector		DZ BANK	
€ billion	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Entities within the Cooperative Financial Network[1]	143.4	148.6	143.0	148.2
Financials	48.7	44.5	36.3	32.6
Corporates[2]	84.5	80.9	79.0	75.3
Asset-based lending/project finance	13.6	12.7	13.6	12.7
Public sector	45.2	36.0	22.2	12.6
Real estate (commercial and retail customers)	118.6	118.4	–	–
Retail business (excluding real estate customers)	18.3	18.0	–	–
Asset-backed securities and asset-backed commercial paper	12.3	9.2	12.1	9.0
Other	1.5	2.6	–	1.0
Total	**486.1**	**471.0**	**306.3**	**291.5**

1 Cooperative banks.
2 Including cooperatives for the purchase/sale of goods.

8.7.4 Geographical structure of the credit portfolio (excluding Germany)

Fig. VI.28 shows the geographical distribution of the credit portfolio by country group. Borrowers based in Germany are not included in this breakdown. The relevant country for the assignment to a country group is the one in which the economic risk arises. As at December 31, 2024, 67 percent of the Bank sector's lending outside Germany and 62 percent of DZ BANK's lending outside Germany was concentrated in Europe. These figures were unchanged year on year.

FIG. VI.28 – BANK SECTOR: LENDING VOLUME, BY COUNTRY GROUP

	Bank sector		DZ BANK	
€ billion	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Europe	60.8	54.5	44.7	39.7
of which: eurozone	38.6	35.1	26.3	23.8
North America	16.1	14.5	15.0	13.2
Central America	0.2	0.2	0.2	0.2
South America	1.1	1.0	1.1	1.0
Asia	8.9	7.8	8.6	7.6
Africa	1.2	1.3	1.2	1.3
Other	2.0	2.0	1.6	1.6
Total	**90.3**	**81.2**	**72.4**	**64.3**

8.7.5 Rating structure of the credit portfolio

In the **Bank sector**, the proportion of the total lending volume accounted for by rating classes 1A to 3A (investment grade) was 88 percent as at the reporting date (December 31, 2023: 89 percent). Rating classes 3B to 4E (non-investment grade) represented 10 percent as at the reporting date, which was unchanged compared with the end of 2023. Defaults, represented by rating classes 5A to 5E, increased by €1.7 billion to €5.5 billion as at December 31, 2024 (December 31, 2023: €3.8 billion). They thus accounted for 1 percent of the total lending volume, as had also been the case at the end of 2023.

Rating classes 1A to 3A (investment grade) also dominated lending at **DZ BANK**, where they accounted for 91 percent of the total lending volume (December 31, 2023: 92 percent). Rating classes 3B to 4E (non-investment grade) represented 8 percent as at the reporting date (December 31, 2023: 7 percent). Defaults increased by €1.1 billion to €3.3 billion as at the reporting date (December 31, 2023: €2.2 billion), accounting for 1 percent of the total lending volume, as had also been the case at the end of 2023.

Fig. VI.29 shows the lending volume in the Bank sector and at DZ BANK by rating class according to the VR credit rating master scale.

FIG. VI.29 – BANK SECTOR: LENDING VOLUME, BY INTERNAL RATING CLASS

€ billion		Bank sector		DZ BANK	
		Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Investment grade	1A	43.0	31.9	26.6	15.6
	1B	5.7	6.2	3.6	4.1
	1C	158.4	162.7	151.1	154.1
	1D	19.6	14.4	10.8	9.1
	1E	21.9	23.9	10.9	13.2
	2A	21.3	25.4	11.6	12.6
	2B	30.1	33.5	15.9	14.6
	2C	34.7	27.7	15.1	13.6
	2D	33.7	32.2	14.6	11.6
	2E	37.5	35.4	13.2	12.7
	3A	23.1	23.6	5.4	5.8
Non-investment grade	3B	14.6	13.4	6.7	5.6
	3C	11.1	10.0	4.4	3.4
	3D	8.1	8.4	4.9	4.8
	3E	5.7	5.9	3.2	3.2
	4A	3.2	3.1	1.5	1.4
	4B	2.5	2.8	1.5	1.6
	4C	1.3	1.3	0.6	0.7
	4D	0.3	0.6	0.1	0.3
	4E	2.1	2.1	0.8	1.0
Default		5.5	3.8	3.3	2.2
Not rated		2.5	2.6	0.5	0.7
Total		**486.1**	**471.0**	**306.3**	**291.5**

8.7.6 Collateralized lending volume

In the **traditional lending business**, the lending volume is a gross figure that has not been offset by collateral. The uncollateralized lending volume is defined as lending volume less the collateral received. In **derivatives and money market business**, where the lending volume already reflects the risk-mitigating effects of netting agreements and credit support annexes, collateral values are relatively low. In the **securities business**, there is generally no further collateralization to supplement the collateral already taken into account in the lending volume. For this reason, securities business is not included in the presentation of the collateralized lending volume.

Fig. VI.30 shows the breakdown of the collateral value by type of collateral.

FIG. VI.30 – BANK SECTOR: COLLATERAL VALUE, BY TYPE OF COLLATERAL

€ billion	Bank sector		DZ BANK	
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Guarantees, indemnities, risk subparticipation	6.9	7.0	2.0	1.7
Credit insurance	6.6	6.0	6.6	6.0
Land charges, mortgages, registered ship and aircraft mortgages	113.3	114.1	1.8	1.9
Pledged loans and advances, assignments, other pledged assets	1.8	2.0	1.0	1.2
Financial collateral	2.5	1.4	0.4	0.4
Other collateral	0.3	0.4	0.2	0.3
Total collateral	**131.4**	**130.8**	**12.0**	**11.4**
Lending volume	402.2	400.3	248.3	246.3
Uncollateralized lending volume	**270.8**	**269.5**	**236.3**	**234.8**
Collateralization rate (percent)	**32.7**	**32.7**	**4.8**	**4.6**

Total collateral value in the **Bank sector** rose from €130.8 billion as at December 31, 2023 to €131.4 billion as at December 31, 2024. The collateralization rate as at the reporting date was 32.7 percent, as had also been the case at the end of 2023.

At €12.0 billion, **DZ BANK's** total collateral value as at December 31, 2024 was also up year on year (December 31, 2023: €11.4 billion). The collateralization rate had increased to 4.8 percent as at the reporting date (December 31, 2023: 4.6 percent).

8.8 Credit portfolios particularly affected by negative macroeconomic conditions

The following sections describe the lending volume of credit portfolios in which the effects of negative macroeconomic conditions were more noticeable than in the rest of the credit portfolios.

8.8.1 Structural change in the automotive sector

The automotive sector has been undergoing a period of transformation for a number of years and faces certain challenges compared with other industries, such as low profit margins and a need for high levels of capital, coupled with long investment cycles. A major aspect of the transformation is the progressive switch from internal combustion engines to alternative drives, especially electric drives. In addition, new manufacturers – especially from China – have made headway in the field of electric vehicles, generating a high market share in their domestic markets while also starting to play a role in international markets. This brings German vehicle manufacturers, in particular, under pressure and has already triggered extensive cost-cutting programs. Long-term trends relating to digitalization, assistance systems, and autonomous driving are playing an ever greater role in the industry's transformation too. These developments are maintaining a very high level of pressure on the industry to transform.

The automotive industry recorded lackluster growth in the three major markets of Europe, North America, and China in 2024. Globally, the industry is also being adversely affected by geopolitical tensions, the tariffs that have already been imposed, and potential trade disputes. The outlook for 2025 remains muted. In the medium term, therefore, growth is expected to be weaker, especially for German and European vehicle manufacturers.

The volume of lending in DZ BANK's automotive finance portfolio came to €5.1 billion as at December 31, 2024 (December 31, 2023: €5.3 billion). This portfolio includes loans to automotive suppliers, which are analyzed separately in chapter VI.8.10.2.

8.8.2 Commercial real estate finance

Business model and macroeconomic risks

DZ HYP's lending business with corporates includes financing for hotels, office real estate, department stores, shopping malls, and inner-city commercial properties that are mainly used for retail/wholesale businesses not offering day-to-day essentials (retail/wholesale segment). In addition, DZ HYP provides financing to property developers and project developers. It also finances purchases of land for which development plans have been drawn up.

Since 2020, these asset classes have been impacted by a number of general and specific sources of uncertainty. Prices and the number of transactions in the commercial real estate market stabilized in 2024, while rent prices generally rose across all types of property over the course of the year. Nevertheless, the commercial real estate finance segment continued to be affected by muted economic conditions, a rise in company insolvencies, and a difficult climate for businesses and consumers. Global political headwinds, and the related macroeconomic headwinds, also added to the challenges. Among other factors, elevated borrowing costs resulting from the persistently high interest rates had a dampening effect on the market. As a result of these macroeconomic challenges and the associated reluctance to invest, 2024 saw little in the way of transactions overall.
The portfolios in question have so far proven to be crisis-resistant with no structural anomalies. Although the number of exposures with increased risk content subject to close monitoring rose over the course of 2024, these loans remained at a moderate level relative to unproblematic financing as at December 31, 2024. Moreover,

critical exposures were often able to be transferred back to normal processing because counterparties stabilized or because of portfolio restructuring. The heightened requirements established in recent years with regard to the underlying value and cash flow performance of financed real estate had a supportive effect.

Nevertheless, uncertainty stemming from risk factors of relevance for commercial real estate finance persists, particularly in terms of whether financially viable rental and purchase prices can be achieved. This could adversely impact on cash flow, capital expenditure, and market values in 2025. For a return to a normal level, interest rates must be stable and the economy and the macroeconomic climate must stage a significant and sustained recovery.

Risks specific to individual real estate finance segments

Since 2023, **hotel** occupancy has largely stabilized and in 2024 was on a par with the level seen before the pandemic. In 2024, room occupancy at most hotels was higher than in 2023 almost across the board. Higher room prices provided a further boost to revenue. Material risk factors for hotel real estate continue to be the shortage of skilled workers and the ongoing pressure from competitors and rising costs.

Office real estate was subject to uncertainty with regard to tenants' future wishes and their space requirements in light of the new ways of working, which involve new space concepts and remote working. It is becoming apparent that less space will be required going forward, with demand focused on modern, high-quality, and ESG-compliant space in city centers or well connected locations with good access to services and amenities. Another adverse factor for this segment is the ongoing weakness of the economy, which is resulting in reduced demand for office space as it is causing many businesses to reconsider their growth and investment plans.

The rental markets for **department stores**, **shopping malls, and inner-city commercial properties** that are mainly used for retail/wholesale businesses not offering day-to-day essentials made a modest recovery in 2024 on the back of the rise in rents on new contracts. However, there are few signs of an upturn in consumer spending as price- and calendar-adjusted retail sales were only marginally higher year on year. Consumer sentiment remains very subdued, as do the general economic conditions.

The market for construction transactions remained challenging in 2024, with market participants adopting a wait-and-see approach and there was very little fresh impetus. Real estate rentals and sales continued to suffer delays.

Property development transactions showed the first signs of growth, led by private own and third-party use. The market for **project development** remained difficult in 2024. Notably, the traditional project development model of building for subsequent sale did not see an improvement. There were also challenges in relation to **construction projects that had not yet commenced** as a result of delayed planning permissions, increased construction costs, and difficulty in exiting projects. An increase in interest rates during the planning period also had a braking effect on construction projects. This affected DZ HYP's financing for land purchases, in particular.

Lending volume by finance segment

As at December 31, 2024, the volume of corporate loans extended by DZ HYP amounted to a total of €46.5 billion (December 31, 2023: €46.7 billion). Of this total, the following amounts were attributable to the aforementioned asset classes as at the reporting date (figures as at December 31, 2023 shown in parentheses):

- Hotel financing: €2.2 billion (€2.2 billion)
- Office real estate financing: €14.6 billion (€14.8 billion)
- Department store financing: €0.4 billion (€0.5 billion)
- Shopping mall financing: €2.5 billion (€2.6 billion)
- Financing for inner-city commercial properties mainly used for retail/wholesale businesses not offering day-to-day essentials: €0.8 billion (€0.9 billion)
- Property developer and project developer financing and financing for land purchases: €5.8 billion (€5.7 billion)

Financing for property developers and project developers and financing for land purchases also include certain portions of the financing for the aforementioned asset classes, in particular the financing of office real estate, which had a volume of €2.5 billion as at December 31, 2024 (December 31, 2023: €2.6 billion).

8.8.3 Financing for retail customers in the consumer finance business

The economic conditions described in chapter VI.5.2 also impact on the financial strength of retail customers. This was especially apparent in TeamBank's consumer finance business. Some key risk indicators deteriorated over the course of 2024. Among other things, this led to a rise in non-performing loans.

As at December 31, 2024, the volume of consumer finance extended by TeamBank amounted to €14.1 billion (December 31, 2023: €13.4 billion).

8.9 Credit portfolios particularly affected by acute global crises

The following sections present the lending volume in the credit portfolios in which the effects of acute global crises were more noticeable than in the rest of the credit portfolios.

This exposure mainly comprised short-dated trade finance, project finance backed by export credit agencies, and syndicated bank loans. Fig. VI.31 shows the breakdown of the lending volume in the countries affected by the various crises.

In 2024, Saudi Arabia was classified as a country affected, in the broader sense, by the war between Israel and Hamas. This means that the total lending volume and total uncollateralized lending volume differ from the corresponding disclosures in the 2023 risk report.

The lending volume of the **Bank sector** in countries affected by global crises accounted for 0.9 percent of the total lending volume as at December 31, 2024, as it had done at the end of 2023. **DZ BANK's** lending volume accounted for 1.5 percent of the total lending volume, which was also largely unchanged year on year (figure in the 2023 risk report excluding Saudi Arabia: 1.4 percent).

8.10 Credit portfolios with increased risk content

The lending volume in the credit portfolios with increased risk content is analyzed separately because of their significance for the risk position.

Finance for cruise ships, which had previously been assigned to the credit portfolios with increased risk content, was no longer a special focus of credit risk management as at the end of 2024. This was in light of the positive changes in the industry, including substantial growth in operating income and a significant improvement in the liquidity situation. This means that the disclosures on finance for cruise ships that had still been included in the risk report in the 2024 interim group management report have now been omitted.

FIG. VI.31 – BANK SECTOR: LENDING VOLUME IN COUNTRIES PARTICULARLY AFFECTED BY ACUTE GLOBAL CRISES

	Bank sector		DZ BANK	
€ million	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Lending volume in countries affected directly by the war in Ukraine	**650**	684	**635**	675
of which uncollateralized: Belarus	1	2	1	2
of which uncollateralized: Russia	86	91	72	83
of which uncollateralized: Ukraine	–	2	–	2
Lending volume in countries affected by the Israel-Hamas war	**2,416**	2,018	**2,415**	2,015
of which uncollateralized: Egypt	13	58	13	57
of which uncollateralized: Iraq	2	2	2	2
of which uncollateralized: Israel	1	1	1	1
of which uncollateralized: Saudi Arabia	143	182	143	181
of which uncollateralized: Turkey	504	371	504	371
Lending volume in countries affected directly by the dispute between China and Taiwan	**1,547**	1,690	**1,518**	1,660
of which uncollateralized: China	1,146	1,008	1,121	982
of which uncollateralized: Taiwan	92	100	90	97
Lending volume	**4,613**	4,392	**4,568**	4,351
of which uncollateralized lending volume	1,989	1,815	1,947	1,778

8.10.1 Finance for cruise ship building

A distinction is made between cruise ship finance and the financing of cruise ship building. This segment, which exclusively affects **DZ BANK** in the Bank sector, is still undergoing a large-scale transformation process.

The shipyards' basic level of capacity utilization is ensured for 2025 and 2026. Growing demand for cruise ships has resulted in further orders being generated, which, in some cases, has secured capacity utilization until part way through 2029. Nevertheless, the challenges of the last few years have taken a heavy toll on customers' credit quality. The affected companies' financial circumstances have not yet stabilized sufficiently, making the outlook uncertain.

The lending volume related to the financing of cruise ship building stood at €422 million as at December 31, 2024 (December 31, 2023: €337 million). Collateral worth €354 million was available as at December 31, 2024 (December 31, 2023: €258 million). As at the reporting date, the collateral chiefly comprised export credit insurance of €177 million (December 31, 2023: €179 million) and €152 million from other public-sector guarantees.

8.10.2 Finance for automotive suppliers

In addition to the factors described in chapter VI.8.8.1 that apply to the automotive sector as a whole, conditions remain particularly challenging for automotive suppliers in Germany.

The automotive supply industry's capital requirements remain at a record level and margins are under increasing pressure. Compared with vehicle manufacturers, automotive suppliers are in a relatively weak competitive position. Financial performance in the supply industry hinges primarily on the volume of vehicles produced, which was low in 2024 due to waning demand. This is reflected in a fall in the number of order call-offs, which remain very volatile. The general expectation is that this will also be the case in 2025, especially in Europe and Germany.

The technology and development expertise of major global suppliers will ensure that they remain the partner of choice for global vehicle manufacturers. However, they are also in competition with new market players from Asia, who are leading the way when it comes to assistance systems and digitalization and will therefore acquire a growing share of value added at the expense of established suppliers. In the years ahead, growth impetus is anticipated first and foremost from Asia, and also to a lesser extent from member countries of the North

American Free Trade Agreement (NAFTA). Uncertainty surrounding future drive systems and vehicle designs as well as expected geopolitical tensions and tariffs will likely have a long-term adverse impact on the market and thus also on suppliers and their transformation. It is also anticipated that the cost-cutting programs of European vehicle manufacturers will eat into suppliers' financial performance.

Within the Bank sector, finance for companies in the automotive supply industry, which falls into the 'corporates' asset class, mainly relates to DZ BANK. As at the reporting date, the loans and advances in the **Bank sector** and at **DZ BANK** amounted to €2,887 million (December 31, 2023: €3,475 million) and €2,709 million (December 31, 2023: €3,338 million) respectively. The year-on-year decline in the lending volume was primarily due to changes in how the portfolio is defined at DZ BANK. This effect amounted to around €600 million.

8.10.3 Finance for borrowers in the clothing and textile industry

The clothing and textile industry tends to be sensitive to changes in the economic environment and inflation and has seen an increased number of insolvencies of late. Although revenue had picked up sharply in 2023, it tailed off again in 2024 amid persistently slack consumer demand. The luxury and upper price segment, which had previously been robust, also recorded falling or flat revenue. Wage increases, a rise in energy costs, and inflation had not yet been fully priced in by dealers, which weighed heavily on the margin in some cases.

The clothing and textile industry depends to a large extent on the procurement of goods from Asia. Although supply chains were intact once again in 2024, there were sporadic delays because freight ships had to be rerouted due to attacks by Houthi rebels in the Red Sea. Unrest in Bangladesh and the resulting temporary factory closures led to a backlog in production. This meant that procurement continued to be expensive, stockpiling had to be stepped up, and uncertainty remained high. The current appreciation of the US dollar is making imports increasingly expensive, and it is difficult to pass on the higher procurement costs to consumers amid the present challenging market environment.

Within the Bank sector, the lending exposure to the clothing and textile industry is concentrated at DZ BANK. As at December 31, 2024, the lending volume in the **Bank sector** and at **DZ BANK** in this industry amounted to €1,718 million (December 31, 2023: €1,757 million) and €1,658 million (December 31, 2023: €1,690 million) respectively.

8.10.4 Finance for borrowers in the construction industry and for home improvement stores

Given their above-average sensitivity (with a time lag) to changes in the wider economy and the fierce level of competition, the construction industry and home improvement stores have been battling several negative factors for quite a while.

The rise in construction costs, the current interest-rate environment, and the policy situation are placing a particular burden on residential construction. These factors have significantly depressed demand across the entire industry.

The number of completed homes fell once again in the year under review, and the number of residential planning permissions also experienced a further substantial decline. The level of orders on hand forecast for industrial, commercial, and public-sector construction in 2025 is largely stable. In the year ahead, impetus is expected from the financing options that have been agreed for railway infrastructure and in energy supply and network expansion. Overall, it is unlikely that the decline in orders on hand in residential construction will be able to be offset, and capacity utilization is expected to continue to go down in the construction segment. Nevertheless, construction companies with international operations can compensate for the situation in the German economy to some extent.

Despite the stabilizing effect of cost-conscious customers who are increasingly carrying out repairs themselves, the level of consumer demand experienced by home improvement stores is being dampened by geopolitical tensions, the dependence on the construction industry, and a bleak economy. Even though profit margins have since been able to be increased slightly as a result of product range adjustments, cost cutting, and renegotiations with suppliers, there are no signs yet of a turnaround.

The lending volume in this portfolio is mainly attributable to DZ BANK. As at December 31, 2024, loans and advances in the **Bank sector** and at **DZ BANK** amounted to €6,630 million (December 31, 2023: €7,456 million) and €5,930 million (December 31, 2023: €6,776 million) respectively. The reduction in the lending volume compared with December 31, 2023 was due in particular to redemptions by a number of individual borrowers.

8.11 Volume of closely monitored and non-performing loans

8.11.1 Closely monitored loans and forborne exposure

Fig. VI.32 shows the volume of loans on the three monitoring lists – **yellow list**, **watchlist**, and **default list** – and the forborne exposure also included in these lists. A further item in the table shows the exposure managed as forborne but not subject to intensified loan management, i.e. not included in the lists.

FIG. VI.32 – BANK SECTOR: CLOSELY MONITORED LENDING VOLUME AND FORBORNE EXPOSURE

	Bank sector		DZ BANK	
€ million	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Yellow list lending volume	**4,842**	3,786	**3,367**	2,665
of which: forborne exposure	152	626	94	463
Watchlist lending volume	**4,712**	4,901	**2,425**	3,094
of which: forborne exposure	1,068	999	677	741
Default list lending volume	**5,475**	3,792	**3,332**	2,185
of which: forborne exposure	2,759	1,473	1,927	884
Total lending volume on monitoring lists	**15,029**	12,479	**9,124**	7,943
of which: forborne exposure	**3,979**	3,097	**2,698**	2,088
Off-monitoring-list forborne exposure	**207**	327	**–**	–
Total forborne exposure[1]	**4,186**	3,424	**2,698**	2,088

1 Both on and off the monitoring lists.

The **closely monitored lending volume** in the **Bank sector** rose by 20 percent from December 31, 2023 to December 31, 2024. This increase was chiefly due to rises of €1,181 million at DZ BANK, €944 million at DZ HYP, €222 million at BSH, and €140 million at TeamBank.

The closely monitored lending volume at **DZ BANK** rose from €7,943 million as at December 31, 2023 to €9,124 million as at December 31, 2024, which constituted an increase of 15 percent. This rise was mainly attributable to an increase of €1,148 million in the lending volume on the default list.

The **forborne exposure** rose from €3,424 million as at December 31, 2023 to €4,186 million as at December 31, 2024, predominantly owing to an increase of €610 million at DZ BANK.

8.11.2 Non-performing loans

As at December 31, 2024, the volume of non-performing loans (NPLs) in the **Bank sector** had risen to €5,475 million from €3,792 million as at December 31, 2023. This increase was chiefly due to the rise in non-performing loans of €1,148 million at DZ BANK, €320 million at DZ HYP, and €105 million at TeamBank. This caused the NPL ratio to advance from 0.8 percent as at December 31, 2023 to 1.1 percent as at December 31, 2024.

Non-performing loans at **DZ BANK** amounted to €3,332 million as at December 31, 2024 (December 31, 2023: €2,185 million). This caused the NPL ratio to also advance to 1.1 percent (December 31, 2023: 0.7 percent).

Fig. VI.33 shows the key figures relating to non-performing loans.

FIG. VI.33 – BANK SECTOR: KEY FIGURES FOR NON-PERFORMING LOANS

	Bank sector		DZ BANK	
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Total lending volume (€ billion)	486.1	471.0	306.3	291.5
Volume of non-performing loans (€ billion)[1]	5.5	3.8	3.3	2.2
Balance of loss allowances (€ billion)[2]	2.3	1.6	1.5	1.0
Coverage ratio (percent)[3]	74.3	79.7	67.9	78.8
NPL ratio (percent)[4]	1.1	0.8	1.1	0.7

1 Volume of non-performing loans excluding collateral.
2 IFRS specific loan loss allowances at stage 3, including provisions.
3 Loss allowances as specified in footnote 2, plus collateral, as a proportion of the volume of non-performing loans.
4 Volume of non-performing loans as a proportion of total lending volume.

8.12 Risk position

8.12.1 Risks in the entire credit portfolio

The risk capital requirement for credit risk is based on a number of factors, including the size of single-borrower exposures, individual ratings, collateral, and the industry sector of each exposure.

As at December 31, 2024, the **credit value-at-risk** in the Bank sector was €4,011 million (December 31, 2023: €3,971 million). The credit risk **limit** as at December 31, 2024 amounted to €4,994 million (December 31, 2023: €4,988 million).

DZ BANK's credit value-at-risk as at December 31, 2024 amounted to €2,306 million (December 31, 2023: €2,359 million), with a **limit** of €2,800 million (December 31, 2023: €2,760 million).

Fig. VI.34 shows the credit value-at-risk together with the average probability of default and expected loss.

FIG. VI.34 – BANK SECTOR: FACTORS DETERMINING THE CREDIT VALUE-AT-RISK

	Bank sector		DZ BANK	
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Average probability of default (percent)	0.4	0.3	0.2	0.2
Expected loss (€ million)	462	440	184	186
Credit value-at-risk (€ million)	4,011	3,971	2,306	2,359

In the analysis of **individual concentrations** as at December 31, 2024, the 20 counterparties associated with the largest credit value-at-risk accounted for 23 percent of the total credit value-at-risk in the **Bank sector** (December 31, 2023: 28 percent) and 38 percent of the total credit value-at-risk at **DZ BANK** (December 31, 2023: 40 percent). Compared with the end of 2023, these shares were down by 5 percentage points and 2 percentage points for the Bank sector and DZ BANK respectively.

8.12.2 Risks in the credit portfolios with increased risk content

The risk capital required in the **Bank sector** and at **DZ BANK** for credit portfolios exposed to increased credit risk is shown in Fig. VI.35.

FIG. VI.35 – BANK SECTOR: CREDIT VALUE-AT-RISK[1] FOR CREDIT PORTFOLIOS WITH INCREASED RISK CONTENT

	Bank sector		DZ BANK	
€ million	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Finance for cruise ship building	25	4	25	4
Finance for automotive suppliers	55	46	54	45
Finance for borrowers in the clothing and textile industry	14	10	12	9
Finance for borrowers in the construction industry (including home improvement stores)	56	50	35	35

1 Excluding decentralized capital buffer requirement.

The increase in credit value-at-risk for finance for cruise ship building compared with December 31, 2023 was largely due to deterioration in individual credit standings.

9 Equity investment risk

9.1 Definition and business background

Equity investment risk is defined as the risk of losses arising from negative changes in the fair value of that portion of the long-term equity investments portfolio for which the risks are not included in other types of risk. Equity investment risk also includes the risk of losses arising from negative changes in the fair value of the management units' real estate portfolios caused by a deterioration in the general real estate situation or specific factors relating to individual properties (such as vacancy, tenant default, loss of use).

In the Bank sector, equity investment risk arises primarily at DZ BANK, BSH, and TeamBank.

The entities in the Bank sector hold long-term equity investments largely for strategic reasons, especially to cover markets, market segments, or parts of the value chain in which they themselves or the cooperative banks are not active. These investments therefore support the sales activities of the cooperative banks or help reduce costs by bundling functions. The investment strategy is continuously aligned with the needs of Cooperative Financial Network policy.

9.2 Risk strategy and responsibility

Risk strategy requirements must be observed in the management of long-term equity investments. Such management is subject to the principle that equity investment risk (measured as risk capital requirement) may be taken on only if the risk remains below the existing limits.

The **investment portfolio is managed** in line with the provisions of the equity investment risk strategy. At DZ BANK, these provisions are supplemented by rules and instructions, which stipulate, for example, that ongoing investment management and the monitoring of the performance of long-term equity investments are subject to MaRisk requirements.

Decisions on whether to acquire or dispose of **long-term equity investments** are made by the Board of Managing Directors of the entities in the Bank sector in consultation with the relevant committees.

At DZ BANK, the Group Finance division is responsible for **supporting these investments**, whereas at BSH the task falls within the scope of the Central Services/Policy/International division and the Financial Controlling division.

Equity investment risk in the Bank sector is **measured and monitored** by DZ BANK.

9.3 Risk factors

The level of equity investment risk is significantly influenced by specific risk factors such as the equity investment's industry sector, the location of its registered office, and the amount of the investment. The possibility cannot be ruled out that a future impairment test on the long-term equity investments held by the entities in the Bank sector could lead to a significant reduction in the carrying amounts of these investments reported on the balance sheet. In the case of non-controlling interests, there is also a risk that key information may not be available or cannot be obtained promptly by virtue of the fact that the investment is a minority stake and this could result in a need to recognize impairment losses.

9.4 Risk management

The carrying amounts of the long-term equity investments are regularly tested for possible impairment in the last quarter of the financial year.

For the real estate directly owned by DZ BANK, the Bank Finance division and the central facility management team perform an impairment test every six months based on the carrying amounts and current valuation reports. If there are any indications during the course of the year of possible impairment, more frequent impairment tests are also carried out.

The risk capital requirement for the vast majority of the long-term equity investments is determined using a Monte Carlo simulation with a 1-year observation period and a confidence level of 99.9 percent (portfolio risk measurement). In this method, portfolio concentrations in sectors and individual counterparties are taken into account by simulating industry-wide and individual investment-related risk factors. Unlike in 2023, a historical simulation is now used instead of the previous assumption of logarithmic normal distribution. The risk capital requirement is influenced, in particular, by the market values of the long-term equity investments and by past changes in market value, with market price fluctuations mainly derived from reference prices listed on an exchange. For a minority of the long-term equity investments, a look-through approach is taken in which the individual risk types that exist in each long-term equity investment are measured (differentiated risk measurement).

9.5 Carrying amounts of long-term equity investments and risk position

As at December 31, 2024, the **carrying amounts of long-term equity investments** relevant for the measurement of equity investment risk amounted to €2,827 million in the **Bank sector** (December 31, 2023: €3,046 million) and €2,139 million at **DZ BANK** (December 31, 2023: €2,175 million).

The **risk capital requirement** for equity investment risk in the **Bank sector** was calculated to be €807 million as at the reporting date (December 31, 2023: €998 million). The **limit** was €1,364 million (December 31, 2023: €1,281 million). The **risk capital requirement** for **DZ BANK** as at December 31, 2024 came to €653 million (December 31, 2023: €664 million) with a **limit** of €870 million (December 31, 2023: €795 million).

The decline in the risk capital requirement was attributable to the sale of individual long-term equity investments. A change in the risk modeling methods used also contributed to the reduction in risk.

10 Market risk

10.1 Definition

Market risk is the risk of loss that could arise from adverse changes in market prices or in parameters that influence prices. Market risk encompasses a number of risk subtypes, including interest-rate risk in the banking book, interest-rate risk in the trading book, spread risk (constantly monitored component; broken down by banking book and trading book) and migration risk (as intermittent spread risk), currency risk, equity risk, fund price risk, commodity risk, and asset-management risk. Parameters that determine market risk also include a category of risk factors referred to as 'opaque'. These risk factors are parameters that are relevant to measurement but cannot be directly observed and must therefore be derived from quoted market prices using models.

The subcategories of market risk are defined as follows:
- **Interest-rate risk** is the risk of losses that could arise from financial instruments due to a change in the (notionally credit-risk-free) basis yield curve or the interest-rate volatility used for valuation. It also comprises the risk of losses that could arise from the change in the spread of discount and forward curves relative to the basis yield curve if there are differences in collateralization, payment frequency (known as the tenor basis spread), or the base currency (known as the cross-currency spread) relative to the basis yield curve. Credit spreads or issuer-specific spreads are explicitly not a component of interest-rate risk. They are subsumed under spread risk.
- **Spread risk** is the risk of losses that could arise from financial instruments due to a change in the credit spreads with an unchanged credit rating.
- **Migration risk** is the risk of losses that could arise from financial instruments due to a change in the issuer credit ratings or issue ratings, which are parameters that have an influence on prices.
- **Currency risk** is the risk of losses that could arise from financial instruments due to a change in exchange rates or exchange-rate volatility.
- **Equity risk** is the risk of losses that could arise from financial instruments due to a change in share prices or share price volatility.
- **Fund price risk** is the risk of losses that could arise from a change in fund prices where the funds' risks are not covered by other types or subtypes of market risk or by equity investment risk.
- **Commodity risk** is the risk of losses that could arise from financial instruments (including cryptocurrencies) due to a change in commodity prices or commodity price volatility.
- **Asset-management risk** is the risk that further margin payments have to be made to investors due to contractual obligations. These payments fall due if guaranteed minimum capital values are not met for guarantee funds or guarantee products.
- **Market liquidity risk** is the risk of losses that could arise from adverse changes in market liquidity – for example, because of market disruption or a reduction in market depth – such that assets can only be liquidated in markets if they are discounted and that it is only possible to carry out dynamic risk management on a limited basis.

For the purposes of measuring and managing risk, market risk is broken down into spread and migration risk, asset-management risk, and general market risk, the last of which encompasses all the other risk subtypes.

10.2 Business background and risk strategy

10.2.1 Business background

The DZ BANK Group is exposed to considerable market risk in the Bank sector. Market risk arises mainly in connection with BSH, DZ HYP, and UMH in addition to DZ BANK. The assumption of market risk by these entities in the Bank sector is primarily attributable to the DZ BANK Group's strategic focus on the Cooperative Financial Network. This strategy means that each entity in the DZ BANK Group specializes in certain types of product with a corresponding impact on the respective entity's risk profile.

Market risk arises in the Bank sector mainly as a consequence of the following business activities:
- **DZ BANK**: own trading activities; traditional lending business with non-retail customers
- **BSH**: building society operations; traditional lending business largely aimed at financing privately owned real estate; securities portfolios
- **DZ HYP**: financing for real estate and local authorities; portfolios of securities held to manage liquidity and cover assets
- **UMH:** own-account investing activities; guarantee obligations to customers contained in Riester fund-linked savings plans and guarantee funds

UMH's Riester fund-linked savings plans consist of UniProfiRente, a retirement pension solution certified and subsidized by the German government. The amounts paid in during the contributory phase and the contributions received from the government are guaranteed to be available to the investor at the pension start date together with any increase in value achieved during the contributory phase. The pension is then paid out under a payment plan with a subsequent life annuity. If UMH has to provide additional capital to be able to meet its guarantee commitments, this could have a detrimental impact on the financial performance of the DZ BANK Group.

Liabilities and – where present in a group entity – assets related to direct pension commitments are a further source of market risk. Market liquidity risk arises primarily in connection with securities already held in the portfolio as well as funding and money market business.

10.2.2 Risk strategy

The following principles for managing market risk apply to the entities in the **Bank sector**:

– Market risk is only taken on to the extent that it is necessary to facilitate attainment of business policy objectives.
– The assumption of market risk is only permitted within the existing limits.
– Statutory restrictions, provisions in the Articles of Association, or other limitations enshrined in the risk strategy that prohibit the assumption of certain types of market risk for individual management units are observed.

The entities in the Bank sector pursue the following strategies in relation to the individual **types of market risk**:

– **Spread** and **migration risk** is consciously and selectively assumed and managed within the limits.
– **Interest-rate risk** associated with the original business purpose of the management units is hedged within defined limits. In contrast, interest-rate risk from defined benefit obligations and market risk from assets (generally funds) held to meet defined benefit obligations are accepted and included in the calculation of risk-bearing capacity.
– **Equity risk** and **fund price risk** are consciously assumed within the limits in place and actively managed.
– Virtually all **currency risk** is hedged.
– **Commodity risk** is assumed only to a very small degree.
– **Market liquidity risk** is consciously assumed following an analysis that takes into account the prevailing liquidity.

10.3 Risk factors

10.3.1 General market risk factors

Spread and migration risk, interest-rate risk, equity risk, fund price risk, commodity risk, and currency risk are caused by changes in the yield curve, credit spreads, exchange rates, share prices, and commodity prices. Spread risk, including migration risk, is the most significant type of market risk for the entities in the Bank sector.

The widening of credit spreads is triggered by an elevated level of market uncertainty about assets subject to default risk. Rising credit spreads stem from market players being more reluctant to buy – or more willing to sell – assets subject to default risk. If there is also a deterioration in rating agencies' assessments of credit risk, this triggers a downgrade in the issuer credit rating or issue rating (migration of credit ratings).

10.3.2 Specific market risk factors

A widening of credit spreads and migrations of credit ratings can stem from a number of macroeconomic risk factors. These include the **escalation of geopolitical tensions** and resulting **trade friction** (chapter VI.5.2.1), a **global economic downturn** (chapter VI.5.2.2), and **economic policy divergence in the eurozone** (chapter VI.5.2.3). Such developments can lead to increased credit spreads and to the migration of credit ratings of bonds held by entities in the Bank sector. This could particularly affect government bonds from countries in poor financial health, such as Italy and France.

The unexpected movements in the interest-rate market described in chapter VI.5.2.6 could also have an adverse impact on the Bank sector's investments as follows:

A **rise in interest rates** and a widening of bond spreads would lead to a reduction in the fair values of investments and funding. Falls in fair value caused by a rapid rise in interest rates or the widening of spreads could – depending on the term structure of the capital market asset or liability products – have a temporary or permanent impact on profit and equity. A negative change in the fair values of investments associated with a widening of credit spreads in isolation could also cause a deterioration in risk-bearing capacity.

For the asset management activities of UMH, there is also a risk that rising interest rates could cause the fair values of fixed-income funds to fall. Particularly in the case of pension schemes with an unfavorable duration asymmetry and a high volume of fixed-income funds, this may mean that the guarantee commitments given to customers cannot be met from the investment instruments in the products.

By contrast, a **fall in interest rates** would increase the fair values of the investments and funding, which, for terms of liabilities that are longer than the average investment horizon (for example, defined benefit obligations and pension schemes with an unfavorable duration asymmetry), could have an adverse impact on profit and equity.

A share price slump in the equity markets in the wake of heightened **volatility in the global financial markets** could result in fair value losses on the investments of entities in the Bank sector and on the shareholdings in UMH's pension products. The potential causes of such a development are explained in chapter VI.5.2.7.

10.4 Organization and responsibility

Market risk in the **Bank sector** is managed on a decentralized basis by the individual management units within the centrally specified limits for the capital requirement for market risk. Each unit bears responsibility for the risk and performance associated with each portfolio. Responsibility for managing risk within a management unit is normally brought together under a local treasury unit.

One exception is **DZ BANK**, where portfolios are managed at the level of subordinate organizational units (group, department, division). In this case, the relevant traders bear direct responsibility for risk and performance. The organizational units are structured in such a way that the responsibility for the marketing of certain types of product is assigned in each case to a trading division with product responsibility.

10.5 Management of market risk

10.5.1 Central market risk measurement

Central market risk measurement in the overall portfolio

Various components are used to quantify market risk in the Bank sector from a present-value perspective. These components are combined to determine the aggregate risk capital requirement for market risk, taking into account the effects of concentration and diversification. The risks arising in connection with the assets and liabilities associated with direct pension commitments are also factored in. The models are operated centrally by DZ BANK and are fed with input data provided by the management units on each trading day. Sector-wide standards and rules are in place to ensure that the modeling is appropriate.

The first component of the measurement approach creates a spread and migration risk model based on a **Monte Carlo simulation**. It determines the combined spread and migration risk over a longer-term (strategic) horizon of 1 year with a confidence level of 99.9 percent. Whereas spread risk quantifies credit-risk-related losses from financial instruments in a short-term view of value-at-risk, this becomes the combined spread and migration risk in the risk capital requirement over a longer-term perspective. For this reason, migration risk is not shown in the table of values-at-risk in Fig. VI.36.

The second component is a value-at-risk model based on a **historical simulation** in which the general market risk is determined from a short-term (operational) perspective over one day and with a unilateral confidence level of 99.0 percent. The day-by-day calculation of market risk is based on a historical observation period of 250 trading days. A number of risk factors, categorized into groups, are included in the risk calculation. The relevant risk factor groups considered in the risk model include yield curves, basis and credit spreads, share prices, exchange rates, and commodity prices. The model also includes implied volatility in the risk measurement. Drawing on the results of the value-at-risk measurement, a transformation model turns the operational key risk indicators (also taking account of stress events) into a strategic perspective in which a 1-year holding period and a confidence level of 99.9 percent are assumed.

In the last step, the results from the spread and migration risk model and from the transformation model are then combined to give the **aggregate risk capital requirement** for market risk.

Central market risk measurement for interest-rate risk in the banking book

For internal sector-wide management purposes, the banking book and trading book are treated in the same way in terms of the models and key risk indicators used, the frequency of risk measurement, and the main risk measurement parameters. To supplement this risk measurement approach in which the banking and trading books are analyzed holistically, interest-rate risk in the banking books of the entities in the Bank sector from a regulatory perspective is managed separately using a present-value approach.

On behalf of the other management units in the Bank sector, DZ BANK also operates a partially centralized model for quantifying periodic interest-rate risk. Overall, these methods are used to record the impact from changes in interest rates, both from an economic perspective (based on present value) and from the angle of net interest income.

Concentrations of market risk

Concentrations in the portfolio affected by market risk are identified by classifying the exposure in accordance with the risk factors associated with interest rates, spreads, migration, equities, currencies, and commodities. This incorporates the effects of correlation between these different risk factors, particularly in stress phases.

10.5.2 Decentralized market risk measurement

Decentralized measurement of general market risk and spread risk

In addition to the models specified in chapter VI.10.5.1, the material **management units** operate their own risk models to satisfy ICAAP requirements from the perspective of the individual institution. With the exception of asset-management risk at UMH, the results from these models are not used to manage market risk on a present-value basis in the Bank sector and therefore do not form part of this risk report.

Decentralized measurement of asset-management risk

The risk capital requirement for asset-management risk is determined locally by **UMH** and then added to the risk capital requirement for general market risk and spread risk calculated centrally for the Bank sector. Asset-management risk comprises risks related to guarantee funds and Riester pensions. Following the approach used for the central measurement of market risk, the risk capital requirement for asset-management risk is calculated on the basis of a Monte Carlo simulation, using a confidence level of 99.9 percent and a 1-year holding period, and taking into account the specific investment selections made in the customer investment account.

Decentralized measurement of periodic interest-rate risk and spread risk in the banking book

In addition to the present-value perspective, which considers the total term when determining the risk of transactions involving risk, the interest-rate risk in the banking book (IRRBB) and the credit spread risk in the banking book (CSRBB) are managed in a periodic approach limited to a period of 1 year. These risks are also referred to as periodic interest-rate risk and spread risk. Periodic risk management is based on specific regulatory requirements.

Periodic interest-rate risk and spread risk in the banking book represent the impact of changes – stipulated by the supervisory authority – in interest rates and spreads on the accounting profit of the DZ BANK Group and DZ BANK. Building on the periodic net interest income (NII) risk, which measures the effects of interest-rate and spread changes on net interest income without considering measurement effects, the NIIMV risk also includes the risk resulting from present-value changes in market value (MV) in respect of transactions recognized in the income statement or directly in equity (other comprehensive income, OCI) in accordance with IFRS. OCI consists of changes in equity that are not captured in the income statement and are not attributable to deposits or withdrawals by owners. In this manner, all earnings risks impacting on the income statement or equity for a forecast horizon of 1 year are condensed into a periodic key risk indicator.

The interest-rate scenarios used to calculate periodic interest-rate risk in the banking book contain substantial parallel shifts and rotations of the current yield curve. To calculate periodic spread risk in the banking book, both general and rating-dependent spread changes are taken into account.

The interest-rate sensitivities for periodic interest-rate risk and spread risk in the banking book are determined by changing the yield curve. Some of the management units use behavior-based models to measure periodic interest-rate risk. These models help, in particular, to accurately reflect the optionalities in the traditional lending business and in building society operations. Examples of these include options for drawing down loans or credit lines, termination options, and special repayment options. Calculating NII risk involves a 1-year future projection of NII. This is based on assumptions regarding interest-rate changes (swap curves) and an assumption of a constant balance sheet to aid comparability and predictability. The difference between the NII simulated in the baseline scenario (constant interest rates) and the NII simulated in an assumed interest-rate scenario is described as the periodic interest income risk for the particular interest-rate scenario.

NII risk is determined by the management units on a decentralized basis in line with DZ BANK's rules. DZ BANK's Group Risk Controlling division supplements the results of the decentralized calculations with market value effects relevant to the balance sheet (NIIMV) and condenses the results into an aggregate figure representing the Bank sector's NIIMV risk.

10.5.3 Backtesting and stress tests

The central value-at-risk model is subject to **backtesting**, the purpose of which is to verify the predictive quality of the model. Changes in the value of portfolios on each trading day are usually compared against the value-at-risk calculated using risk modeling. For UniProfiRente, backtesting is carried out on the basis of monthly changes in the value of the portfolio.

Risks arising from extreme market situations are primarily recorded using **stress tests**. The crisis scenarios underlying the stress tests include the simulation of significant fluctuations in risk factors and serve to highlight potential losses not generally recognized in the value-at-risk approach. Stress tests are based on extreme market fluctuations that have actually occurred in the past together with crisis scenarios that – regardless of market data history – are considered to be economically relevant. The crisis scenarios used in this case are regularly reviewed to ensure they are appropriate. The following are deemed to be risk factors: interest-rate risk, spread risk, migration risk, currency risk, equity risk, and commodity risk.

10.5.4 Management of limits for market risk

The starting point for limiting market risk is a limit for the capital requirement for market risk in the **Bank sector** specified as part of operational planning. This limit is broken down into an individual limit for the market risk capital requirement in each management unit.

Within **DZ BANK**, this limit is then further subdivided into a system of limits for the divisions, departments, and groups to appropriately reflect the decentralized portfolio responsibility assigned to these units and the nature of the bank from a regulatory perspective as a trading book institution. Limits are monitored on every trading day.

10.5.5 Mitigating market risk

The entities in the Bank sector use various approaches to mitigate market risk. For example, some market risk from the assets-side business (such as traditional lending business) or from the liabilities-side business (such as home savings deposits) is offset by suitable countervailing liability or asset transactions (such as own issues or securities). These activities are carried out as part of asset/liability management. In other cases, financial derivatives are used for hedging purposes.

As the measurement of market risk is based on the inclusion of the individual items subject to market risk, there is no need to monitor the economic effectiveness of hedges.

10.5.6 Managing the different types of market risk

Management of interest-rate risk

Interest-rate risk arising from operating activities at **DZ BANK** and **DZ HYP** is mitigated primarily by means of hedging using interest-rate derivatives, on the basis of either individual transactions or portfolios. At **BSH**, an asset/liability management approach based on the maturities of the securities in the investment portfolio is the predominant method used to manage interest-rate risk arising from the collective building society operations and the traditional lending business, including the interest-rate risk associated with direct pension commitments. Interest-rate derivatives are also used for risk management purposes but are currently of minor significance.

DZ BANK is notably exposed to significant **interest-rate risk from direct pension commitments** in addition to the interest-rate risk arising from operating activities. This risk is consciously assumed within the existing limits.

Periodic and present-value risk is taken into account when managing interest-rate risk.

Management of spread risk and migration risk

Most of the spread and migration risk in the **Bank sector** arises from non-trading portfolios and is consciously assumed within the established limits in accordance with the associated long-term investment strategy. Hedging instruments are also used in carefully selected trading book portfolios. The central measurement of this risk means that the level of the risk on every trading day is transparent. If there is any indication that the ability to bear the spread and migration risk is in jeopardy, Group Treasury at DZ BANK will initiate corrective measures across the sector.

Management of equity risk and fund price risk

Equity risk and fund price risk from the non-trading portfolios are managed first and foremost by directly changing the underlying exposure. Derivative products are also used within the trading portfolios to keep the type of risk involved within the allocated limits. Some funds are broken down into their constituent parts for the purposes of measuring the risk. In such cases, the risk is not treated as part of fund price risk, but is managed within the type of market risk determined for the constituent part concerned.

Management of asset-management risk

Asset-management risk arises from minimum payment commitments given by **UMH** and/or its subsidiaries for guarantee products. The risks from these guarantee products are managed mainly by using asset allocation. Asset-management risk is reported using UMH’s separate internal system and is monitored regularly by UMH.

Management of market liquidity risk

The calculation of general market risk in the Bank sector using the transformation model and the spread and migration risk model takes market liquidity risk into account.

Within the transformation model, stress events are expressly integrated into the analysis when market risk is transferred from an operating perspective to a strategic perspective. The change in risk factors in these events is based on the assumption that it is not possible to make changes to the exposures in the portfolio of the Bank sector over a specified period.

The spread and migration risk model implicitly factors in phases of diminishing market liquidity via the calibration of the credit spread volatility included in the model. The estimation of volatility based on market data from the recent past also uses a lower limit determined from longer-term data. This prevents any low level of credit spread volatility in a calm market environment with normal liquidity from being transferred directly into the model parameters.

10.6 Risk position

10.6.1 Value-at-risk

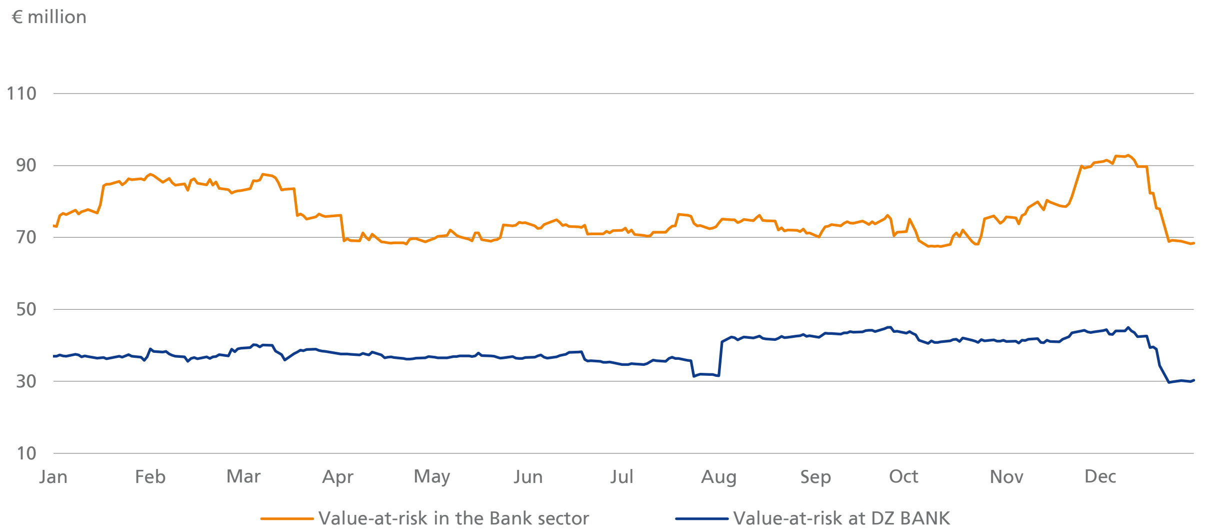
Fig. VI.36 shows the average, maximum, and minimum values-at-risk measured for the Bank sector and DZ BANK over the reporting year, including a further breakdown by type of market risk. In addition, Fig. VI.37 shows the change in market risk for the Bank sector by trading day in the reporting period. In both figures, the value-at-risk relates to the **trading and banking books for regulatory purposes.**

FIG. VI.36 – BANK SECTOR: CHANGE IN MARKET RISK, BY RISK SUBTYPE[1, 2]

	Bank sector					DZ BANK				
€ million	**Dec. 31, 2024**	Average	Maximum	Minimum	Dec. 31, 2023	**Dec. 31, 2024**	Average	Maximum	Minimum	Dec. 31, 2023
Interest-rate risk	**39**	43	63	31	49	**7**	9	15	5	10
Spread risk	**56**	63	67	56	58	**33**	37	41	31	31
Equity risk[3]	**15**	11	15	8	9	**3**	3	3	2	3
Currency risk	**4**	6	7	3	5	**4**	5	7	3	4
Commodity risk	**1**	1	2	1	2	**1**	1	1	1	1
Aggregate risk[4]	**68**	76	93	67	74	**30**	39	45	30	37

1 The disclosures relate to general market risk and spread risk. Asset-management risk is not included.
2 Value-at-risk with 99.0% confidence level, 1-day holding period, 1-year observation period, based on a central market risk model for the Bank sector. Concentrations and effects of diversification were taken fully into account when calculating the risks.
3 Including funds, if not broken down into constituent parts.
4 Due to the diversification effect between the market risk subtypes, the aggregate risk does not tally with the total of the individual risks.

FIG. VI.37 – BANK SECTOR: CHANGE IN MARKET RISK, BY TRADING DAY[1]



1 Value-at-risk with 99.0% confidence level, 1-day holding period, 1-year observation period, based on a central market risk model for the Bank sector. Concentrations and effects of diversification were taken fully into account when calculating the risks.

The value-at-risk for interest-rate risk in all of the portfolios and the value-at-risk for interest-rate risk in the banking book for regulatory purposes are calculated using identical risk models. Variations in risk values are attributable directly to differences in the calculation bases used for the various portfolios.

As at December 31, 2024, the value-at-risk for the **interest-rate risk in the banking book for regulatory purposes** was calculated as follows (prior-year figures in parentheses):
– **Bank sector**: €37 million (€48 million)
– **DZ BANK**: €4 million (€9 million)

The reduction in risk was partly attributable to particular scenarios no longer being included in the rolling observation period in the risk model. An improvement in the methods used to measure non-outsourced defined benefit obligations also contributed to the reduction in risk.

The decrease in value-at-risk in the Bank sector from €74 million as at December 31, 2023 to €68 million as at December 31, 2024 was mainly attributable to a reduction in spread risk, in addition to the diversification effect. This was due to particular scenarios no longer being included in the rolling observation period in the risk model.

10.6.2 Periodic interest-rate risk and periodic spread risk in the banking book

The periodic interest-rate risk and spread risk calculated for the banking book are shown in Fig. VI.38.

FIG. VI.38 – BANK SECTOR: PERIODIC INTEREST-RATE RISK AND PERIODIC SPREAD RISK IN THE BANKING BOOK

	Bank sector		DZ BANK	
€ million	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Periodic interest-rate risk (IRRBB NIIMV risk)	288	558	185	563
Periodic spread risk (CSRBB NIIMV risk)	90	202	70	17

The year-on-year decline in the IRRBB NIIMW risk of the Bank sector and of DZ BANK measured as at December 31, 2024 was largely attributable to the improved recognition of exposures as a result of enhancements to the IT infrastructure. The enhancements related to a new IT system from an external provider that went live for calculating periodic NII risk. Furthermore, this IT system draws on higher quality business data. Changes in fixed interest rates for short maturities also contributed to the decline in the IRRBB NIIMW risk.

In 2024, pension assets and liabilities were additionally included in the calculation of the CSRBB NIIMW risk. This led to a reduction in the CSRBB NIIMW risk in the Bank sector but to an increase in this risk at DZ BANK. The countervailing change in risk is due to the use of different worst-case scenarios.

10.6.3 Risk capital requirement

As at December 31, 2024, the risk capital requirement for **market risk** in the **Bank sector** and at **DZ BANK** amounted to €3,621 million (December 31, 2023: €4,169 million) and €1,972 million (December 31, 2023: €1,757 million) respectively, with **limits** of €7,120 million (December 31, 2023: €6,470 million) and €3,000 million (December 31, 2023: €3,000 million) respectively. The reduction in risk was largely due to particular scenarios no longer being included in the rolling observation period in the risk model.

The Bank sector's risk capital requirement encompasses the **asset-management risk of UMH**. Asset-management risk as at December 31, 2024 amounted to €90 million (December 31, 2023: €273 million). The decrease in risk was mainly due to movements in interest rates and the buoyant equity markets.

11 Technical risk of a home savings and loan company

11.1 Definition

Technical risk of a home savings and loan company is subdivided into two components: new business risk and collective risk. **New business risk** is the risk of a negative impact from possible variances compared with the planned new business volume. **Collective risk** refers to the risk of a negative impact that could arise from variances between the actual and forecast performance of the collective building society operations caused by significant long-term changes in customer behavior unrelated to changes in interest rates.

BSH's business risk and reputational risk are included within the technical risk of a home savings and loan company.

11.2 Business background and risk strategy

Technical risk of a home savings and loan company arises in the Bank sector in connection with the business activities of **BSH**. This risk represents the entity-specific business risk of BSH. A home savings arrangement is a system in which the customer accumulates savings earmarked for a specific purpose. The customer enters into a home savings contract with fixed credit balance and loan interest rates, so that when the savings phase (which may be subsidized under statutory arrangements) is completed at a later point and a loan is allocated under the contract, they can receive a home savings loan with a fixed rate of interest. A home savings agreement is therefore a combined asset/liability product with a long maturity.

Technical risk of a home savings and loan company is closely linked with the BSH business model and cannot therefore be avoided. Against this backdrop, the **risk strategy** aims to prevent an uncontrolled increase in risk.

11.3 Risk factors

A variance between the actual and planned new business volume (**new business risk**) could lead to lower deposits from banks and customers over the short to medium term. Over the medium to long term, the lower level of new business could also lead to a decrease in loans and advances to banks and customers.

Variances between the actual and forecast performance of the collective building society operations caused by significant long-term changes in customer behavior unrelated to changes in interest rates (**collective risk**) could also lead to lower loans and advances to banks and customers and to lower deposits from banks and customers.

Over the medium to long term, there is a risk that a lower level of new business and change in customer behavior could lead to a fall in earnings and therefore to a decline in capital.

A higher starting rate of interest could lead to outflows in collective building society operations, thereby exacerbating the adverse impact of varied parameters in the technical risk of a home savings and loan company and increasing that risk. The causes of a potential interest-rate rise are explained in chapter VI.5.2.6.

11.4 Responsibility and risk management

BSH is **responsible** for managing the technical risk of a home savings and loan company within the Bank sector. This includes measuring the risk and communicating risk information to the risk management committees at BSH and to the Board of Managing Directors and Supervisory Board of BSH.

A special collective simulation, which includes the integrated effects of a (negative) change in customer behavior and a drop in new business, is used to **measure the technical risk of a home savings and loan company** on a quarterly basis. The input parameters are selected to ensure a confidence level of 99.9 percent. Due to the specifics of building society operations, effects beyond a holding period of 1 year are taken into account for the technical risk of a home savings and loan company. The results from the collective simulation for the technical risk of a home savings and loan company are fed into a long-term forecast of earnings. The variance between the actual earnings in the risk scenario and the earnings in a base forecast with the same reference date is used as a risk measure. The variance is discounted to produce a present value. The total present value of the variances represents the technical risk of a home savings and loan company and therefore the risk capital requirement for this type of risk. **Concentrations** of this risk are most likely to arise from new business risks.

Technical risk of a home savings and loan company is **managed** in particular through a forward-looking policy for products and scales of rates and charges, and through appropriate marketing activities and sales management.

11.5 Risk position

As at December 31, 2024, the **risk capital requirement** for the technical risk of a home savings and loan company amounted to €719 million (December 31, 2023: €730 million) with a **limit** of €820 million (December 31, 2023: €820 million).

12 Business risk

12.1 Definition and business background

Business risk refers to the risk that financial performance is not in line with expectations, and this is not covered by other types of risk. In particular, this comprises the risk that, as a result of changes in material circumstances (for example, economic conditions, product environment, customer behavior, market competitors) or inadequate strategic positioning, corrective action cannot be taken to prevent losses.

Business risk mainly affects DZ BANK. DZ BANK's core functions as a **central institution and corporate bank** and **holding company** mean that it focuses closely on the local cooperative banks, which are its customers and owners. In this context, business risk can arise from corporate banking, retail banking, capital markets business, and transaction banking.

12.2 Risk strategy

The objective of the business risk strategy is to specify how business risk is to be managed, taking into account the relevant **business drivers**, and thus contribute to achieving the targets set out in the business strategy. The focus is on preventing both an unplanned increase in risk and potential losses arising from a slump in income or from increases in staff expenses or operating costs.

The following **instruments** are used to support the attainment of targets:
– Forward-looking assessment of success factors and specification of targets as part of the strategic planning process
– Groupwide coordination of risk management, capital allocation, and corporate strategy, together with the leveraging of synergies
– Setting of limits and monitoring

12.3 Risk factors

12.3.1 General risk factors for business risk

Over the next few years, the DZ BANK Group is likely to continue to face **increased costs**, and thus reduced profits, in connection with implementing the requirements resulting from **regulatory legislative initiatives**.

Fiercer **competition in retail and corporate banking based on pricing and terms** could give rise to margins that are economically unattractive for DZ BANK or that do not adequately cover the risk arising from the corresponding transactions.

12.3.2 Sustainability-related risk factors for business risk

Transition risks can increase business risk through the following political initiatives, technological innovations, and changes in behavior:

- Actions in connection with the change in energy policy, such as the coal phase-out and increases in carbon emission prices
- The development of alternative drive systems to reduce the use of fossil fuels in the transportation sector, especially switching away from the internal combustion engine
- Enhanced requirements for reducing the consumption of resources such as energy, water, and commodities and improving energy efficiency
- The use of energy-saving technologies
- Changed consumer behavior as part of a growing awareness of the negative impact of consumption on the climate

These developments could lead to rising costs and falling customer demand, and thus to a deterioration in the financial performance of DZ BANK and the DZ BANK Group.

12.4 Organization and responsibility

The management of business risk is a primary responsibility of the **Board of Managing Directors** and is carried out in consultation with the senior management of the material subsidiaries and the heads of the DZ BANK divisions involved. Group management is integrated into a committee structure, headed by the **Group Coordination Committee**. The Group Finance division supports the Board of Managing Directors as part of its role in supervising the activities of the subsidiaries. Details of the committee structure and the supervision of subsidiaries can be found in chapter I.2.2 of the (group) management report.

12.5 Risk management

The management of business risk is closely linked with the tools used in the **strategic planning process**. It is based on setting targets for the subsidiaries involved in management and for the divisions of DZ BANK. The strategic planning process is described in chapter I.2.4 of the (group) management report.

To identify regulatory initiatives with a material impact on the DZ BANK Group and its entities, a **centralized regulation management office** has been set up at DZ BANK. This office establishes direct contact with the relevant units at DZ BANK and the other management units, and organizes regular bank-wide and groupwide dialogue on identified and new strategic regulatory initiatives. It also uses a 'regulatory map' to report to the relevant steering committees, the Board of Managing Directors, and the Supervisory Board.

Business risk in the Bank sector is **quantified** with a confidence level of 99.9 percent using a risk model operated by DZ BANK and centralized data at the level of the DZ BANK Group. The risk model is based on an earnings-at-risk approach with due regard to the definition of economic available internal capital. A Monte Carlo simulation is used to model a probability distribution for the earnings relevant to business risk, which comprise selected income and expense items from the IFRS income statement, with an analysis period of 1 year. This distribution produces the risk capital requirement in the amount of the modeled actual loss.

The broad diversification and sustainability of the business models used by the entities in the Bank sector are intended to prevent excessive **concentrations of income**. As part of a groupwide risk concentration analysis, which itself forms part of the risk inventory check, a review is carried out annually, and on an ad hoc basis as required, to identify concentrations of income and assess their materiality. This aims to ensure that income concentrations are appropriately taken into account in risk-bearing capacity.

12.6 Risk position

As at December 31, 2024, the **risk capital requirements** for business risk both in the **Bank sector** and at **DZ BANK** amounted to €0 million. As at December 31, 2023, the risk capital requirements had amounted to €363 million and €335 million respectively. The decline in risk to zero was because the planning assumptions concerning parameters with business risk implications had been raised compared with the end of 2023.

The **limits** as at the reporting date were €500 million in the **Bank sector** (December 31, 2023: €450 million) and €425 million at **DZ BANK** (December 31, 2023: €410 million). The limits were increased in 2024 due to the high level of limit utilization as at December 31, 2023 and in expectation of a volatile earnings performance.

Reputational risk is included in the figures shown.

13 Reputational risk

13.1 Definition and business background

Reputational risk refers to the risk of losses from events that damage confidence, mainly among customers (including the cooperative banks), shareholders, employees, the labor market, the general public, and the supervisory authorities, in the entities in the Bank sector or in the products and services that they offer. Reputational risk can arise either as an independent risk (primary reputational risk) or as an indirect or direct consequence of other types of risk (secondary reputational risk).

Reputational risk can arise in connection with any of the business activities in the entities within the Bank sector.

13.2 Risk strategy

Reputational risk is incorporated into the risk strategy by pursuing the following **objectives**:

- Avoiding loss resulting from reputation-damaging incidents by taking preventive action
- Mitigating reputational risk by taking preventive and responsive action
- Raising awareness of (potential) reputational risk within the Bank sector, e.g. by defining the people responsible for risk and establishing a sector-wide reporting system and set of rules for reputational risk

These objectives are applicable both at the Bank sector level and in the management units. The management units are responsible for complying with the rules and for deciding what suitable preventive and responsive action to take.

The reputational risk strategy is based on the **business strategies** in each management unit and to this end is reviewed at least once a year and adjusted as necessary.

13.3 Risk factors

If the Bank sector as a whole or the individual management units acquire a negative reputation, there is a risk that existing or potential customers will be unsettled with the result that existing **business relationships** might be terminated or it might not be possible to carry out planned transactions. There is also a risk that it will no longer be possible to guarantee the backing of **stakeholders** – such as shareholders, partners in the Cooperative Financial Network, and employees – necessary to conduct business operations. The possibility cannot be ruled out either that R+V will be affected if entities in the Bank sector have a negative reputation.

Reputational risk is particularly affected by **sustainability-related risk factors** in the form of transition risks, social risks, and corporate governance risks. If such sustainability-related risks materialize, this can lead to increased reputational risk. The effect can spread both indirectly via customers or products and directly via the entities’ own processes or business activities.

The DZ BANK Group may suffer reputational damage if stakeholders of the entities in the Bank sector regard the DZ BANK Group's approach to sustainability matters as inappropriate, in particular if they deem existing or future products or current or proposed business relationships to have an adverse impact on the climate or environment.

Reputational risk could also increase if stakeholders believe that entities in the Bank sector are not acting sustainably, either actively or passively. The reputational damage may lead to a deterioration in the financial position and financial performance of the DZ BANK Group through a variety of channels of impact, such as a reduction in new business and existing business.

13.4 Risk management

Each management unit is responsible for managing its reputational risk and must comply with the requirements laid down in the set of rules for reputational risk. The principle of **decentralized** responsibility applies equally within the management units. Based on this approach, responsibility for managing reputational risk lies with each division with the involvement of other functions such as communications & marketing, corporate security, and compliance.

Reputational risk in the Bank sector is taken into account within **business risk** and is therefore implicitly included in the measurement of risk and assessment of capital adequacy. At BSH, reputational risk is measured and the capital requirement determined mainly as part of the technical risk of a home savings and loan company.

In addition, the risk that obtaining funding may become more difficult as a consequence of reputational damage is specifically taken into account in liquidity risk management.

Reputational risk control follows a **stakeholder approach** that is based on the principle that the material stakeholders' perception of the DZ BANK Group is the critical metric for reputational risk. The stakeholders' responses are evaluated in the context of ongoing reporting using a mood barometer, particularly if a reputation-damaging incident occurs. This is underpinned by indicators for each stakeholder that implicitly and explicitly take account of **sustainability matters**.

14 Operational risk

14.1 Definition

Operational risk refers to the risk of losses from human behavior, technological failure, weaknesses in process or project management, or external events.

In the reporting year, the following subtypes of operational risk were material for the Bank sector:

- Compliance risk including compliance conduct risk
- Legal risk
- Information risk including ICT risk
- Security risk
- Outsourcing risk
- Project risk

Other subtypes of operational risk that are not material when viewed in isolation are categorized as 'Other operational risk'. This category is used to cover operational risks that cannot be allocated to the other subtypes of operational risk and – measured on the basis of risk profile – are of lesser importance.

14.2 Business background and risk strategy

Operational risk can arise in any division of the entities in the Bank sector. DZ BANK as well as DZ HYP and UMH are particularly subject to operational risk.

The management units aim to manage operational risk efficiently. They apply the following principles:
- Reinforce risk awareness
- Handle operational risk openly and largely without penalties
- Avoid, reduce, transfer, or accept risk as optional courses of action
- Manage operational risk on a decentralized basis but within the limits set out in the framework for operational risk
- Ensure that the impact of corporate policy decisions on operational risk is taken into account

14.3 Organization and responsibility

Each management unit is responsible for managing its operational risk. The principle of **decentralized** responsibility applies equally within the management units.

One of the purposes of the **framework for operational risk** is to harmonize risk management throughout the sector. The sector-wide coordinated approach to operational risk is also managed by a **committee** assigned to the Group Risk Control working group.

A **DZ BANK** organizational unit responsible for controlling operational risk located within the Group Risk Control & Services division develops the management and control methods based on regulatory requirements and business needs applicable to the Bank sector. This organizational unit ensures that operational risk is monitored independently and is responsible for central reporting on operational risk in the Bank sector and at DZ BANK. Similar organizational units are also in place at the other material entities in the **Bank sector**.

Specialist divisions with central risk management functions are also assigned tasks relating to the management of operational risk. As part of their overarching responsibility, these specialist divisions also perform an advisory and guiding function for the matters within their remit in the relevant entities of the Bank sector.

Because operational risk can affect all divisions in the management units, **local operational risk coordinators** are located in each division and they liaise with central Risk Controlling.

14.4 Central risk management

14.4.1 Identifying operational risk

The main tools used to manage and control operational risk in the DZ BANK Group's Bank sector are described below.

Loss database

The collation of loss data in a central database allows the Bank sector to identify, analyze, and evaluate loss events, highlighting patterns, trends, and concentrations of operational risk. In particular, data is recorded for operational risk that materializes and results in a gross loss of €1,000 or more.

Risk self-assessment

All management units assess operational risk using a scenario-supported risk self-assessment process in order to identify and evaluate all material operational risks and ensure maximum possible transparency regarding the risk position. The main potential risks for all first-level event categories as defined by the CRR are calculated and described using risk scenarios. The scenarios are also designed to enable risk concentrations to be identified.

Risk indicators

In addition to the loss database and risk self-assessment, risk indicators are intended to enable risk trends and concentrations to be identified at an early stage and to detect weaknesses in business processes. A system of warning lights is used to indicate risk situations based on specified threshold values. Risk indicators within the Bank sector are collected systematically and regularly.

14.4.2 Measurement of operational risk

An **internal portfolio model** that takes into account net loss data and the results from the risk self-assessments is used to determine the risk capital requirement for operational risk in the Bank sector. Within the portfolio model, the distributions of loss frequency and amount are brought together in a Monte Carlo simulation. This determines potential losses that could arise over a period of 1 year with a confidence level of 99.9 percent. The results from the model, combined with the tools used to identify risk, are used to manage operational risk centrally. Alongside the economic risk capital requirement, the model also calculates specific risk contributions for each management unit.

In addition, **risk concentrations** are identified by using separate model-based analyses, taking into account event categories and areas of business specified by regulatory requirements. These risk concentrations could occur in the different areas of business within the entities of the Bank sector.

In addition, a simplified procedure based on the allocation mechanism in the capital model is used to identify **risk factors**. The subsequent analysis is carried out for all standard scenarios. The list of standard scenarios contains a list of general scenario descriptions that are relevant to operational risk in the Bank sector entities.

14.4.3 Limiting operational risk

The limits for operational risk are used as the basis for central monitoring of the risk capital requirement at the Bank sector level. The risk capital requirement for the Bank sector is broken down into risk contributions for each management unit using a risk-sensitive allocation procedure so that the management units in the Bank sector can be monitored centrally. These risk contributions are then monitored centrally using limits for each management unit.

14.4.4 Mitigating and avoiding operational risk

Continual improvement of business processes and control processes is one of the methods used with the aim of **mitigating** operational risk. The transfer of risk by means of insurance or outsourcing as permitted by liability regulations provides further protection.

Operational risk is **avoided**, for example, by rejecting products that can be identified during the new product process as entailing too much risk.

14.5 Consideration of sustainability risks

There is a risk that third parties could assert claims due to **transition risks** or that negative climate-related and environmental events could cause shortages in the supply of energy/electricity to entities in the Bank sector.

Corporate governance risk can also lead to operational risk. This would be the case, for example, if inadequate systems for control and risk management create conditions conducive to prohibited or criminal acts that could lead to financial losses.

The instruments used to identify operational risk – such as the loss database, risk self-assessment, and risk indicators – also incorporate sustainability matters through the use of an ESG label in the operational risk database. This ensures that sustainability-driven operational risks are managed and monitored.

To expand the management of operational risks driven by ESG factors, an ESG-specific label is currently being introduced as part of the aforementioned management tools. This will enable reliable statements to be made on the basis of expert assessments – by the organizational units responsible for risk management – that indicate the impact of sustainability risk factors on operational risk.

14.6 Operational risk subtypes

14.6.1 Compliance risk including compliance conduct risk

Risk factors

Compliance risk could arise if the compliance and risk management systems implemented in the Bank sector entities prove insufficient to completely prevent or detect breaches of obligations to third parties. Such obligations include legal requirements (laws, regulations) as well as both internal and external agreements. Examples are misuse of confidential information, failure to comply with sanctions or embargoes, data protection infringements, and support – or inadequate preventive measures – for money laundering, terrorist financing, or other criminal offenses. Wrongdoing by employees (conduct risk) also forms part of compliance risk.

Effects if risk materializes

Violations of internal rules or legal provisions could render contracts null and void or have legal implications for the entity concerned, for the members of its decision-making bodies, or for its employees. They may give rise, for example, to fines, penalties, retrospective tax payments, or claims for damages by third parties. The reputation of individual entities in the Bank sector and the DZ BANK Group as a whole could also suffer as a result. These effects could reduce the Bank sector entities' appeal as partners in business transactions or as employers and consequently lead to losses in value.

Risk management

The basic principles for managing compliance risk applicable to the entities in the DZ BANK Group are described in chapter VI.3.9. The data protection measures in place and the code of conduct are also explained in the same chapter. Measures such as the strict separation of functions, the requirement for verification by a second person, restrictions on IT and building access authorizations, and a sustainability-oriented remuneration system are designed to contain risk, in particular the risk of internal fraud.

14.6.2 Legal risk

Risk factors

Legal risk can arise from legal violations or incorrect application of legal provisions. Legal risk can also arise from changes to the legal position (laws or judgments by the courts) relating to transactions completed in the past.

Effects if risk materializes

If legal risk were to materialize, this could result in official sanctions or the need to pay damages. It is also possible that existing contractual rights could be lost retrospectively or could otherwise not be enforced for legal reasons. These effects could lead to losses and reduce the Bank sector entities' appeal as partners in business transactions.

Risk management

The entities in the Bank sector pursue a strategy of avoiding legal risk. Identified risks are limited and mitigated by means of legal or procedural organizational measures. If the legal position is uncertain, the management units generally adopt a defensive approach.

In the entities of the Bank sector, responsibility for managing legal disputes normally lies with their organizational units responsible for dealing with legal issues. These units continuously monitor proposed legislation and regulatory requirements that are legally relevant, as well as developments in decisions by the courts. Their responsibilities include reviewing and assessing circumstances from a legal perspective and also coordinating any legal proceedings. The latter consists of both defending claims pursued against the entities in the Bank sector and enforcing claims by the management units against third parties. If any legal risk is identified, the management unit concerned assesses the risk parameters in terms of their probability of occurrence and possible impact.

The Legal divisions in the Bank sector entities also submit reports on risk-related issues to the member(s) of the Board of Managing Directors with relevant responsibility, independently of the established regular reports on cases pending before the courts.

Accounting for legal risk

In accordance with the relevant (group) accounting rules, loss allowances or provisions are recognized to account for potential losses from legal risk. Disclosures covering the provisions recognized for risks arising from ongoing legal disputes and pre-litigation risks – in particular in connection with capital market, home savings, and credit products – and for risks arising from general banking operations are included in note 66 of the notes to the consolidated financial statements under 'Other provisions'.

14.6.3 Information risk including ICT risk

Risk factors

Information risk arises from a failure to maintain the confidentiality, integrity, availability, or authenticity of information assets. If the risk is in connection with the use of information or communication technology (data media), it is referred to as ICT risk. This also includes cyber risk.

Effects if risk materializes

The processes necessary to conduct operating activities could be impaired if the confidentiality, integrity, availability, and authenticity of information assets is not maintained or if IT systems malfunction or break down. This could, in turn, inflict reputational damage and lead to losses from operational risk.

Risk management

The basic principles for managing information security applicable to the entities in the DZ BANK Group are described in chapter VI.3.10. The nature of these principles is described below.

Practically all business processes are carried out electronically using appropriate IT systems. The supporting IT systems are networked with each other and are operationally interdependent.

Processes in the IT divisions of the entities in the Bank sector are designed with risk issues in mind and are monitored using a variety of control activities in order to ensure that information risk is appropriately managed. The starting point is to determine what threats exist in certain aspects of IT and what risk scenarios they give rise to. Detailed requirements for a level of security can then be specified. These requirements determine the extent to which checks need to be carried out and are intended to ensure that all activities are conducted in compliance with the previously defined security level.

The IT processes are designed, through comprehensive physical and logical precautionary measures, to guarantee the security of information assets and IT systems and to ensure that day-to-day operations are maintained. Measures used by the Bank sector to counter the risk of a partial or complete loss of IT systems include segregated data processing centers in which the data and systems are mirrored, special access security, fire control systems, and an uninterruptible power supply supported by emergency power generators. Regular exercises are carried out to test defined restart procedures to be used in emergency or crisis situations with the aim of checking the efficacy of these procedures. Data is backed up and held within highly secure environments in different buildings.

Further details on information security management can be found in chapter VI.3.10.

DZ BANK's risk assessment methodology for information risk is made available centrally by information security management and applied locally by the managers responsible for the various IT systems using tool-supported control processes. All variances identified in these processes are assessed from the perspective of the associated risks. All information risks classified as material are included in quarterly information security reports to the Board of Managing Directors.

14.6.4 Security risk

Risk factors

Security risk can arise from inadequate protection of individuals, premises, assets, or time-critical processes. Examples are epidemics or pandemics resulting from the spread of pathogens over a huge area, restrictions on access to workplaces caused by natural disasters or demonstrations, or limitations on the use of resources because of a power outage or other interruption to energy supply. Climate change could lead to more frequent and more severe natural disasters.

Effects if risk materializes

If security risk were to materialize, this could lead to a range of problems from staff shortages to restrictions, or even the loss, of the use of buildings and resources such as IT systems and third-party services. In such eventualities, it is possible that mission-critical processes could not be carried out or could not be carried out on time, which could lead to loss of business and/or compensation claims from customers. Furthermore, such scenarios could also have a negative impact on reputation.

Risk management

The relevant organizational units in the management units prepare requirements for the protection of time-critical business processes, people, premises, and other assets. These requirements are implemented by the departments responsible in each case. In all relevant management units, a comprehensive business continuity management system (with business continuity plans covering time-critical activities and processes) has been established to ensure the continuation of business in the event of process disruption or IT system breakdown. These business continuity plans are regularly reviewed and tested to ensure they are fully functional.

Further details on business continuity management can be found in chapter VI.3.10.

14.6.5 Outsourcing risk

Risk factors

The entities in the Bank sector have outsourced activities and processes to third-party service providers to a considerable extent. Outsourcing risk can arise if the service provider fails to comply with the strategic principles established by the management units or the related operational requirements when carrying out the outsourced activities.

The reasons may be as follows:

- Failure of the relevant service provider to comply with regulatory requirements
- Lack of transparency regarding the delivery of the services and little opportunity for control over outsourcing outside the home market
- Highly complex outsourced processes that are far from a standard service
- Potential loss of expertise because of outsourcing of core competencies or knowledge processes
- Defective performance caused by service provider failures or the loss of service provider
- Inadequate management or monitoring of service providers, in particular as a result of a lack of transparency regarding service delivery

Effects if risk materializes

If these risk factors were to materialize, they could lead to a loss of business and to claims for damages from customers. They could also result in a negative impact on reputation.

Risk management

The basic principles for managing outsourcing applicable to the entities in the DZ BANK Group are described in chapter VI.3.11.

The process of assessing the risk and determining the degree to which an outsourcing arrangement is material is carried out as part of the analysis of outsourcing risk by the division responsible for the outsourcing with the involvement of a number of reviewing and control units, including compliance, information security, and business continuity management, and in consultation with the local coordinators for operational risk. Internal audit is also involved as part of its auditing activities.

At DZ BANK, external service providers are managed by the department responsible for the outsourcing in accordance with the currently applicable policy for external procurement management. Service meetings are regularly held with service providers to facilitate communication and coordinate the IT services and other services to be provided by the third parties concerned. Compliance with contractually specified service level agreements is monitored, for example, by means of status reports and uptime statistics. The external service providers submit regular reports in which they evaluate and confirm the effectiveness of the general controls and procedures.

Business continuity plans, specific contractual liability provisions, and exit strategies are some of the approaches used to reduce outsourcing risk.

14.6.6 Project risk

Risk factors

Project risk refers to the risk that project requirements will not be completed on schedule. Project risk could arise, for example, from the inadequate clarification of project targets or orders, from deficiencies in subsequent implementation, from communication shortcomings both inside and outside the project, or from unexpected changes in the general parameters applicable to a project.

Effects if risk materializes

If project risk were to materialize, this could mean that the implementation of the project could require exceptional additional funds in excess of the budget (primary project risk). It could also give rise to further costs attributable to the failure to complete project requirements on schedule (secondary project risk). Examples of such costs are additional costs or reduced earnings in the line organization, impairment losses on capital investment related to the project, and penalty payments.

Risk management

In accordance with the statutory requirements that need to be observed, the project organization serves as the framework for implementing projects. The projects as a whole are broken down into portfolios with shared characteristics to enable the projects to be managed in a focused, efficient manner. A committee structure with defined roles and responsibilities is designed to look after the detailed management of the portfolios and the projects assigned to them.

The management of project risk is an ongoing process over the lifecycle of a project and is a component of project management and project portfolio management. Accepting a project risk is a valid option if the project customer believes that the measures to eliminate, reduce, or mitigate the risk are not reasonable in relation to their expected benefit.

14.7 Heightened sanction and embargo requirements resulting from geopolitical tensions

The monitoring of sanctions necessitates transaction checks that entail an increased workload. This may result, for example, in delays to the execution of transactions or, if applicable, penalty interest payments for trading that involves securities subject to sanctions. The resulting operational risks are factored in by means of the hypothetical risk scenarios ‘breaches of sanctions and embargoes’ and ‘incorrect execution of transactions and processes’.

14.8 Losses

Losses from operational risk do not follow a consistent pattern. The overall risk profile can be seen from the total losses incurred over the long term and is shaped by a small number of large losses. Over the course of time, regular fluctuations are evident in the pattern of losses as the frequency of relatively large losses in each individual case is very low. Presenting the change in losses meaningfully therefore requires a sufficiently long and unchanging time horizon for reporting purposes. The data is selected from the loss history for the past four quarters and on the basis of the date on which the expense is recognized in the income statement.

The past four quarters – that is, the period from January 1 to December 31, 2024 – represent the relevant reporting period for an analysis of net losses. Fig. VI.39 shows the internal net losses from loss events reported in this period, classified by operational risk subtype, and a comparison with their long-term mean.

In 2024, the highest losses were attributable to **other operational risk**. The main reason for the losses in other operational risk was a procedural error that was made when posting to accounts and switching over accounts. Based on the long-term mean, internal losses both in the **Bank sector** and at **DZ BANK** were dominated by **compliance risk**, **legal risk**, and **other operational risk**.

All in all, the losses in the past four quarters were lower than in the prior period. Losses did not reach a critical level relative to the expected loss from operational risk at any point during 2024, either in the Bank sector or at DZ BANK.

FIG. VI.39 – BANK SECTOR: NET LOSSES[1] BY OPERATIONAL RISK SUBTYPE

	Bank sector		DZ BANK	
€ million	Jan. 1. 2024 – Dec. 31, 2024	Long-term mean[2]	Jan. 1. 2024 – Dec. 31, 2024	Long-term mean[2]
Compliance risk	1	22	–	14
Legal risk	3	21	–	12
Information risk including ICT risk	1	3	1	1
Security risk	2	2	1	1
Outsourcing risk	1	1	–	–
Project risk	–	1	–	–
Other operational risk	22	9	9	5
Total[3]	**29**	58	**11**	33

1 Internal losses. Operational losses related to credit risk are not included in this breakdown.
2 The long-term mean is derived from loss data recorded since 2006.
3 Losses that are allocable to more than one operational risk subtype are split equally between the relevant subtypes.

14.9 Risk position

As at December 31, 2024, the capital requirement for operational risk at **Bank sector** level was calculated at €1,041 million (December 31, 2023: €978 million) with a **limit** of €1,157 million (December 31, 2023: €1,148 million).

As at December 31, 2024, the corresponding requirement at **DZ BANK** was €582 million (December 31, 2023: €550 million). The **limit** as at December 31, 2024 was €652 million (December 31, 2023: €651 million).

Fig. VI.40 shows the structure of the risk profile for operational risk in the Bank sector and at DZ BANK based on **risk subtypes**.

FIG. VI.40 – BANK SECTOR: DISTRIBUTION OF RISK CAPITAL REQUIREMENT FOR OPERATIONAL RISK, BY RISK SUBTYPE[1]

	Bank sector		DZ BANK	
Percent	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Compliance risk	30.4	30.4	13.4	13.4
Legal risk	19.1	19.4	8.2	8.4
Information risk including ICT risk	16.8	16.9	6.0	6.1
Security risk	5.0	5.0	1.9	1.8
Outsourcing risk	6.0	5.9	2.3	2.3
Project risk	6.3	6.3	2.6	2.6
Other operational risk	16.4	16.0	8.5	8.5

1 Proportion of the Bank sector's total operational risk capital requirement attributable to each operational risk subtype.

The distribution of the risk capital requirement among the operational risk subtypes in the Bank sector and at DZ BANK remained largely unchanged as at December 31, 2024 compared with the end of the previous year. **Compliance risk** and **legal risk** accounted for the most significant proportions of the risk capital requirement. A large proportion of the risk capital requirement for these two risk subtypes was determined by the recorded losses and by the hypothetical risk scenarios for changes to case law and for breaches of sanctions and embargoes.

Insurance sector

15 Basic principles of risk management in the Insurance sector

15.1 Risk strategy

The principles of risk management in the Insurance sector are based on the risk strategy of the DZ BANK Group for the Insurance sector, which is closely interlinked with the business strategy. Under its risk strategy, R+V aims to assume risk on a conscious, calculated basis within the constraints of the specified risk appetite.

Life actuarial risk is managed with the objectives of holding a broadly diversified product portfolio and of developing existing products while designing new ones. Pension, endowment and risk insurance, working life and semi-retirement products, index-linked products, and unit-linked products are underwritten in order to diversify the life insurance and pension provision portfolios.

The objectives of managing **health actuarial risk** are a risk-conscious underwriting policy, cost/benefit management, the development of existing products, and the design of new products.

The management of **non-life actuarial risk in direct business** aims to optimize portfolios in terms of risk and reward. R+V focuses on business in Germany, offering a full range of non-life insurance products.

In **inward non-life reinsurance business**, R+V also aims to achieve a broad balance of risk across all sectors, diversify geographically around the globe, and optimize the portfolio from a risk/reward perspective.

The management of **market risk** is connected with the following fundamental objectives of risk policy: optimizing the economic risk/return profile, ensuring required returns on investments taking into account individual risk-bearing capacities, the liquidity situation, achieving defined minimum investment returns in stress scenarios, and ensuring consistent earnings. Investment composition is managed in operational terms on the basis of the following criteria: definition of minimum or average credit ratings, durations, transaction volumes, the proportion of assets at risk, the proportion of foreign currency, sustainability criteria, and liquidity requirements.

In line with the risk strategy for **counterparty default risk**, R+V aims to maintain a high minimum or average credit rating for its portfolios, avoid concentrations of issuers at portfolio level, and comply with the limits that have been set for counterparties and debtors of insurance and reinsurance companies.

The risk strategy for **operational risk** aims to further raise awareness of operational risk.

The objective of the **reputational risk strategy** is to promote the image of the R+V brand with due regard to the need for transparency and credibility.

15.2 Organization and responsibility

As specified in the own risk and solvency assessment (ORSA), the risk management process encompasses all the steps involved in identifying, analyzing, assessing, managing, monitoring, reporting, and communicating risk. Risk-bearing capacity is reviewed and measured at least once a quarter and the process includes a review of binding key performance indicators and threshold values. Corrective action must be assessed and, where necessary, initiated if a specified index value is exceeded. Risk-bearing capacity and all material risks are then finally evaluated each quarter by the Risk Committee.

16 Actuarial risk

16.1 Definition and business background

16.1.1 Definition

Actuarial risk is the risk that the actual cost of claims and benefits deviates from the expected cost as a result of chance, error, or change. It is broken down into the following categories defined by Solvency II:

- Life actuarial risk
- Health actuarial risk
- Non-life actuarial risk

Life actuarial risk

Life actuarial risk refers to the risk arising from the assumption of life insurance obligations, in relation to the risks covered and the processes used in the conduct of this business. The following subtypes of life actuarial risk are material for R+V:

- **Mortality risk** describes the risk of loss or an adverse change in the value of insurance liabilities, resulting from changes in the level, trend, or volatility of mortality rates, where an increase in the mortality rate leads to an increase in the value of insurance liabilities.
- **Longevity risk** describes the risk of loss or an adverse change in the value of insurance liabilities, resulting from changes in the level, trend, or volatility of mortality rates, where a decrease in the mortality rate leads to an increase in the value of insurance liabilities.
- **Lapse risk** describes the risk of loss or an adverse change in the value of insurance liabilities, resulting from changes in the level or volatility of the rates of contract lapses, cancellations, renewals, and surrenders.
- **Life expense risk** describes the risk of loss or an adverse change in the value of insurance liabilities, resulting from changes in the level, trend, or volatility of the expenses incurred in servicing insurance or reinsurance contracts.

Health actuarial risk

Health actuarial risk refers to the risk arising from the assumption of health and casualty insurance obligations, in relation to the risks covered and the processes used in the conduct of this business.

Non-life actuarial risk

Non-life actuarial risk refers to the risk arising from the assumption of non-life insurance obligations, in relation to the risks covered and the processes used in the conduct of this business. The following subtypes of non-life actuarial risk are material for R+V:

– **Premium and reserve risk** describes the risk of loss or an adverse change in the value of insurance liabilities, resulting from fluctuations in the timing, frequency, and severity of insured events, and in the timing and amount of claim settlements.
– **Non-life catastrophe risk** describes the risk of loss or an adverse change in the value of insurance liabilities, resulting from the significant uncertainty of pricing and assumptions when recognizing provisions related to extreme or unusual events.

16.1.2 Business background

In the DZ BANK Group, considerable actuarial risk arises from the business activities of R+V. The risk arises from the direct life insurance and health insurance business, the direct non-life insurance business, and the inward reinsurance business.

16.2 Risk factors

16.2.1 General risk factors for actuarial risk

In the case of long-term products, which constitute the bulk of R+V's **direct life insurance business**, there is a risk of negative variances over the term of the contracts compared with calculation assumptions because the contract terms are long. The relevant risk factors include changes in life expectancy, increasing rates of disability-morbidity, disproportionately sharp cost increases, and a rise in contract lapses. If the actual trends in life expectancy, disability-morbidity, costs, or contract lapses vary from the calculation assumptions, there is a risk over the medium to long term that the gross profit generated from life insurance will decline.

Unexpected movements in the interest-rate market are further risk factors for **life actuarial risk**. In the event of an unexpected interest-rate rise, there would be a risk that policyholders could increasingly allow existing life insurance contracts to lapse and that new business declines.

In **health insurance** at R+V, which accounts for a substantial proportion of health actuarial risk, there is a risk of higher claims caused by the behavior of the policyholders and service providers. Subject to certain legal requirements, there is a possibility of adjusting the premiums in the health insurance business, a process in which all actuarial assumptions can be reviewed and modified. Significant premium adjustments could have a negative impact on future new business if rate scales lose their appeal because of high premiums. The number of lapses in the portfolio could also increase as a result.

R+V's **direct non-life insurance and inward non-life reinsurance business** involves the provision of cover for a range of disasters, for example. This includes both natural disasters, such as earthquakes, storms, and floods, and man-made disasters. These events cannot be predicted. Generally speaking, there is both the risk of particularly significant individual loss events and also the risk of a large number of loss events that are each not necessarily significant in themselves. In any one year, the actual impact from the size and frequency of losses could therefore exceed the forecast impact. Inflationary effects represent a cost driver for claims incurred because, for example, higher prices for procuring commodities and other items can result in higher claims settlement expenses. This may lead to adjustments to premiums.

Cyber risk is becoming increasingly significant within the underwriting business as a consequence of ongoing digitalization. There is a risk that cyber risk may not be comprehensively set out, or may not be mentioned at all, in insurance terms and conditions, or that it may not be expressly included or excluded (referred to as silent cyber risk).

16.2.2 Sustainability-related risk factors for actuarial risk

Physical risks such as environmental pollution and climate change represent sustainability-related risk factors in respect of **life and health actuarial risks** because they could have a negative impact on the health of policyholders and increase the number of claim events.

Climate change represents a sustainability-related risk factor for **catastrophe risk** as part of non-life actuarial risk in connection with the occurrence of natural disasters. It is reasonable to expect that climate change will lead to an increase in weather-related natural disasters.

16.3 Management of life actuarial risk

16.3.1 Risk measurement

The **overall solvency requirement** for actuarial risk is determined in accordance with the standard formula in Solvency II over a period of 1 year with a confidence level of 99.5 percent.

The risk for insurance contracts subject to **mortality risk** is modeled with the assumption of a 15 percent permanent increase in mortality.

The risk for insurance contracts subject to **longevity risk** is modeled with the assumption of a 20 percent permanent increase in longevity.

The risk for insurance contracts subject to **lapse risk** is modeled for the following scenarios: for an increase in lapses, a 50 percent rise in the lapse rate; for a decrease in lapses, a 50 percent reduction in the lapse rate; for a mass lapse event, lapse of 40 percent of the contracts.

The overall solvency requirement for **life expense risk** is based on the following stress scenarios: a permanent 10 percent rise in the costs reflected in the measurement of the insurance liabilities and an increase of 1 percentage point in the cost inflation rate.

16.3.2 Risk management in direct life insurance business

Actuarial risk is taken into account by carrying out a prudent cost calculation while products are still in development. This applies to the development of existing products as well as the design of new types of insurance. Safety margins are included in the actuarial assumptions to achieve this. The assumptions are structured in such a way that they not only withstand the current risk situation, but should also accommodate potential changes in the risk position. Actuarial control systems are used to decide whether the cost calculation for future new business needs to be changed. The calculation is also adjusted on an ongoing basis in line with the latest actuarial findings. The appointed actuary carries out reviews as part of product development and during the course of the term of contracts to verify that the actuarial assumptions used are appropriate. Risk management in direct life insurance business also encompasses protection in the event of occupational incapacity. The following main measures are taken to prevent a concentration of risks in the portfolio.

Before contracts are signed, extensive risk reviews are carried out to limit **mortality risk**. In general, risk is only assumed in compliance with fixed underwriting guidelines. High levels of individual or cumulative risk are limited by reinsurance.

Generally speaking, the risk is mitigated if the insured risks are diversified. For example, an increase in mortality has an adverse impact on endowment life and risk insurance policies, but at the same time has a positive impact on the **longevity risk** associated with pension insurance.

Cost control tools are used to manage **life expense risk**.

Lapse risk is mitigated by structuring life insurance contracts to provide maximum flexibility should policyholders’ circumstances change. A range of different options during the term of an insurance contract enables customers to maintain their contract instead of canceling it. Appropriate design of policyholder participation features and, in particular, the final bonus also counteracts lapse risk. In addition, advance notice of **policyholder participation features** in the form of declarations of future bonuses is also a key instrument with which to reduce actuarial risk relating to life insurance.

16.4 Management of health actuarial risk

16.4.1 Risk measurement

The **overall solvency requirement** for actuarial risk is determined in accordance with the standard formula in Solvency II over a period of 1 year with a confidence level of 99.5 percent. Health actuarial risk is calculated by combining the capital requirements for the subcategories 'similar to life techniques, health actuarial risk' (risk on health insurance pursued on a similar technical basis to that of life insurance), 'non-similar to life techniques, health actuarial risk' (risk on health insurance pursued on a similar technical basis to that of non-life insurance), and 'health catastrophe risk'.

The methods described in the chapters on life actuarial risk (chapter VI.16.3) and non-life actuarial risk (chapter VI.16.5) are used to measure risk in the subcategories.

Health actuarial risk also includes significant parts of the group's casualty insurance business as well as its health and occupational disability insurance business.

16.4.2 Risk management in health and casualty insurance

Risk management in health insurance business

In the health insurance business, the Insurance sector aims to manage actuarial risk by means of an **underwriting policy**, the features of which are underwriting guidelines and selection of risk, and management of benefits and costs. The risk exposure in the case of large individual risks may be limited by taking out appropriate reinsurance. In many of the health insurance rate scales, deductibles are used to control the extent of claims. Provisions are recognized to ensure that all benefit obligations under insurance contracts can be met. The appointed actuary carries out monitoring as part of product development and over the course of time to verify that the actuarial assumptions used are appropriate.

In accordance with VAG provisions, R+V carries out an annual comparison of its calculations with the insurance benefits it is required to pay. If this comparison of claims for an observation unit within a particular scale of insurance rates reveals a variance that is other than temporary, the relevant **premiums** are adjusted. All actuarial assumptions are reviewed and specified in consultation with an independent trustee. A safety margin factored into premiums is also intended to ensure that obligations can be met if claims are higher than the level provided for in cost calculations.

In the health insurance business, the **decrement tables** include assumptions regarding mortality and the probability of other relevant withdrawal factors. Under the requirements set out in the German Health Insurance Supervision Regulation (KVAV), these assumptions must be specified and reviewed from the perspective of prudent risk assessment. It is for this reason that a new mortality table is developed annually by the Verband der privaten Krankenversicherung e.V. (PKV) [Association of German private healthcare insurers] in consultation with BaFin. In accordance with statutory provisions, R+V carries out an annual comparison of its calculations with the most recently published mortality tables.

When determining **lapse probabilities** for the purposes of its calculations, R+V uses both its own observations and the latest figures published by BaFin.

Where premiums were adjusted on January 1, 2024, R+V used the new PKV mortality table valid for 2024 to determine both new business premiums and those **premium adjustments** in existing business.

Unisex insurance rate scales are offered in R+V’s **new business**. The cost calculation for these rates is not only based on the existing gender breakdown, but also takes into account the expected pattern of switching by existing policyholders to the new rates. The appropriateness of the composition of the portfolio resulting from the calculations is reviewed by actuaries using comparable calculations.

Risk management in casualty insurance business

The risk situation in the casualty insurance division is characterized by the fact that it is fixed-sum insurance and not indemnity insurance. Consequently, the maximum benefit per insured person is restricted to the sum insured.

A risk review also forms part of the underwriting policy in the case of casualty insurance. Premiums are reviewed on an ongoing basis to ensure that they remain appropriate. Claims are assessed on a case-by-case basis.

16.5 Management of non-life actuarial risk

16.5.1 Risk measurement

The **overall solvency requirement** for actuarial risk is determined in accordance with the standard formula in Solvency II over a period of 1 year with a confidence level of 99.5 percent. The capital requirements for **premium and reserve risk** are calculated on the basis of risk factors and volume measures for all branches of insurance in which business is conducted. The risk factors (e.g. the standard deviation as a percentage of the volume measure) describe the degree of threat posed by the risk. The volume measure for the **premium risk** is essentially the net premium income earned in the financial year and in the first and second years after that. The net claims provisions in the form of a best-estimate valuation constitute the volume measure for the **reserve risk**.

The capital requirement for **catastrophe risk** is calculated as an aggregation of four risk modules. These are natural catastrophe risk (broken down into the following natural hazards: hail, storm, flood, earthquake, and subsidence), the catastrophe risk of non-proportional reinsurance in non-life insurance, risk of man-made catastrophe, and other catastrophe risk in non-life insurance. Catastrophe risk is calculated using the volume measures of sums insured and premiums. Risk mitigation through reinsurance is taken into consideration.

To determine the **overall solvency requirement** as part of internal risk assessment, empirical distributions are generated for the relevant parameters for most parts of the portfolio, such as the claim amount and the number of claims per sector and claim type (e.g. basic claims, major claims, catastrophe claims). The value-at-risk can then be determined with the required confidence level directly from the underwriting result modeled in this way, recorded as a loss function. The parameters for the analyzed distributions are set using historical portfolio data and related planning data. They are therefore intended to reflect the actual risk position.

In the case of catastrophe risk in connection with the **direct insurance business**, the risk modeling for calculating basic claims relating to the natural hazard earthquake and basic claims and minor cumulative events relating to the natural hazards hail, storm, and flood is based on mathematical/statistical methods. The minimum and maximum claim amounts for minor cumulative events are derived from the group’s own claims history. Modeling is based on the group’s own claims data. The risk modeling for major cumulative events relating to the natural hazards hail, storm, flood, and earthquake uses probability-based natural hazard models. This approach uses catastrophe claims that have been modeled by external providers for each natural hazard and take account of the specific risk profile.

For the catastrophe risk in its **inward reinsurance business**, R+V deploys a simulation tool for stochastic risk modeling. To model the natural catastrophe risk on an individual contract basis, event catalogs from external providers containing predefined scenarios based on historical observations are used. The event catalogs cover the main countries and natural hazards related to the underwritten risk in the inward reinsurance concerned. In the case of countries and natural hazards for which there is no event catalog, modeling is based on R+V’s own claims history. This involves generating scenarios for the current portfolio on the basis of historical major claims.

For inward reinsurance purposes, modeling based on the group's own claims history is also used to determine the overall solvency requirement for the risk of **man-made catastrophe**. This involves generating scenarios for the current portfolio on the basis of the historical major claims.

16.5.2 Risk management in direct non-life insurance business

Premium and reserve risk is managed through risk selection, risk-oriented premiums and products, and profit-oriented underwriting guidelines. In order to maintain a balanced risk profile, R+V ensures it has reinsurance cover for major individual risks. Managers use planning and control tools to ensure they are in a position at an early stage to identify unexpected or adverse portfolio or claim trends and to initiate appropriate corrective action in response to the changes in the risk situation. To make these risks manageable, pricing is based on a calculation that uses mathematical/statistical modeling.

The measurement of the overall solvency requirement for **natural catastrophe risk** is supplemented by analysis of the insurance contract portfolio. This analysis carried out with the aid of tools such as the ZÜRS Geo information system (zoning system for flooding, backwater flooding, and heavy rainfall) investigates risk concentrations and changes in these concentrations over time. The use of geographical diversification and the deployment of underwriting guidelines form the basis for managing risks arising from natural disasters.

R+V uses a prospective limit system to verify whether prescribed limits for the risk from natural disasters will be adhered to. The risk exposure reached on the basis of projected business growth is compared against a limit determined from the allocated internal risk capital.

To reduce actuarial risk, R+V purchases facultative and obligatory reinsurance cover, formulates risk exclusions, and designs risk-appropriate deductible models. Risk-bearing capacity is reviewed as part of the reinsurance decision-making process. This is used as the basis for reinsurance structures and liability layers.

The effects of inflation are factored into the costing of insurance rate scales for new business and into premium and index adjustments for in-force business. In 2024, an increase in costs for claims and repairs, especially in residential buildings insurance and motor vehicle insurance, led to premiums being adjusted.

16.5.3 Risk management in inward non-life business

R+V counters premium and reserve risk by continuously monitoring the economic and political situation, by managing risk in accordance with its corporate strategy, and by setting insurance rates appropriate to the risk involved. The risk is managed on the basis of an earnings-driven underwriting policy. The assumption of risk is circumscribed by mandatory underwriting guidelines and limits that restrict potential liability arising from both individual and cumulative claims. R+V takes account of economic capital costs when underwriting risk. Compliance with these requirements is monitored.

The material actuarial risks in the inward reinsurance portfolio are natural catastrophe risk and reserve risk, and also far-reaching changes in the trends underlying the main markets.

Limits are set to support the central management and mitigation of cumulative risks. One of the mechanisms for managing risk is a systematic check on the cumulative authorized limits. If limits are overrun, R+V's Limit Committee is responsible for discussing and making decisions on appropriate action. The portfolio is continuously monitored for material concentrations of risk.

Action that can be taken to mitigate the risk includes management of gross risk and retrocession of parts of the portfolio, taking into account risk-bearing capacity and the effective costs of retrocession. Minimum requirements apply in relation to the credit rating of retrocessionaires. To minimize cumulative risk in connection with natural disasters in Europe, the United States, and other regions of the world to which it is exposed, R+V has entered into a number of retrocession agreements as part of its inward reinsurance business.

R+V monitors the claims rate trend promptly and continuously, allowing it to initiate preventive measures so that it always has a sufficient level of reserves. The reserves position is monitored in a number of ways, including by means of an expert report, which is prepared once a year.

16.6 Claims rates and settlements in non-life insurance

Under IFRS 17, the **claims rate in direct non-life insurance and inward non-life reinsurance business** is calculated as the ratio of changes in the liabilities for incurred claims (including payments for claims) to insurance revenue.

Under IFRS 17, **settlements** are calculated as the ratio of liabilities for incurred claims for prior years in which claims were incurred to the actual payments for those years – net of changes in claims and benefits and risk adjustments – excluding inward reinsurance.

Changes in claims rates and settlements (net of reinsurance) in direct non-life insurance and inward non-life reinsurance business are shown in Fig. VI.41.

FIG. VI.41 – INSURANCE SECTOR: CLAIMS RATES[1] AND SETTLEMENTS[2] IN NON-LIFE INSURANCE

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Claims rate according to IFRS 4										
Including major/natural disaster claims			73.9	73.8	76.5	76.3	76.2	76.6	76.1	76.2
Excluding major/natural disaster claims			66.1	68.0	70.4	72.7	71.1	72.8	72.3	74.0
Claims rate according to IFRS 17										
Including major/natural disaster claims	81.8	77.3	73.2							
Excluding major/natural disaster claims	74.3	68.4	64.3							
Settlements according to IFRS 4			2.9	2.9	1.9	0.6	1.1	3.1	3.6	1.6
Settlements according to IFRS 17	-3.4	1.0	2.4							

Not available (shaded cells)

1 Direct non-life insurance business and inward non-life reinsurance.
2 IFRS 4: direct non-life insurance business and inward non-life reinsurance; IFRS 17: direct non-life insurance business.

16.7 Risk position

As at December 31, 2024, the **overall solvency requirement** for **life actuarial risk** amounted to €927 million (December 31, 2023: €946 million) with a **limit** of €1,100 million (December 31, 2023: €1,060 million).

The **overall solvency requirement** for **health actuarial risk** was calculated to be €335 million as at the reporting date (December 31, 2023: €255 million). The **limit** was €400 million (December 31, 2023: €285 million). The increase in risk was primarily the result of lower policyholder participation in risk.
The **overall solvency requirement** for **non-life actuarial risk** amounted to €2,013 million as at December 31, 2024 (December 31, 2023: €1,823 million) with a **limit** of €2,250 million (December 31, 2023: €1,900 million). The increased overall solvency requirement was mainly attributable to increased premiums and sums insured.

17 Market risk

17.1 Definition and business background

17.1.1 Definition

Market risk describes the risk arising from fluctuation in the level or volatility of market prices of assets, liabilities, and financial instruments that have an impact on the value of the assets and liabilities of the entity. It reflects the structural mismatch between assets and liabilities, in particular with respect to their maturities. In accordance with the breakdown specified in Solvency II, the bulk of credit risk within market risk is assigned to spread risk. The other parts of credit risk are measured within counterparty default risk and other risk types.

Market risk is broken down into the following subcategories:
- **Interest-rate risk** describes the sensitivity of the values of assets, liabilities, and financial instruments to changes in the term structure of interest rates or to the volatility of interest rates.
- **Spread risk** describes the sensitivity of the values of assets, liabilities, and financial instruments to changes in the level or volatility of credit spreads above the risk-free interest-rate term structure. Default risk and migration risk are also included in this subcategory. The credit spread is the difference in interest rates between a high-risk and a risk-free fixed-income investment. Changes in the credit risk premiums lead to changes in the market value of the corresponding securities.
- **Equity risk** describes the sensitivity of the values of assets, liabilities, and financial instruments to changes in the level or volatility of the market prices of equities. Equity investment risk is also a part of equity risk. Equity risk arises from existing equity exposures as a result of market volatility.
- **Currency risk** describes the sensitivity of the values of assets, liabilities, and financial instruments to changes in the level or volatility of exchange rates. Currency risk arises as a result of exchange rate volatility either from investments held in a foreign currency or the existence of a currency imbalance between insurance liabilities and investments.
- **Real-estate risk** describes the sensitivity of the values of assets, liabilities, and financial instruments to changes in the level or volatility of the market prices of real estate. Real-estate risk can arise as a result of negative changes in the fair value of real estate held directly or indirectly. This may be the result of a deterioration in the specific characteristics of the real estate or a general change in market prices (for example in connection with a real estate crash).

17.1.2 Business background

Market risk arises in the insurance business as a result of investing activities. It is caused by the timing difference between the payment of premiums by the policyholder and the payments for claims and benefits by the insurance company, and by endowment-type business in personal insurance.

17.2 Risk factors

17.2.1 General risk factors for market risk

The material general risk factors for R+V's market risk generally correspond to the risk factors impacting on market risk in the Bank sector, which are described in chapter VI.10.3.

An exception to this are unexpected movements in the interest-rate market, which have a differing impact on the Bank sector and on the Insurance sector. The interest-rate-related risk factors described in chapter VI.5.2.6 could have an adverse impact on R+V's investments as follows:
- A **rise in interest rates** and a widening of bond spreads would lead to a reduction in the fair values of investments. Falls in fair value caused by a rapid rise in interest rates or the widening of spreads could have a temporary negative impact on operating profit, or a permanent negative impact if investments have to be sold. A negative change in the fair values of investments associated with a widening of spreads in isolation could also impair R+V's solvency situation.
- By contrast, a **fall in interest rates** would have a positive valuation effect on R+V's portfolio of interest-bearing exposures in the near term. However, a renewed period of low interest rates could, in the medium term, pose additional challenges for R+V in its life insurance business in respect of the guaranteed returns that it needs to generate.

17.2.2 Sustainability-related risk factors for market risk

Other risk factors associated with R+V's investing activities could arise from sustainability risk. For example, action by policymakers, decisions by the courts, or the withdrawal of licenses could have an adverse effect on the price of corporate bonds, the share prices of equities, or the fair value of real estate held in the R+V portfolio and exposed to **transition risk**. The value of the portfolio could also be hit by rising inflation as a consequence of higher energy and carbon prices.

17.3 Risk management

17.3.1 Market risk measurement

The **overall solvency requirement** for market risk is determined in accordance with the standard formula in Solvency II over a period of 1 year with a confidence level of 99.5 percent. The measurement of market risk involves analyzing shock scenarios specified in **Solvency II** requirements, in some cases supplemented by the group's own parameterization.

The capital requirements for **interest-rate risk** are determined on the basis of shock scenarios calculated for an increase in interest rates and a decrease in interest rates. R+V uses the shock factors in the standard formula to calculate the overall solvency requirement for interest-rate risk. It also includes a capital buffer that takes into account changes in the direction of interest-rate trends.

The capital requirements for **spread risk** are calculated using a factor approach based on the relevant lending volume. The level of the shock factor is determined by the security's rating and the modified duration of the investment. With loan securitizations, a distinction is made between single, double, and multiple securitization structures. Depending on which is applicable, different rating-dependent shock factors are used. R+V uses its own shock factors, based on a portfolio model, to calculate the overall solvency requirement.

The capital requirements for **equity risk** are determined on the basis of stress scenarios calculated for a decrease in market value. The stress amounts depend on the equity type, e.g. whether it is listed on a regulated market in a member state of the European Economic Area or Organisation for Economic Co-operation and Development (OECD). The capital requirement for equity risk is based on the relevant equity exposure. It is determined using modeling and risk quantification based on observable data. The parameters of the standard formula in Solvency II are increased in order to take account of default risk. Default risk describes the risk of loss resulting from issuer insolvency.

Currency risk is calculated using a scenario approach that reflects the impact of a decrease or increase in the exchange rate for a foreign currency. The shock factor for determining the overall solvency requirement is based on the individual currency portfolio of R+V. Lower factors are applied for currencies that are pegged to the euro than for those that are not pegged to the euro.

The calculation of **real-estate risk** looks at both property held directly (e.g. land and buildings) and real estate funds. The shock factor for determining the overall solvency requirement for real-estate risk is a stress scenario adapted from the standard formula and reflects the fact that direct holdings consist overwhelmingly of investments in German real estate and fund holdings consist primarily of European real estate.

17.3.2 Principles of market risk management

The risk attaching to investments is managed in accordance with the guidelines specified by EIOPA, the stipulations in VAG, the information provided in regulatory circulars, and internal investment guidelines (see also the disclosures on market risk strategy in chapter VI.15.1). R+V aims to ensure compliance with the internal provisions in the risk management guidelines for investment risk and with other regulatory investment principles and rules by means of investment management, internal control procedures, a forward-looking investment policy, and organizational measures. The management of risk encompasses both economic and accounting aspects.

R+V counters investment risk by ensuring a good balance between security and profitability while safeguarding liquidity. By maintaining a mix and diversification of investments, R+V's investment policy aims to take into account the objective of mitigating risk.

In addition to diversification via maturity dates, issuers, countries, counterparties, and asset classes, limits are also applied in order to mitigate risk.

Asset/liability management investigations are carried out at R+V. The necessary capital requirement to maintain solvency is reviewed on an ongoing basis with the support of stress tests and scenario analyses. Special attention is paid to the effects of interest-rate changes and volatile capital markets. R+V uses derivatives to manage market risk.

17.3.3 Management of individual market risk categories

In the management of **interest-rate risk**, R+V adheres to the principle of a mix and diversification of investments, combined with balanced risk-taking in selected asset classes and duration management that takes account of the structure of obligations.

In the management of **spread risk**, R+V pays particular attention to high credit ratings for investments, with the overwhelming majority of its fixed-income portfolio being held in investment-grade paper (see also Fig. VI.46 in chapter VI.17.5.2). The use of third-party credit risk evaluations and internal expert assessments, which are often more rigorous than the credit ratings available in the market, serves to further minimize risk. Mortgage lending is also subject to internal rules that help to limit default risk.

Equity risk is mitigated by diversifying holdings across different equity asset classes and regions. Asymmetric strategies are also used to reduce or increase equity exposure under a rules-based approach. At R+V, equities are used as part of a long-term investment strategy to guarantee that obligations to policyholders can be satisfied; generating profits by exploiting short-term fluctuations to sell shares is not its objective. The risk of having to sell equities at an inopportune moment is mitigated by the broadly diversified portfolio of investments.

Currency risk is controlled by systematic foreign-exchange management. Virtually all reinsurance assets and liabilities are denominated in the same currency.

Real-estate risk is mitigated by diversifying holdings across different locations and types of use.

17.3.4 Management of risk concentrations

R+V's investment approach focuses on avoiding risk concentrations in the portfolio and optimizing its risk profile by broadly diversifying investments. To achieve this, it applies the principle of an appropriate mix and diversification of investments and complies with the quantitative limits specified through the internal rules in the risk management guidelines for investment risk.

Risk concentrations are analyzed at least annually to assess whether they are material or not. Potential risk concentrations arise from the combination of analyzed risk type and type of concentration (e.g. individual exposure, sector, country, or region). The analysis pays particular attention to the risk-adjusted view, i.e. risk remaining after the risk-mitigating effects of insurance liabilities have been taken into account. Items currently of particular note in this regard are the portfolios of Italian government bonds combined with the shares held in the Italian Assimoco companies for business-policy reasons and the long-term interest-rate risks arising from pension products in force for a long period of time. These risks are consciously assumed.

17.3.5 Distinctive features of managing market risk in personal insurance business

For life insurance contracts and for casualty insurance contracts with premium refund clauses that guarantee minimum returns, there is a risk that the guaranteed minimum return agreed for certain products when contracts are signed cannot be generated in the capital markets over the long term. In the case of products with long-term guarantees, there is a risk of negative variances over the term of the contracts compared with calculation assumptions because of the length of time covered by the contracts. The main reasons for variances are the change in the capital market environment and maturity mismatches between investments and insurance contracts.

Market risk can be countered by writing new business that takes into account the current capital market situation and by taking action to boost the portfolio's risk-bearing capacity. It is crucial to ensure that there is enough free capital that can be made available even in adverse capital market scenarios. The necessary capital requirement to maintain solvency is reviewed on an ongoing basis with the aid of stress tests and scenario analyses as integral components of asset/liability management.

Policyholder participation features in the form of future declarations of bonuses are also a key instrument used to reduce market risk attaching to life insurance.

The R+V insurance companies' liabilities for remaining coverage as required by German commercial law, broken down by discount rate, is shown in Fig. VI.42 for the main life and casualty insurance portfolios. The method for calculating insurance contract liabilities in life and casualty insurance is explained in note 11 of the notes to the consolidated financial statements.

The company actuarial discount rate calculated in accordance with the procedure developed by the Deutsche Aktuarvereinigung e.V. (DAV) [German Actuarial Association] is used in determining the imputed health insurance discount rate. This procedure is based on a fundamental professional principle issued by the DAV for determining an appropriate discount rate.

17.3.6 Managing risk arising from defined benefit pension obligations

The R+V entities have pension obligations (defined benefit obligations) to their current and former employees. By entering into such direct defined benefit obligations, they assume a number of risks, including risks associated with the measurement of the amounts recognized on the balance sheet, in particular risk arising from a change in the discount rate, risk of longevity, inflation risk, and risk in connection with salary and pension increases. A requirement may arise to adjust the existing provisions for pensions and other post-employment benefits as a result of decisions by the courts, legislation, or changes in the (consolidated) financial reporting. The plan assets at R+V are assets in reinsured pension schemes and funds, and are subject to interest-rate risk. The strategy adopted for the pension assets is predominantly driven by the defined benefit obligations.

FIG. VI.42 – INSURANCE SECTOR: LIABILITIES FOR REMAINING COVERAGE AS REQUIRED BY GERMAN COMMERCIAL LAW, BY DISCOUNT RATE, FOR THE MAIN INSURANCE PORTFOLIOS[1, 2]

Discount rate	Proportion of liabilities for remaining coverage as required by German commercial law in 2024		Proportion of liabilities for remaining coverage as required by German commercial law in 2023	
	€ million	Percent	€ million	Percent
0.00%	6,087	8.7	6,759	9.6
0.01%	–	–	47	0.1
0.08%	5	–	5	–
0.10%	16	–	18	–
0.15%	272	0.4	153	0.2
0.25%	5,148	7.4	3,858	5.5
0.30%	161	0.2	160	0.2
0.35%	894	1.3	962	1.4
0.40%	63	0.1	63	0.1
0.50%	258	0.4	244	0.3
0.75%	123	0.2	34	–
0.90%	7,833	11.2	8,118	11.5
1.00%	36	0.1	59	0.1
1.10%	472	0.7	468	0.7
1.25%	2,917	4.2	2,844	4.0
1.50%	63	0.1	57	0.1
1.55%	1	–	4	–
1.75%	6,933	9.9	6,861	9.8
1.80%	218	0.3	251	0.4
2.00%	792	1.1	825	1.2
2.25%	11,846	17.0	11,821	16.8
2.50%	86	0.1	94	0.1
2.75%	9,248	13.3	9,334	13.3
3.00%	985	1.4	1,218	1.7
3.25%	6,936	9.9	7,021	10.0
3.50%	2,070	3.0	2,382	3.4
3.75%	89	0.1	105	0.1
4.00%	6,234	8.9	6,570	9.3

1 The table covers the following insurance products that include a guaranteed rate of return:
– Casualty insurance policies with premium refund
– Casualty insurance policies with premium refund as pension insurance
– Pension insurance policies
– Endowment insurance policies, including capital accumulation, risk and credit insurance policies, pension plans with guaranteed insurance-based benefits
– Capital deposit products
2 The share attributable to supplementary insurance contracts is listed under the relevant actuarial assumptions for the associated main insurance contract.

17.4 Managing sustainability risks arising from investment activity

Transition risks can be reflected in the market risk of R+V as a result of negative changes in the fair values of investments.

R+V has a science-based climate target for its investment activity, which involves cutting greenhouse gas emissions from investment activities to make them climate-neutral by 2050.

R+V's investment portfolio is evaluated on the basis of key sustainability figures, including ESG scores obtained from third-party data providers. These are drawn from assessments of climate-related risk, controversies, and breaches of standards, such as the United Nations Global Compact. R+V can initiate processes to engage with individual issuers in order to mitigate sustainability risks. These processes serve to clarify sustainability-related matters or controversies.

Sustainability risks in R+V's investment process are monitored and managed by two committees. The ESG task force monitors general sustainability risks at individual issuer level, while the carbon task force manages climate targets at portfolio level. The amount of climate risk from various asset classes is also taken into account in the risk capital calculation.

17.5 Lending volume

17.5.1 Reconciliation of the lending volume

The amount and structure of the lending volume are key factors for the aspects of credit risk reflected in market risk and counterparty default risk. To identify possible risk concentrations, the volume liable to credit risk is broken down by rating class, industry sector, and country group.

Fig. VI.43 shows a reconciliation of the lending volume on which the risk management is based to individual balance sheet items in order to provide a transparent illustration of the link between the consolidated financial statements and risk management. The differences in methods used in the external consolidated financial statements and the internal management accounts are explained in chapter VI.8.7.2.

FIG. VI.43 – INSURANCE SECTOR: RECONCILIATION OF THE LENDING VOLUME

€ billion		Reconciliation								
Lending volume for internal management accounts		Scope of consolidation		Definition of the lending volume		Carrying amount and measurement		Lending volume for the consolidated financial statements		
Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Investments held by insurance companies (note 54 of the notes to the consolidated financial statements)
								12.7	12.0	of which: mortgage loans
								6.0	6.0	of which: promissory notes and loans
								5.7	5.5	of which: registered bonds
								0.9	1.0	of which: other loans
								12.3	11.9	of which: variable-yield securities
								55.4	53.6	of which: fixed-income securities
								0.1	0.2	of which: derivatives (positive fair values)
								–	–	of which: deposits with ceding insurers
90.8	89.8	-1.7	-1.8	-0.7	-0.7	4.7	3.0	93.0	90.2	
Difference								2.3	0.5	
Difference (percent)								2.5	0.5	

Not relevant

17.5.2 Change in lending volume

In accordance with the breakdown specified in Solvency II, the bulk of credit risk within market risk is assigned to spread risk. The other parts of credit risk are measured within counterparty default risk and other risk types.

As at December 31, 2024, the **total lending volume** of R+V had increased by 1 percent to €90.8 billion (December 31, 2023: €89.8 billion).

The financial sector and the public sector, which are the dominant **asset classes**, together accounted for 68 percent of the total lending volume as at December 31, 2024 (December 31, 2023: 67 percent).

The explanation of the asset class concept in the Bank sector (see chapter VI.8.7.3) applies analogously to the Insurance sector. Fig. VI.44 shows the breakdown of the lending volume by asset class.

FIG. VI.44 – INSURANCE SECTOR: LENDING VOLUME, BY ASSET CLASS

€ billion	Dec. 31, 2024	Dec. 31, 2023
Financials	40.7	40.1
Corporates	11.9	12.3
Public sector	20.8	19.7
Real estate (commercial and retail customers)	16.5	16.5
Other retail business	0.1	0.1
Asset-backed securities and asset-backed commercial paper	0.9	1.2
Total	**90.8**	**89.8**

In the real estate asset class (commercial and retail customers), the volume of lending in the **home finance** business came to €14.3 billion as at December 31, 2023 (December 31, 2023: €14.2 billion). Of this amount, 87 percent was accounted for by loans for less than 60 percent of the value of the property as at December 31, 2024, a situation that was unchanged compared with December 31, 2023.

As at the reporting date, the volume of home finance was broken down by finance type as follows (figures as at December 31, 2023 shown in parentheses):

– Consumer home finance: €13.0 billion (€12.8 billion)
– Commercial home finance: €0.1 billion (€0.1 billion)
– Commercial finance: €1.2 billion (€1.3 billion)

In the case of home finance, the entire volume disbursed is backed by traditional loan collateral.

FIG. VI.45 – INSURANCE SECTOR: LENDING VOLUME, BY COUNTRY GROUP

€ billion	Dec. 31, 2024	Dec. 31, 2023
Europe	45.6	43.9
of which: eurozone	36.8	34.9
North America	8.2	8.2
Central America	0.6	0.5
South America	0.9	1.0
Asia	3.4	3.5
Africa	0.3	0.3
Other	1.9	1.9
Total	**60.9**	**59.3**

Fig. VI.45 shows the **geographical distribution** of the credit portfolio by country group. Borrowers based in Germany are not included in this breakdown. The relevant country for the assignment to a country group is the one in which the economic risk arises. As at December 31, 2024, 75 percent of the total lending outside Germany was concentrated in Europe (December 31, 2023: 74 percent).

For **credit ratings**, R+V generally uses ratings from rating agencies approved by the supervisory authorities. It also applies its own expert ratings in accordance with the provisions of Credit Rating Agency Regulation III to validate the external credit ratings. R+V has defined the external credit rating as the maximum, even in cases where its own rating is better. The ratings calculated in this way are matched to the DZ BANK credit rating master scale using the methodology shown in Fig. VI.25 (chapter VI.8.5.1).

The **rating structure** of the lending volume in the Insurance sector is shown in Fig. VI.46. Of the total lending volume as at the reporting date, 76 percent was attributable to investment-grade borrowers (December 31, 2023: 75 percent). Defaults, represented by rating classes 5A to 5E, continued to account for less than 1 percent of the total lending volume, as had also been the case as at December 31, 2023. The lending volume that is not rated, which also remained unchanged at 23 percent of the total lending volume, essentially comprised consumer home finance for which external ratings were not available. Consumer home finance is deemed to be low-risk because the lending is based on a selective approach and the mortgageable value of the assets is limited.

In the analysis of **individual concentrations**, the 10 counterparties associated with the largest lending volumes accounted for 16 percent of R+V's total lending volume as at December 31, 2024 (December 31, 2023: 17 percent).

FIG. VI.46 – INSURANCE SECTOR: LENDING VOLUME, BY INTERNAL RATING CLASS

€ billion		Dec. 31, 2024	Dec. 31, 2023
Investment grade	1A	27.8	23.0
	1B	7.6	11.4
	1C	–	–
	1D	10.5	10.6
	1E	–	–
	2A	6.5	6.3
	2B	4.7	5.6
	2C	5.8	4.9
	2D	3.3	2.7
	2E	–	–
	3A	2.8	3.0
Non-investment grade	3B	0.4	0.4
	3C	0.4	0.3
	3D	–	–
	3E	0.2	0.2
	4A	0.1	0.2
	4B	0.1	–
	4C	–	–
	4D	–	–
	4E	–	–
Default		0.2	–
Not rated		20.5	21.0
Total		**90.8**	**89.8**

17.5.3 Credit portfolios particularly affected by a negative environment

Economic policy divergence in the eurozone

Differences in economic policy in the eurozone are particularly affecting investments of R+V in **Italy**. As at December 31, 2024, the affected exposure amounted to €3,308 million (December 31, 2023: €2,493 million). The increase in the exposure compared with December 31, 2023 was largely due to higher fair values and bond purchases.

Acute global crises

The following sections present the lending volume in the credit portfolios in which the effects of acute global crises were more noticeable than in the rest of R+V's credit portfolios. The regional allocation of the exposures, which mainly comprise fixed-income securities, is shown in Fig. VI.47.

FIG. VI.47 – INSURANCE SECTOR: LENDING VOLUME IN COUNTRIES PARTICULARLY AFFECTED BY ACUTE GLOBAL CRISES

€ million	Dec. 31, 2024	Dec. 31, 2023
Lending volume in countries affected by the Israel-Hamas war	**590**	572
of which: Egypt	–	4
of which: Israel	290	293
of which: Jordan	32	20
of which: Saudi Arabia	268	254
Lending volume in countries affected directly by the dispute between China and Taiwan	**161**	168
Lending volume	**751**	740

In 2024, Saudi Arabia and Jordan were classified as countries affected, in the broader sense, by the war between Israel and Hamas. This means that the total lending volume differs from the corresponding disclosure in the 2023 risk report.

As at December 31, 2024, the volume of lending extended to countries affected by the dispute between **China and Taiwan** related exclusively to China. As at the reporting date, there was no exposure to borrowers based in Taiwan, a situation that was unchanged compared with December 31, 2023.

The proportion of R+V's lending volume that was associated with acute crises stood at 0.8 percent of its total lending volume as at December 31, 2024. This situation was also unchanged year on year. In the 2023 risk report, the relevant lending volume had made up 0.5 percent of the total lending volume excluding Saudi Arabia and Jordan.

17.6 Risk position

As at December 31, 2024, the **overall solvency requirement** for market risk amounted to €3,965 million (December 31, 2023: €3,580 million) with a **limit** of €4,450 million (December 31, 2023: €3,695 million). The increase in risk related first and foremost to spread risk and equity risk and was attributable to lower policyholder participation in risk in the life insurance business.

Fig. VI.48 shows the overall solvency requirement for the various types of market risk.

FIG. VI.48 – INSURANCE SECTOR: OVERALL SOLVENCY REQUIREMENT FOR MARKET RISK, BY RISK SUBTYPE

€ million	Dec. 31, 2024	Dec. 31, 2023
Interest-rate risk	2,318	2,392
Spread risk	1,028	718
Equity risk	1,631	1,232
Currency risk	381	335
Real-estate risk	473	432
Total (after diversification)	**3,965**	**3,580**

18 Counterparty default risk

18.1 Definition and business background

Counterparty default risk reflects potential losses that could arise from unexpected default or deterioration in the credit standing of counterparties and debtors of insurance and reinsurance companies over the following twelve months. It covers risk-mitigating contracts, such as reinsurance arrangements, securitizations and derivatives, and receivables from intermediaries, as well as any other credit risk that is not otherwise covered by risk measurement.

Counterparty default risk takes account of collateral or other security that is held by the insurance or reinsurance company and any associated risks.

18.2 Risk factors

Counterparty default risk can arise as a result of unexpected default or deterioration in the credit standing of mortgage loan borrowers, counterparties of derivatives, reinsurance counterparties, policyholders, or insurance brokers.

18.3 Risk management

18.3.1 Measurement of counterparty default risk and management of limits

The **overall solvency requirement** for counterparty default risk is determined in accordance with the standard formula in Solvency II over a period of 1 year with a confidence level of 99.5 percent. The capital requirements for counterparty default risk are determined on the basis of the relevant exposure and the expected losses per counterparty. R+V manages counterparty default risk at individual entity level.

Volume and counterparty limits apply to transactions involving derivatives. The various risks are monitored and transparently presented as part of the reporting system. Only economic hedges are used and they are not reported on a net basis in the consolidated financial statements.

R+V uses the views expressed by the international rating agencies in conjunction with its own credit ratings to help it to assess counterparty and issuer risk. Compliance with the limits for major counterparties is reviewed on an ongoing basis, with checks on limit utilization and compliance with investment guidelines.

18.3.2 Mitigating counterparty default risk

Default management mitigates the risks arising from defaults on receivables relating to direct insurance operations with policyholders and insurance brokers. For the purposes of German commercial law, the average ratio of defaults to gross premiums written over the past three years continued to stand at 0.1 percent as at December 31, 2024.

The default risk for receivables arising from inward reinsurance business and reinsurance contracts held is limited by continuously monitoring credit ratings and making use of other sources of information in the market.

18.4 Risk position

Receivables arising from reinsurance contracts held amounted to €68 million as at December 31, 2024 (December 31, 2023: €73 million). Of this amount, 100 percent was accounted for by entities with an external rating of A or better under the system of rating agency S&P Global Ratings, a situation that was unchanged compared with December 31, 2023.

The **reinsurers' share of insurance liabilities** is a variable that impacts on the default risk of reinsurance counterparties. Claims against reinsurers for insured events that have not yet occurred and for insured events from direct insurance operations and from inward reinsurance that have occurred, presented by external rating class under the system of rating agency S&P Global Ratings, are shown in Fig. VI.49. Ratings that were not available at the reporting date are now shown as 'Not rated', whereas they had been included in 'Other ratings' in the 2023 risk report.

FIG. VI.49 – INSURANCE SECTOR: VOLUME OF REINSURANCE CONTRACTS HELD, BY EXTERNAL RATING CLASS

€ million	Dec. 31, 2024	Dec. 31, 2023
AAA	1	–
AA+ to AA-	44	21
A+ to A-	119	119
B	3	1
Not rated	13	12
Total	**180**	**154**

Overdue receivables from policyholders and insurance brokers more than 90 days past due as at the reporting date amounted to €12 million as at December 31, 2024 (December 31, 2023: €16 million).

As at December 31, 2024, the **overall solvency requirement** for counterparty default risk amounted to €252 million (December 31, 2023: €219 million) with a **limit** of €325 million (December 31, 2023: €245 million). The increased overall solvency requirement was mainly attributable to lower policyholder participation in risk.

19 Reputational risk

19.1 Definition and business background

Reputational risk is defined as the risk of losses that could arise from damage to the reputation of R+V or of the entire industry as a result of a negative perception among the general public (for example, customers, business partners, shareholders, authorities, the media).

Reputational risk can arise as an independent risk (primary reputational risk) or as an indirect or direct consequence of other types of risk, such as operational risk (secondary reputational risk).

19.2 Risk factors

If R+V's reputation deteriorates, there is a risk that existing or potential customers will be unsettled with the result that **business relationships** might be terminated or it might not be possible to carry out planned transactions. There is also a risk that it will no longer be possible to guarantee the backing of **stakeholders** – such as partners in the Cooperative Financial Network and employees – necessary to conduct business operations. The possibility cannot be ruled out either that entities in the Bank sector will be affected if R+V has a negative reputation.

Reputational risk is particularly affected by **sustainability-related risk factors** in the form of transition risks, social risks, and corporate governance risks. If such sustainability-related risks materialize, this can lead to increased reputational risk. The effect can spread both indirectly via customers or products and directly via the entities' own processes or business activities.

Sources of **social risk** are unfair, opaque, or improper business practices in respect of customers, especially if these lead to changes in customer behavior or in demand.

Potential causes of **corporate governance risk** include governance structures that are inadequate or lack transparency. Another possibility is if an entity has an inadequate code of conduct or does not have one at all. These shortcomings may weaken employees' confidence in the effectiveness of the entity's senior management. A lack of, or only inadequate, measures to tackle money laundering, financing of terrorism, and all forms of corruption (e.g., acceptance of advantages, granting of advantages, active bribery, and passive corruption) constitute further forms of corporate governance risk. They may damage R+V's reputation among employees, customers, and business partners.

Transition risk can arise if stakeholders regard R+V's approach to sustainability matters as inappropriate, in particular if they deem existing or future products or current or proposed business relationships to have an adverse impact on the climate or environment. Furthermore, transition risk can be triggered by investments in businesses that are responsible for environmental pollution, fail to adhere to social norms, neglect their data protection responsibilities, or inadequately implement measures to prevent corruption, fraud, or tax evasion.

19.3 Risk management

R+V's corporate communications are coordinated centrally so that any inaccurate presentation of circumstances can be countered. Media reports about the insurance industry in general and R+V in particular are monitored and continuously analyzed across all R+V departments. This analysis implicitly and explicitly takes account of **sustainability matters**.

R+V's reputational risk is not specifically quantified within the Solvency II framework. However, it is implicitly included in the overall solvency requirement for life actuarial risk (lapse risk).

20 Operational risk

20.1 Definition and business background

Operational risk is defined as the risk of losses arising from inadequate or failed internal processes, personnel, or systems, or from external events.

Operational risk in the Insurance sector is broken down into the following subtypes:
- Legal and compliance risk
- Information risk including ICT risk
- Security risk
- Outsourcing risk
- Project risk

Operational risk could arise in any division of R+V. Sustainability risk in the form of environmental, social, or corporate governance risk could be a risk factor that gives rise to operational risk.

20.2 Central risk management

The **overall solvency requirement** for operational risk in the Insurance sector is determined in accordance with the standard formula in Solvency II over a period of 1 year with a confidence level of 99.5 percent. The risk calculation uses a factor approach, taking account of premiums, provisions and, in the case of unit-linked business, costs.

R+V uses scenario-based risk self-assessments and risk indicators to manage and control operational risk. In the **risk self-assessments**, operational risk is assessed in terms of the probability of occurrence and the level of loss. Qualitative assessments can be used in exceptional cases.

Risk indicators are intended to help the Insurance sector to identify risk trends and concentrations at an early stage and to detect weaknesses in business processes. A system of warning lights is used to indicate risk situations based on specified threshold values.

To support the management of operational risk, all of R+V's business processes are structured in accordance with the requirements of the **framework guidelines** for the authorizations and powers of attorney of employees in R+V entities. Divisions not covered by these guidelines are subject to other policy documents, including policies on new business and underwriting.

The **internal control system** is a key instrument used by R+V to **limit operational risk**. Rules and controls in each department and reviews of the use and effectiveness of the internal control system carried out by Group Audit at R+V aim to avert the risk of errors and fraud. Payments are largely automated. Powers of attorney and authorizations stored in user profiles, as well as automated submissions for approval based on a random generator, are also used. Manual payments are approved by a second member of staff.

20.3 Consideration of sustainability risks

There is a risk that third parties could assert claims due to **transition risks**.

Potential causes of **corporate governance risk** include governance structures that are inadequate or lack transparency. Another possibility is if an entity has an inadequate code of conduct or does not have one at all. These shortcomings may weaken employees' confidence in the effectiveness of the entity's senior management and lead to ineffective business processes.
The instruments used to identify operational risk – such as the risk self-assessment and risk indicators – also incorporate ESG matters. This ensures that sustainability-driven operational risks are managed and monitored.

To expand the management of operational risks driven by ESG factors, an ESG-specific label is currently being introduced as part of the aforementioned management tools. This will enable reliable statements to be made on the basis of expert assessments by the risk management units that indicate the impact of sustainability risk factors on operational risk.

20.4 Operational risk subtypes

20.4.1 Legal and compliance risk

Risk factors

Legal risk may arise from changes in the legal environment, including changes in the way that the authorities or the courts interpret legal provisions. In particular, there is a risk that the implemented compliance and risk management systems could be inadequate for completely preventing or uncovering violations of legal provisions, for identifying and assessing all relevant risks, or for initiating appropriate corrective measures. Examples of relevant situations are notifiable infringements of data protection regulations, breaches of reporting or notification requirements to supervisory or tax authorities, and violations of sanctions or embargoes.

Effects if risk materializes

Violations of legal provisions may have legal implications for R+V, for the members of its decision-making bodies, or for its employees. They may give rise, for example, to fines, penalties, retrospective tax payments, or claims for damages by third parties. These effects could reduce R+V's appeal as a partner in business transactions or as an employer and lead to losses in value.

Risk management

The basic principles for managing compliance risk applicable to the entities in the DZ BANK Group are described in chapter VI.3.9. The data protection measures in place and the code of conduct are also explained in the same chapter.

At R+V, legal disputes arising from the processing of insurance claims or benefit payments are covered by insurance liabilities, and therefore do not form part of operational risk. R+V monitors and analyzes relevant decisions by the courts with a view to mitigating legal risk by identifying any need for action in good time and implementing specific corrective measures. The compliance function has also implemented systems, processes, and controls in order to counter compliance risks.

20.4.2 Information risk including ICT risk

Risk factors

Information risk can arise from a loss of confidentiality, integrity, availability, or authenticity of information or data. If the risk is in connection with the use of information or communication technology (data media), it is referred to as ICT risk. This also includes cyber risk.

Effects if risk materializes

Malfunctions or breakdowns in IT systems (comprises software, hardware, and communication technology), including attacks from external sources – such as hackers or malware –, could have an adverse impact on the ability of the Insurance sector to efficiently maintain the processes necessary to carry out operating activities, protect saved data, ensure sufficient control, or continue to develop products and services. Furthermore, such malfunctions or breakdowns could lead to temporary or permanent loss of data. This could restrict operating activities, have a negative impact on reputation, or result in economic losses.

Risk management

The basic principles for managing information security applicable to the entities in the DZ BANK Group are described in chapter VI.3.10.

A core focus of R+V's IT strategy is to ensure the stable, secure, and efficient operation of the information and communications infrastructures and application systems. R+V's IT operations are largely centralized and involve a high degree of inhouse development. In its development work, the IT team incorporates standardized IT processes and procedures, applies best practice, and is closely guided by market standards.

A material aspect in the deployment of IT is digital operational resilience aimed at minimizing the impact of IT outages, particularly for critical business processes, and to avoid business interruptions.

Physical and logical precautionary measures have been established for the purpose of data and application security and to ensure that day-to-day operations are maintained. A particular risk would be a partial or total breakdown in data processing systems. R+V counters this risk by using two segregated data processing centers in which the data and systems are mirrored, special access security, fire control systems, and an uninterruptible power supply supported by emergency power generators. Exercises are carried out to test a defined restart procedure to be used in disaster situations with the aim of checking the efficacy of this procedure. Data is backed up and held within highly secure environments in different buildings. Furthermore, data is mirrored to a tape library at a remote, off-site location.

The level of security is enhanced through the systematic identification of protection requirements, security strategies based on defined IT security standards, business continuity planning, and capacity management. Where tasks allow, R+V makes flexible use of outsourcing options and IT providers in a risk-based approach. IT providers are integrated into R+V's processes where necessary and monitored on a risk basis.

R+V uses a dedicated management process – with defined roles, responsibilities, and procedures – to manage and control information risk in a holistic approach. Various information and IT security management tools are used to identify information risk, such as target/actual comparisons and penetration tests.

20.4.3 Security risk

Risk factors

Security risk can arise from inadequate protection of individuals, premises, assets, or time-critical processes. Examples are epidemics or pandemics resulting from the spread of pathogens over a huge area, or limitations on the use of resources because of a power outage, other interruption to energy supply, or natural disaster. Climate change could lead to more frequent and more severe natural disasters.

Effects if risk materializes

Business interruptions could mean that processes and workflows are disrupted over several days. Moreover, sensitive internal and external interfaces could be jeopardized by long-term business interruptions. Furthermore, such scenarios could also have a negative impact on reputation.

Risk management

To ensure that it is operational at all times, R+V has a business continuity management (BCM) system, which is documented in internal corporate guidelines. The R+V security and BCM conference with representatives from all divisions and sites provides strategic and functional support and is intended to ensure that activities within R+V are coordinated. Reports on significant findings relevant to risk and on any exercises and tests that have been carried out are also submitted to the R+V Risk Committee.

The purpose of the BCM system is to ensure that R+V's operating activities can be maintained in the event of an emergency or crisis. To this end, (time-)critical business processes are recorded with the necessary resources. Any necessary documentation (such as business continuity planning) is prepared and reviewed. Special organizational structures, such as the R+V crisis management team and situation room, and the individual business continuity teams in the divisions and sites, have also been set up to deal with emergency and crisis situations.

Further details on business continuity management can be found in chapter VI.3.10.

20.4.4 Outsourcing risk

Risk factors
R+V aims to provide high-quality services at competitive terms and conditions based on efficient internal organization of its business activities.

The outsourcing of activities to external providers or within the Group and the use of external IT procurement in line with the Digital Operational Resilience Act (DORA) can bring benefits in terms of quality and costs. At R+V, many tasks are performed centrally by certain R+V subsidiaries acting as service providers that render these activities in a joint operation for other R+V subsidiaries.

Outsourcing and external IT procurement entail different, specific risks if the service provider fails to comply with the strategic principles established by R+V or the related operational requirements when carrying out the outsourced activities. If a service provider is not suitable for the task or does not have the requisite financial stability, this could lead to defective performance or even loss of the service. Moreover, inappropriate management of operational risk by the service provider could have an adverse impact on business operations.

Effects if risk materializes
If the risk factors were to materialize, they could lead to a loss of business, business interruptions, claims for damages from customers, or regulatory sanctions. They could also result in a negative impact on reputation.

Risk management
The basic principles for managing outsourcing applicable to the entities in the DZ BANK Group are described in chapter VI.3.11.

Using these principles as a starting point, R+V has put in place the following measures to protect against potential outsourcing risk:
- Structured categorization of outsourcing arrangements and external procurement
- Identification of potential risk factors as part of the risk analysis
- Requirements for the mitigation of risk, including standard provisions that must be contractually agreed and integrated into business continuity management

20.4.5 Project risk

Risk factors
Project risk could arise from the inadequate clarification of project targets or orders, from deficiencies in subsequent implementation, from communication shortcomings both inside and outside the project, or from unexpected changes in the general parameters applicable to a project.

Effects if risk materializes
If project risk were to materialize, this could mean that the implementation of the project could require additional funds in excess of the budget. It could also give rise to further costs attributable to the failure to complete project requirements on schedule. Examples of such costs are additional costs in the line organization and impairment losses on capital investment related to the project. Earnings could also be reduced if new products or – due to changes to legal requirements – appropriately modified products cannot be offered in good time.

Risk management
To provide a regulating framework for secure, efficient execution of projects, R+V has set up a Capital Investment Committee, which submits proposals for decision or approval and provides support for large-scale projects. The projects are subject to independent, close monitoring and control. At quarterly meetings, the Capital Investment Committee is kept informed of project results and any adjustments to project targets. The committee can intervene to provide guidance by becoming involved in discussions on targets.

20.5 Risk position

As at December 31, 2024, the **overall solvency requirement** determined for operational risk amounted to €678 million (December 31, 2023: €627 million). The **limit** was €800 million as at the reporting date (December 31, 2023: €700 million). This increase in risk was due to higher insurance liabilities calculated in accordance with Solvency II.

21 Risks from entities in other financial sectors

All entities that form part of R+V for regulatory purposes are generally included in the calculation of group solvency.

At R+V, the entities in other financial sectors mainly consist of pension funds and occupational pension schemes. Their **risk factors** generally correspond to the risk factors for risks backed by capital pursuant to Solvency II.

Risk is quantified for the pension funds and occupational pension schemes in accordance with the requirements currently specified by the insurance supervisor. This means applying the capital requirements in Solvency I, which are essentially calculated by applying a factor to the volume measures of liabilities for remaining coverage and capital at risk. Funding requirements are also assessed over a multi-year period when calculating the overall solvency requirement and own funds. This involves assessing whether existing regulatory requirements regarding insurance equity and liabilities, capital adequacy, and risk-bearing capacity can continue to be met in the future, taking risks into account. Projections, as well as existing analyses and reports, are used to make this assessment.

R+V Pensionskasse AG, Wiesbaden, (R+V Pensionskasse) is exposed to risks comparable with those faced by the life insurance entities. The main risk management activities applicable in this case are those relating to life actuarial risk (see chapter VI.16.3.2), market risk (see chapter VI.17.3), counterparty default risk (see chapter VI.18.3), and operational risk (see chapter VI.20.2). R+V Pensionskasse AG has largely stopped taking on new business. It is continuing to manage existing contracts as before.

The risk situation in a **pension fund** is determined to a significant degree by the nature of the pension plans offered. In pension plans offered by R+V involving defined contributions with a minimum benefit, it must be ensured that at least the sum of the contributions paid into the plan (net of any contributions covering biometric risk assumed by R+V) is available on the agreed pension start date.

R+V also offers pension plans that include guaranteed insurance-based occupational incapacity cover as well as pension benefits and benefits for surviving dependants. Market risk and all the risk types covered by actuarial risk are relevant as far as occupational pension provision is concerned. Longevity risk is also important in relation to pensions because of the guaranteed benefits involved. The risk management activities relating to life actuarial risk, market risk, counterparty default risk, and operational risk apply in this case. R+V aims to ensure that the ongoing pension plan contributions and the liability for remaining coverage include sufficient amounts to cover the costs of managing pension fund contracts.

In the pension plans involving a benefit commitment without any insurance-based guarantees, R+V does not assume responsibility for any of the pension fund risk or investment risk because the benefits promised by the pension fund are subject to the proviso that the employer will also make up any difference required. This also applies to the period in which pensions are drawn. If the employer fails to make up the difference required, R+V's commitment is reduced to insurance-based guaranteed benefits based on the amount of capital still available.

In purely defined-contribution plans, the amount of the lifelong payments depends on the value of the pension capital upon retirement and, subsequently, on the performance of the collateral assets for covering the current annuities. This means that there is a risk for pension beneficiaries that the payments may fluctuate – and, specifically, may fall – depending on the value of the investment. Appropriate market risk management activities are carried out to counter this risk.

As at December 31, 2024, the **overall solvency requirement** for risks from entities in other financial sectors stood at €194 million (December 31, 2023: €217 million) with a **limit** of €265 million (December 31, 2023: €225 million). The reduction in risk was attributable to the lower forecast funding requirements of R+V Pensionskasse.

VII Sustainability report

1 General disclosures

1.1 Basis for preparation (BP-1, BP-2)

Brief summary
- Overarching disclosures on the report
- Presentation of legal basis, methodology, and underlying assumptions
- References to sources outside the sustainability report

This sustainability report has been prepared on a consolidated basis for the DZ BANK Group. It meets all requirements pertaining to the DZ BANK Group's sustainability statement in accordance with the European Sustainability Reporting Standards (ESRS) and the requirements pertaining to non-financial reporting obligations in accordance with sections 315b to 315c of the German Commercial Code (HGB, consolidated non-financial statement) and sections 289b HGB et seq. (non-financial statement of DZ BANK AG Deutsche-Zentralgenossenschaftsbank, Frankfurt am Main (DZ BANK)). The DZ BANK Group's sustainability statement has been prepared in full compliance with ESRS. This move forward from the previous comprehensive sustainability reporting of the DZ BANK Group is primarily due to the growing importance of ESRS in the EU.

The requirements of ESRS are addressed below. Firstly, the basis for preparation of this report is presented and an overview is provided of the materiality assessment performed. The report then covers the standards identified as material that relate to the environmental, social, and corporate governance spheres.

Unless indicated otherwise, the scope of application of the disclosures in this sustainability report is defined as follows:

- 'DZ BANK Group' refers to the scope of consolidation for the sustainability report; see 'Scope of consolidation for the sustainability report'.
- The term 'management unit' is used in accordance with the definition in chapter I.2.1.
- 'Banking group' refers to the entities included in the DZ BANK Group's scope of consolidation for regulatory purposes, as listed in chapter VI.2.1.5.
- The competence center environment (Kompetenzcenter Umwelt, KCU) comprises the following DZ BANK Group entities: BSH, DZ BANK, DZ HYP, DZ PRIVATBANK, R+V, Reisebank, TeamBank, UMH, VR Payment, and VR Smart Finanz (members of the KCU since 2014), plus VR Equitypartner and VR Factoring GmbH (members of the KCU since 2024).

Scope of consolidation for the sustainability report

The DZ BANK Group's sustainability report was prepared on a consolidated basis. The consolidation is carried out in accordance with the principles of the IFRS consolidated financial statements. The entities included in the consolidation are listed in note 03 (scope of consolidation) of the consolidated financial statements of DZ BANK as at December 31, 2024. The following entities that are not consolidated under IFRS have also been included: carexpert Kfz-Sachverständigen GmbH (carexpert, registered office in Mainz), R+V Service Center GmbH (registered office in Wiesbaden), and Sprint Sanierung GmbH (Sprint, registered office in Cologne). The reason for inclusion was the high number of employees in each entity and the resulting relevance from a sustainability perspective.

Coverage of the value chain

The entire value chain was taken into account when collating and evaluating the potential material impacts, risks, and opportunities during the materiality assessment.

Intellectual property

The DZ BANK Group has not taken up the option to omit information relating to intellectual property, know-how, or the results of innovation.

Time horizons

Reflecting its existing risk management processes, the DZ BANK Group uses the following time horizons in this report (in each case as at the reporting date):

– Short-term time horizon: period of up to 1 year (in line with the ICAAP economic perspective)
– Medium-term time horizon: period of 1 to 4 years (consistent with the DZ BANK Group's planning horizon)
– Long-term time horizon: periods of more than 4 years

Estimating and measuring parameters

The quantitative data referring to DZ BANK's own operations in this report is based on estimates using indirect sources and assumptions. This is due to a lack of available data or a high level of measurement uncertainty. The basis for preparation and the data's resulting level of accuracy are specified in the explanation of the data collection methodology for the relevant parameters in chapters VII.2.2.1 and VII.2.4.

As the availability of greenhouse gas emissions data was limited at the time of writing this report, data collation was supported, in some instances, by extrapolation of existing data and selected indicators, such as the number of employees, in order to produce estimates for the data that was unavailable. Information on the basis for extrapolation and the methods used for estimates can be found in chapters VII.1.4 and VII.2.4.

References to sources outside the sustainability report

The information listed in the following figure in this sustainability report is incorporated by reference to other sections of the group management report of the DZ BANK Group.

FIG. VII. 1: OVERVIEW OF REFERENCES TO OTHER CHAPTERS OF THE GROUP MANAGEMENT REPORT OF THE DZ BANK GROUP

Information incorporated by reference	**ESRS data point**	**Location in the sustainability report**	**Reference (report)**	**Reference (chapter)**
Disclosures on the DZ BANK Group's business model and value chain	SBM-1 paragraph 40 a) i, ii and 42 a), b)	Chapter VII.1.4 Strategy and business model	Group management report as at December 31, 2024	Chapter I 'DZ BANK Group fundamentals' 1. Business model and strategic focus Chapter I 'DZ BANK Group fundamentals' 2.1 Management units

Unless indicated otherwise, the references in this sustainability report do not form part of the report itself.

1.2 Disclosures stemming from other legislation or generally accepted pronouncements

Disclosures under HGB

This sustainability statement in accordance with ESRS meets the requirements of the

– DZ BANK Group's consolidated non-financial statement in accordance with sections 315b to 315c HGB and
– DZ BANK's non-financial statement in accordance with sections 289b et seq. HGB.

In order to meet the reporting obligations pursuant to the German Commercial Code, the following is stated for the DZ BANK Group:

- ESRS is used in full as the framework in accordance with sections 315c (3) in conjunction with 289d HGB for the first time due to the importance of ESRS as the standard accepted by the European Commission for sustainability reporting.
- There are no material risks in the DZ BANK Group's own operations or from business relationships, products, and services that are very likely to have severe negative impacts on non-financial aspects as defined in section 289c (3) no. 3 and no. 4 HGB.
- There are no non-financial key performance indicators as defined by section 289c (3) no. 5 HGB for the DZ BANK Group that are important to its business.

Disclosures under the EU Taxonomy Regulation

The disclosures in accordance with article 8 of Regulation 2020/852 (EU Taxonomy Regulation) for the DZ BANK Group in chapter VII.2.5 'Mandatory disclosures for the DZ BANK banking group under the EU Taxonomy' form part of the environmental information in this sustainability statement.

Supplementary disclosures to the non-financial statement of DZ BANK in accordance with section 289b HGB

- No generally accepted framework was used for the non-financial statement of DZ BANK as it is the group statement under ESRS that is relevant to the stakeholders.
- Unless presented otherwise, the policies, actions, and targets disclosed at group level are also pursued at the level of the parent entity.
- There are no material risks in DZ BANK's own operations or from business relationships, products, and services that are very likely to have severe negative impacts on non-financial aspects as defined in section 289c (3) no. 3 and no. 4 HGB.
- There are no non-financial key performance indicators as defined by section 289c (3) no. 5 HGB for DZ BANK that are important to its business.

1.3 Corporate management

Brief summary

- Description of the remit, composition, and working methods of the administrative, management and supervisory bodies in a sustainability context, including the suitability of the members of the administrative, management and supervisory bodies for managing sustainability topics
- Reporting on the integration of sustainability matters into strategic planning and risk management
- Reporting on the integration of sustainability-related performance in incentive schemes
- Presentation of risk management and the internal control system that have been put in place for sustainability reporting

1.3.1 Involvement of the administrative, management and supervisory bodies in sustainability matters (GOV-1, GOV-2)

Supervisory and management bodies

The management units in the DZ BANK Group have a dual board structure. The requirements for the Board of Managing Directors and the Supervisory Board of DZ BANK with regard to the responsible and transparent management of the company are set out in applicable legislation, especially the German Stock Corporation Act (AktG), and have been implemented in the governance framework of DZ BANK. This applies, in particular, with regard to the composition of the two bodies and the way in which they perform their respective duties.

In the context of sustainability, the supervisory and management bodies of DZ BANK are informed of the results of the materiality assessment and presented with an overview of the material impacts, risks, and opportunities (IROs). The Boards of Managing Directors of the DZ BANK group entities represented on the Group

Sustainability Committee (GSC) are also informed. A detailed description of the materiality assessment can be found in chapter VII.1.5.

Supervisory Board

The Supervisory Board appoints, monitors, and advises the Board of Managing Directors and is directly involved in decisions of fundamental importance to the entities. The activities of the Supervisory Board are coordinated by the Chairman of the Supervisory Board. The Supervisory Board of DZ BANK and the Supervisory Boards of the group entities have adopted rules of procedure for themselves that govern the activities of the relevant Supervisory Board and its committees.

DZ BANK's Supervisory Board has 20 members. It comprises equal numbers of workers' representatives and shareholder representatives in accordance with the German Codetermination Act (MitbestG). The board positions occupied by workers' representatives must be allocated to non-clerical staff, clerical staff, and senior managers in a manner that reflects the relative proportions of these groups in the overall workforce. This ensures that the interests of workers' representatives, which may include employees as well as labor union representatives, are represented directly on the Supervisory Board. According to the bank's Articles of Association, only members of the managing body of a cooperative enterprise that is a shareholder of the bank may be elected as shareholder representatives on DZ BANK's Supervisory Board. The Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e. V. (BVR) [National Association of German Cooperative Banks] has the right to delegate one member of its Board of Managing Directors to the Supervisory Board. The Supervisory Board elects one of its members as its chairperson. The proportion of independent members on the Supervisory Board of DZ BANK was 15 percent as at December 31, 2024. The current composition of the Supervisory Board is disclosed in note 113 of the notes to the consolidated financial statements of the DZ BANK Group.

The composition of the Supervisory Board of DZ BANK broken down by gender and age is presented in Fig. VII.2. This breakdown reflects the number of members of the Supervisory Board in each age group and gender category as at the reporting date[1] and is based on the personal data submitted to DZ BANK by each Supervisory Board member.

FIG. VII.2: COMPOSITION OF THE BOARD OF MANAGING DIRECTORS BY GENDER AND AGE (AS AT THE REPORTING DATE)

	2024
30 to 49	**2**
of which male	2
of which female	-
50 or older	**18**
of which male	13
of which female	5
Total	**20**
of which male	15
of which female	5

As a monitoring body, the Supervisory Board of DZ BANK scrutinizes all relevant business strategies as well as the business performance and the risk management of the DZ BANK Group. To ensure that it can discharge its responsibilities efficiently, the Supervisory Board of DZ BANK has formed the following standing committees: the Nominations Committee, the Audit Committee, the Risk Committee, the Remuneration Control Committee, and the Mediation Committee. In 2024, the Supervisory Board of DZ BANK reviewed the 2023 separate combined non-financial report and worked on planning and commissioning the review by the auditor of the 2024 non-financial statement of the DZ BANK Group and of DZ BANK AG. For the fourth year in succession,

[1] In this report, the term 'reporting date' refers to the final day of the reporting year, which corresponds to the final day of the DZ BANK Group's financial year, i.e. December 31.

the Supervisory Board received several hours of internal training with a strong emphasis on sustainability in the summer of 2024. The sustainability-related training in 2024 focused on sustainability management and CSRD.

The report of the Supervisory Board is published as part of the Annual Report and contains information on the tasks carried out by the Supervisory Board that are assigned to it by law, the Articles of Association, and rules of procedure. It provides information on fundamental and far-reaching conflicts of interests, on collaboration with the auditor, and on the nomination and appointment of new members of the Board of Managing Directors and Supervisory Board.

Board of Managing Directors

The Board of Managing Directors of DZ BANK is responsible for managing the company. Its members bear this responsibility jointly. The activities of the Board of Managing Directors are coordinated by the Chief Executive Officer. Rules of procedure govern the activities of the Board of Managing Directors of DZ BANK and the Managing Directors and the Boards of Managing Directors of the group entities. The remits of the individual board members are set out in a schedule of responsibilities. The rules of procedure and the schedule of responsibilities are signed off by the Supervisory Board. Responsibility for sustainability at DZ BANK lies with the Chief Executive Officer and the Employee Relations Director. Climate-related and environmental risks are overseen by the member of the Board of Managing Directors responsible for risk control and risk management.

The Board of Managing Directors and the Supervisory Board work closely together. The Board of Managing Directors discusses the strategic focus of the entity with the Supervisory Board and updates the Supervisory Board on the implementation status of the strategy at regular intervals. The rules of procedure for the Supervisory Board set out the transactions of fundamental importance that require the approval of the Supervisory Board. The Board of Managing Directors and the Supervisory Board should together make sure that the Supervisory Board has access to sufficient information.

In the interest of good and responsible corporate governance and group management, the members of the Board of Managing Directors of DZ BANK hold seats on the Supervisory Boards of the other DZ BANK Group entities. A key priority of this monitoring function is to ensure that the interests of the monitored entity are given due regard in accordance with the provisions of AktG and the German Private Limited Companies Act (GmbHG). The strategic positioning of DZ BANK and the entities in the DZ BANK Group within the Volksbanken Raiffeisenbanken Cooperative Financial Network means that the interests of the entities are typically well aligned.

With regard to the composition of the Board of Managing Directors, a resolution was passed on February 23, 2023, when the diversity policy was last updated, that set a target of 25 percent for the proportion of women (who are currently under-represented) on the Board of Managing Directors of DZ BANK (see also chapter VII.3.2.3). Up to June 30, 2024, the Board of Managing Directors of DZ BANK consisted of 2 Co-Chief Executive Officers and 7 other members. With the retirement of Co-Chief Executive Officer Uwe Fröhlich on June 30, 2024, the Board of Managing Directors consisted of one Chief Executive Officer and 7 other members from July 1, 2024 onward. As at the reporting date, the proportion of women on the Board of Managing Directors stood at 25 percent, as required by the diversity policy. The members of the Board of Managing Directors are listed in note 111 of the notes to the consolidated financial statements of DZ BANK. DZ BANK and other DZ BANK Group entities publish information on the professional experience and expertise of the members of their Boards of Managing Directors on their websites.

The composition of the Board of Managing Directors of DZ BANK, broken down by gender and age, is presented in Fig. VII.3. This breakdown reflects the number of members of the Board of Managing Directors in each age group and gender category as at the reporting date and is based on the personal data of each member of the DZ BANK Board of Managing Directors.

FIG. VII.3: COMPOSITION OF THE BOARD OF MANAGING DIRECTORS BY GENDER AND AGE (AS AT THE REPORTING DATE)

	2024
30 or 49	**3**
of which male	2
of which female	1
50 or older	**5**
of which male	4
of which female	1
Total	**8**
of which male	6
of which female	2

Individual and collective suitability of the Supervisory Board and Board of Managing Directors

In accordance with section 25d (11) sentence 2 nos. 3 and 4 of the German Banking Act (KWG), the Supervisory Board – with support from the Nominations Committee – has implemented a process for regularly evaluating the Supervisory Board and its members. The self-evaluation conducted by the Supervisory Board in February 2024 with the Nominations Committee's support found that the structure, size, composition, and performance of the Supervisory Board and the knowledge, skills, and experience of the individual Supervisory Board members and the 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 Supervisory Board and the collective suitability of the Supervisory Board as a whole. Following its annual evaluation, the Supervisory Board also signed off the updated profile of skills and expertise for the Supervisory Board.

DZ BANK also offers training opportunities to the members of the Supervisory Board, regardless of the period of time that they have been board members. This includes running inhouse training courses and covering the cost of supervisory board-related training programs offered by external providers.

Over the past 4 years, the Supervisory Board has continuously enhanced its sustainability-related knowledge and skills through annual training courses. In this context, the latest trends and general parameters were discussed, the DZ BANK Group's sustainability strategy was explained, and topics such as environmental, social, and corporate governance (ESG) instruments in the lending process, climate stress tests, and sustainability reporting were addressed. Relevant training topics are selected to reflect the individual requirements of the Supervisory Board members and issues related to the impacts, risks, and opportunities of sustainability matters. These include business portfolio changes as a result of climate change adaptation and mitigation, and the impact of the business portfolio's design on customer and stakeholder relationships. The provision of annual training for the Supervisory Board is intended to ensure that its members have the necessary expertise and skills to fulfill their supervisory role, in particular in relation to current focus areas.

Also in accordance with section 25d (11) sentence 2 nos. 3 and 4 KWG, the Supervisory Board has adopted a process for regularly evaluating the Board of Managing Directors as a whole and its members. The evaluation conducted by the Supervisory Board with the support of the Nominations Committee in February 2024 found that the structure, size, composition, and performance of the Board of Managing Directors, and the knowledge, skills, and experience of the individual members and the Board of Managing Directors 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 each member of the Board of Managing Directors and the collective suitability of the Board of Managing Directors as a whole. The collective suitability of the Board of Managing Directors is partly based on an assessment of the skills and expertise relating to relevant sectoral/financial topics, including financial and capital markets, solvency and models, and ESG risks, which also encompasses skills and expertise in assessing the impacts, risks, and opportunities arising in connection with sustainability matters.

DZ BANK also offers various training courses to the members of the Board of Managing Directors, regardless of the period of time that they have been board members. For example, they can participate in training courses, conferences, and interactive formats through DZ BANK's Corporate Campus. The Corporate Campus is a platform for senior management in the DZ BANK Group that focuses on leadership, networking, and professional development with the objective of reinforcing the sustainability of the DZ BANK Group and the Volksbanken Raiffeisenbanken Cooperative Financial Network.

ESG governance and ESG organization

Sustainability is an interdisciplinary topic that is particularly integral to strategic planning processes, risk management, and lending processes. Many of the resolutions and business decisions adopted by the Board of Managing Directors and the Supervisory Board take due account of sustainability matters, both in terms of a positive impact on sustainable business and with regard to potential sustainability risks. The Group Sustainability Committee (GSC), the Group HR Committee (GHRC), and the Group Risk and Finance Committee (GRFC) are the main committees at Board of Managing Directors level responsible for monitoring the impacts, risks, and opportunities of the DZ BANK Group. The committees bring together the sustainability expertise of DZ BANK and the DZ BANK Group. Their purpose is to ensure that the business-policy and strategic decisions of the Board of Managing Directors and Supervisory Board factor in, and take adequate account of, the impacts, risks, and opportunities identified, particularly in the own operations and business portfolio dimensions. DZ BANK's reporting is designed to ensure that these issues are regularly addressed through the relevant reports to the governing and supervisory bodies.

The GSC was created in 2023 and focuses on the management and implementation of sustainability in the DZ BANK Group. One of its key tasks is to provide support for sustainability-related decision-making. It also informs the members of the Boards of Managing Directors represented on the committee of the results of the materiality assessment. In addition, it serves as a platform for strategic decisions relating to sustainability. The GSC makes decisions on the IROs that, under ESRS, are regarded as material to the DZ BANK Group and require action to be action. It reports regularly to the Group Coordination Committee, Its members comprise the Board of Managing Directors of DZ BANK and the chief executive officers of BSH, DZ HYP, DZ PRIVATBANK, R+V, TeamBank, UMH, and VR Smart Finanz. In addition to the GSC, there is a sustainability coordination committee made up of the sustainability officers in the management units. The sustainability coordination committee is an operational committee that is subordinate to the GSC and provides a platform for the sharing of information on the latest sustainability-related developments and activities across the group. Led by DZ BANK, the sustainability coordination committee identifies key issues relevant to the whole of the group, initiates joint projects, and prepares decisions to be made by the GSC.

The GHRC comprises the members of the Board of Managing Directors responsible for HR, or the Employee Relations Directors, of the BSH, DZ BANK, DZ HYP, DZ PRIVATBANK, R+V, TeamBank, UMH, and VR Smart Finanz management units. The committee coordinates relevant HR matters across the group in accordance with the group governance policy (see chapter VII.0) and submits sustainability-related requirements for group-level decisions to the Group Coordination Committee. The GHRC initiates and coordinates HR matters affecting multiple companies across the group, leveraging opportunities for synergies. It also coordinates the groupwide implementation of regulatory requirements concerning HR systems. Social responsibility has been enshrined in the DZ BANK Group's HR strategy, which was adopted by the GHRC, since 2022. The GHRC, which meets several times a year, facilitates the sharing of HR policy information within the DZ BANK Group.

The GRFC is the central committee in the DZ BANK Group responsible for proper operational organization and, in particular, risk management in accordance with section 25 of the German Supervision of Financial Conglomerates Act (FKAG) and section 25a KWG. It assists DZ BANK with groupwide financial and liquidity management, risk capital management, and recovery and resolution planning. It also supports the Group Coordination Committee (GCC) in matters of principle. The members of this committee include the relevant executives at DZ BANK responsible for finance, risk, and treasury. The committee members also include executives at various subsidiaries. The GRFC has set up 8 working groups that focus on addressing specific risk facets. ESG risks are managed centrally at the level of the DZ BANK Group and on a decentralized basis at the level of the management units. DZ BANK is currently working on implementing various regulatory requirements regarding the management of ESG risks as part of its Advancing Sustainability program. The main requirements are the guide on climate-related and environmental risks of the European Central Bank (ECB), the guidelines on loan origination and monitoring of the European Banking Authority (EBA), the delegated regulation on the EU Taxonomy, and the EBA's ESG disclosure requirements. DZ BANK's Board of Managing Directors lays down the core risk policy guidelines and decisions and bears responsibility for them. It defines the company-wide framework for risk appetite and risk-bearing capacity, as well as the risk management targets and the actions taken to achieve them. It also encompasses all sustainability matters and their impacts, risks, and opportunities for DZ BANK and the DZ BANK Group. In consultation with the GSC, GHRC, and GRFC, the Board of Managing Directors checks the related targets – and their achievement – and communicates them through DZ BANK's reporting channels to the Supervisory Board for oversight purposes.

The Board of Managing Directors reports in detail to the Supervisory Board of DZ BANK once a year about the updating of the risk strategies and the status and further development of the risk management system of DZ BANK and the DZ BANK Group. Using the overall risk report, the Board of Managing Directors reports to the Supervisory Board about the risk situation four times a year. The risks covered in the reporting include operational risk resulting from environmental and climate-related aspects, market risk stemming from problems relating to energy and pollution, and reputational risk in own operations and the business portfolio, for example due to discrimination or insufficient consideration of appropriate working conditions. At the same intervals, the Board of Managing Directors also reports on the credit portfolio and on portfolio-specific and exposure-specific management information, for example regarding the risk of higher probabilities of default and lower collateral values as a result of climate change adaptation. The Supervisory Board is also regularly informed about significant investment exposures. It discusses these issues with the Board of Managing Directors, advises it, and monitors its management activities. The Supervisory Board is involved in decisions of fundamental importance.

The Supervisory Board has set up a Risk Committee, which addresses issues related to overall risk appetite and risk strategy. Four times a year, the other Supervisory Board members are informed of the material results of the Risk Committee's work in the Risk Committee Chairman's reports during Supervisory Board meetings and in the minutes distributed to them. In addition, the Audit Committee regularly examines the effectiveness of the internal control system, risk management system, and internal audit. It passes on important information to the other Supervisory Board members in the Audit Committee Chairman's reports during Supervisory Board meetings and by distributing the minutes from Audit Committee meetings to the other Supervisory Board members.

The group entities' compliance with the risk strategies is monitored on an ongoing basis. The Board of Managing Directors receives frequent updates on the general risk situation in connection with the defined risk appetite, primarily in the form of a monthly overall risk report that comprises economic and regulatory key risk indicators. This report is supplemented with further quarterly reports on adverse stress tests and information on specific types of risk. The annual alignment and updating of the risk strategies is also a core element of the strategic planning process and is conducted in close collaboration with the relevant divisions and affected group entities.

1.3.2 Sustainability-related incentive schemes (GOV-3)

During the annual target agreement process, targets are agreed with the members of the Boards of Managing Directors and the managing directors in the subgroups. These targets are based on the DZ BANK Group's strategic planning. The subordinated entities then filter these targets through to the lower hierarchy levels via a cascading structure, helping to ensure that the DZ BANK Group's strategic objectives can be achieved.

The remuneration systems of the DZ BANK Group are designed in a way that supports the sustainability-oriented culture and strategy in the DZ BANK Group. The remuneration does not incentivize excessive risk-taking in any way. The DZ BANK Group includes sustainability risks in its remuneration policy. The group's remuneration systems are aligned with its ESG goals. The remuneration systems are linked to the individual business, risk, and sustainability strategies and should be consistent with the content of those strategies. In fulfillment of its management function, DZ BANK encourages the integration of sustainability risks into the remuneration systems in the banking group.

The variable remuneration of the members of the DZ BANK Board of Managing Directors accounts for 20 percent of their target remuneration. The variable remuneration of 20 percent is structured as maximum remuneration. Multi-year targets are used to calculate the variable remuneration of members of the Board of Managing Directors. The variable remuneration is determined in a way that takes due regard of the risk-bearing capacity, multi-year capital planning, and financial performance of the bank and the group.

Derived from the groupwide sustainability strategy, which is integrated into the DZ BANK Group's corporate strategy, 25 percent of the entity targets at the level of the Boards of Managing Directors relate to sustainability. These targets, which are qualitative and quantitative in nature, can be broken down into environmental (10 percent), social (10 percent), and corporate governance (5 percent) components. The environmental component includes the advancement of sustainability, HR-related targets are enshrined in the social component, and one of the corporate governance goals is to increase the proportion of women in leadership positions. In the environmental component, climate targets such as reducing carbon emissions from own operations and sectoral decarbonization targets relating to the business portfolio are included in the evaluation of target achievement. An overall assessment in all 3 ESG components is used to determine the variable remuneration of the members of the Board of Managing Directors.

In the institutions in the DZ BANK Group, the committees and functions described below are involved in designing and monitoring the remuneration systems. The design and implementation of the remuneration system for the Board of Managing Directors of a particular entity in the DZ BANK Group are decided upon by the Supervisory Board. The Supervisory Board also checks that the employee remuneration systems are appropriate. The Remuneration Control Committee and, in the case of smaller entities, its representative committees assist the Supervisory Board with its tasks. These primarily consist of monitoring the appropriate design of the remuneration systems and their conformity with the business and risk strategies, the remuneration strategy, and the corporate culture of the DZ BANK Group. The individual members of the Boards of Managing Directors contribute to the implementation of and compliance with the German Remuneration Regulation for Institutions (InstitutsVergV) in the institutions in the DZ BANK Group through their membership of the Supervisory Boards of the subsidiaries. In each entity, a remuneration officer assists the Remuneration Control Committee and Supervisory Board with their monitoring activities and is involved in deployment of the remuneration systems, the development of new systems, and the refinement of existing systems on a regular basis. The HR division carries out HR-related preparations for the design of the remuneration systems and the decisions of the Board of Managing Directors, which it also puts into practice. As part of their leadership and management role, managers deploy the performance management and remuneration tools provided to them. The control units as defined by section 2 (11) InstitutsVergV are involved in the design and monitoring of the remuneration systems on an ongoing basis. Each institution in the DZ BANK Group has defined its control units. The institutions make sure that employees in the control units are remunerated independently of the divisions that they oversee. Pursuant to section 5 (4) InstitutsVergV, this is the case if the amount of variable remuneration of employees in the control units and of employees in the organizational units overseen by them is not predominantly determined by the same remuneration parameters and there is no risk of a conflict of interests.

Information on employee remuneration can be found in chapter VII.3.2.4. The members of the Supervisory Board of DZ BANK receive fixed annual remuneration. They are not granted variable remuneration, and there are no sustainability-related financial incentives.

1.3.3 Statement on due diligence (GOV-4)

The following figure provides an overview of the sections of the sustainability report covering the most important aspects of the DZ BANK Group's due diligence process and the steps taken. Due diligence is the process by which undertakings identify, prevent, mitigate, and account for how they address the actual and potential negative impacts on the environment and people connected with their business. These include negative impacts connected with the undertaking's own operations and its upstream and downstream value chain, including through its products or services, as well as through its business relationships.

FIG. VII.4: OVERVIEW OF THE CORE ELEMENTS OF DUE DILIGENCE AND THEIR LOCATION IN THE SUSTAINABILITY REPORT

Core elements of due diligence	Location in the sustainability report
Embedding due diligence in governance, strategy, and business model	Chapter VII.1.3 Corporate management Chapter VII.1.4 Strategy and business model
Engaging with affected stakeholders in all key steps of the due diligence	Chapter VII.1.3 Corporate management Chapter VII.1.4 Strategy and business model Chapter VII.1.5 Materiality assessment Chapter VII.2.2 Environmental matters in own operations Chapter VII.3.2.4 Remuneration, social protection, and codetermination Chapter VII.3.2.5 Occupational health and safety Chapter VII.3.2.6 Human rights relating to the DZ BANK Group's own workforce
Identifying and assessing adverse impacts	Chapter VII.1.3 Corporate management Chapter VII.1.4 Strategy and business model Chapter VII.1.5 Materiality assessment
Taking action to address negative impacts on people and the environment	Chapter VII.2.2 Environmental matters in own operations Chapter VII.3.2.2 Employee development Chapter VII.3.2.3 Diversity, equal opportunities, and work-life balance Chapter VII.3.2.5 Occupational health and safety Chapter VII.3.2.6 Human rights relating to the DZ BANK Group's own workforce
Tracking the effectiveness of these efforts and communicating	Chapter VII.2.2 Environmental matters in own operations Chapter VII.2.3 Environmental matters in the business portfolio Chapter VII.2.4 The DZ BANK Group's greenhouse gas emissions Chapter VII.3.2.2 Employee development Chapter VII.3.2.3 Diversity, equal opportunities, and work-life balance Chapter VII.3.2.5 Occupational health and safety Chapter VII.3.2.6 Human rights relating to the DZ BANK Group's own workforce

1.3.4 Risk management and the internal control system in the sustainability report (GOV-5)

The documentation of DZ BANK's processes of relevance to risk is governed by the bank-wide rules on standardized documentation and forms part of the operational and organizational structure. DZ BANK has established a bank-wide internal control system (ICS). It is explained in greater detail in chapter VI.3. DZ BANK is guided by these processes and structures when it comes to risk management (including the ICS) in respect of sustainability reporting. The gradual integration of sustainability matters in the report content for the first reporting year into the existing ICS, such as the communication of identified deficiencies to DZ BANK's administrative, management, and supervisory bodies, is due to be completed in 2025.

One of the risks relating to sustainability reporting is the risk of incomplete or incorrect disclosures. To minimize this risk, the report's content is checked by a second person in the responsible department and signed off by the responsible Heads of Division.

The processes, the risks, and the controls implemented for minimizing risk that are identified in the context of sustainability reporting are recorded centrally in a written set of procedural rules. All control activities, such as checks by a second person (or more), validation, and reconciliation, must be documented by defined process owners. In addition, short-term and long-term actions are taken on an ongoing basis with the specific aim of refining the sustainability reporting ICS. The basis for this refinement is the maturity level determined for the process and control documentation.

Where required by law or by regulatory provision, DZ BANK has established a compliance function. The main tasks of this function are to identify, manage, and mitigate compliance risk in order to protect the entity and its employees and customers against breaches of legal provisions and requirements. The compliance function is also responsible for mitigating risks arising from non-compliance with the legal provisions and requirements. Internal Audit at DZ BANK performs monitoring and control functions. It carries out risk-oriented evaluations and reviews that are independent of individual processes. The focus is on compliance with statutory and regulatory requirements, the appropriateness and effectiveness of risk management, and the control system for accounting and reporting processes. It also checks that all activities and processes are carried out properly, regardless of whether they are outsourced or not. These checks incorporate rules relating to sustainability. More information can be found in chapter VI.3.

When work on sustainability topics leads to the introduction of new products or markets, the control units must be involved through the established processes for new products.

Responsibility for preparing and checking the quantitative and qualitative information required for the DZ BANK Group entities' sustainability reporting lies with the group entities themselves. The methods and content to be used within the DZ BANK Group for sustainability reporting are set out in writing in a group manual. Using the relevant document, each group entity confirms to DZ BANK that the content it has provided is complete and accurate.

1.4 Strategy and business model

Brief summary

- Presentation of the DZ BANK Group's strategy and business model, including the value chain
- Explanation of the strategy and targets in connection with sustainability
- Disclosures on the DZ BANK Group's stakeholder groups

1.4.1 Strategy, business model, and value chain of the DZ BANK Group in a sustainability context (SBM-1)

The DZ BANK Group forms part of the Volksbanken Raiffeisenbanken Cooperative Financial Network, which primarily comprises around 700 cooperative banks and is one of Germany's largest private-sector financial services organizations measured in terms of total assets. The DZ BANK Group focuses its strategy on the local cooperative banks. In doing so, it pursues the objective of consolidating the positioning of the Cooperative Financial Network over the long term as one of the leading financial services providers in Germany. The DZ BANK Group supports the cooperative banks by providing an extensive range of financial products and services in the Retail Banking, Corporate Banking, Capital Markets, and Transaction Banking business lines. These financial products and services encompass banking, insurance, home savings, and investment. This partnership is built on the principles of subsidiarity, decentralization, and regional market responsibility. The business of the DZ BANK Group is primarily focused on the German market.

Fig. VII.5 provides a breakdown of the DZ BANK Group's employees by geographical area.

FIG. VII.5: BREAKDOWN OF THE DZ BANK GROUP'S EMPLOYEES BY GEOGRAPHICAL AREA

	2024
Germany	35,729
Rest of Europe	2,082
Rest of world	388
Total	**38,199**

Within the Cooperative Financial Network, Frankfurt-based DZ BANK functions as the central institution and is responsible for supporting the business of the cooperative banks in their regions. It also operates as the central institution and corporate bank and is the holding company for the DZ BANK Group. Its range of products and services extends from classic and innovative financial products, structured finance, and capital market issues, to trading and sales in the equity and bond markets. DZ BANK also supports companies and institutions that need a nationwide banking partner.

Value chain of the DZ BANK Group

The DZ BANK Group's upstream value chain covers the activities of upstream business partners, i.e. undertakings that provide the services that entities in the DZ BANK Group require to be able to carry out their activities. The value chain can be broken down into the following categories: suppliers, including municipal utility companies, data and technology vendors, and office materials suppliers; and service providers such as consultancy, security, marketing, advertising, and catering companies. The DZ BANK Group's business operations encompass its employees, facilities management, and IT infrastructure, and these represent the main inputs for value creation in the DZ BANK Group. More information on employees can be found in chapter VII.3.2.

Value creation in the DZ BANK Group takes place in the aforementioned areas of business covered by the DZ BANK Group's portfolio of financial products and services. The different areas of business of the DZ BANK Group and their output, i.e. the specific products and services offered, are described in chapter I.1. In that chapter, there is also information on the relationship between DZ BANK and the individual management units, which are integrated into the groupwide management of the aforementioned business lines.

The downstream value chain covers the activities of the downstream business partners that use the DZ BANK Group's products and services and whose activities are related to these products and services. The downstream value chain primarily comprises the local cooperative banks, which act as sales partners for the Cooperative Financial Network, and the companies that receive finance, along with their activities.

R+V's value chain primarily encompasses the insurance business, from product development to claims settlement, and the investment of insurance premiums. Reflecting the understanding that has been typical across the industry until now, investments are not considered to be part of R+V's own operations. Furthermore, the value chain includes the secondary activities of the business that are necessary for running the insurance business.

Strategy in connection with sustainability

Sustainability is firmly embedded in the corporate values and strategy of the DZ BANK Group, which wishes to plays its part in the transition to a sustainable economy. Sustainability is incorporated into the strategy of the DZ BANK Group and DZ BANK at various levels. The material environmental impacts identified in the materiality assessment relate to the lending business, specifically lending in industries that are particularly relevant to decarbonization ('focus sectors'). Target-oriented sector pathways have been established for the decarbonization of these sectors. The material social impacts in the DZ BANK Group's own operations relate to employees, specifically working conditions, equal treatment / non-discrimination, and other labor rights. The HR strategy takes the material impacts into account. The impacts on workers in the value chain relate to the downstream value chain and are factored into the implementation of the group credit standard. With regard to affected communities, the material impacts from the DZ BANK Group's activities arise in its own operations and in the downstream value chain. The own operations of various DZ BANK Group entities strategically support affected communities through charitable projects. The Equator Principles are applied in project finance with regard to the downstream value chain. The impacts on consumers and end-users are only considered in the downstream value chain. The DZ BANK Group's compliance function is intended to protect customers from potential negative impacts. In addition, the DZ BANK Group has product guidelines designed to safeguard the quality of product development and sales. In the area of corporate governance, the purpose of the group governance policy, which defines the standards of good and responsible corporate governance, is to address material impacts related to business practices, corporate culture, corruption, and bribery in own operations and the business portfolio as well as through supplier relationships and payment practices in own operations.

Strategic initiatives and programs are developed and implemented at the following 3 levels in the DZ BANK Group in order to integrate all business segments and customer groups in the sustainability strategy process: firstly, at the level of the Cooperative Financial Network, with the BVR taking the leading role; secondly, at the level of the DZ BANK Group; and thirdly, at the level of the individual entities in the DZ BANK Group, which may draw up their own specific strategic programs. As regards overarching strategic projects and initiatives for the entire Cooperative Financial Network, the entities in the DZ BANK Group work in partnership with the cooperative banks, Atruvia AG (IT service provider of the cooperative banks), and the BVR on the action areas in the strategic agenda and other strategically relevant topics, such as digitalization and sustainability. At DZ BANK Group level, the entities jointly identify and press ahead with material areas of potential for reinforcing their shared future viability and profitability. Furthermore, each entity in the DZ BANK Group pursues its own strategic initiatives.

Sustainability topics are tackled centrally within DZ BANK's Advancing Sustainability program. Specific targets, policies, and actions are developed in various projects and working groups involving a number of DZ BANK Group entities. Details can be found in the topic-specific chapters covering the environment, social matters, and governance.

Strategic planning process (SPP) and the sustainability area of potential in the DZ BANK Group

The DZ BANK Group entities define their business strategy, including the strategic direction, targets, and actions, as part of the annual SPP. These plans are discussed in strategic dialogue sessions at the level of the Board of Managing Directors and then taken forward to the consolidated strategic planning stage for the DZ BANK Group. This is reflected in the DZ BANK Group's business strategy. Sustainability has to be treated as a key topic in all strategic dialogue within the DZ BANK Group and evaluated against the backdrop of changing regulatory and market conditions. The subject is discussed in terms of opportunities and risks. Sustainability has also been defined as an area of potential in the DZ BANK Group. In the context of collaboration at DZ BANK Group level, areas of potential serve to reinforce their shared future viability and profitability. The DZ BANK Group entities worked together to identify and refine these areas, which are being coordinated at group level by the Strategy & Group Development division of DZ BANK for the purposes of the SPP. The Group Sustainability Committee (GSC) is responsible for the sustainability area of potential.

In 2024, the SPP was also used to identify the key sustainability issues applicable to each of the group entities, as the priorities vary according to business model:

- BSH offers its customers an extensive portfolio of products and services designed to support the transition to climate-friendly policies in the residential real estate sector. The portfolio includes information and awareness-raising offerings on the website as well as advisory services from certified development lending advisors. The FuchsEco home savings product and various loan types allow customers to select a suitable financing arrangement for renovation work aimed at improving energy efficiency. In addition to tapping into further sustainability-related market and sales potential, BSH intends to increasingly forge ahead with the issuance of green Pfandbriefe in the future.

- In its capital markets business with institutional clients, DZ BANK plans to continue strengthening its sustainability profile – particularly in primary market business for bonds – and to further expand its sustainability expertise and its ESG-related business activities. The range of sustainable investment products on offer in the securities business with retail customers is also to be extended. In the Corporate Banking business line, companies are to receive medium-term and long-term support as they transition to greater sustainability. The financing of investment aimed at achieving sustainability targets is a strategic priority topic for corporate banking in Germany and abroad and for investment promotion.

- DZ HYP issues green Pfandbriefe and aims to support the sustainable transformation of the real estate industry through its banking business.

- DZ PRIVATBANK also offers various solutions for sustainability-minded customers and aims to increasingly tighten the focus of its range of international and sustainable investment solutions in the asset management business.

- R+V joined the Net-Zero Asset Owner Alliance in 2023 and signed up to the Principles for Sustainable Insurance (PSI) in 2021, underlining its voluntary commitment on a fully climate-neutral basis by 2050 and to make insurance more sustainable.

- The strategic focus of TeamBank is on promoting equal opportunities in society. As a liquidity partner for retail customers in Germany and Austria, the emphasis is on customer requirements and on responsible lending for a sustainable customer relationship.

- UMH aims to support the sustainability efforts of clients in its institutional asset management business and continues to expand its product range with a focus on sustainability-oriented institutional mutual funds. In addition, it intends to broaden its offering of sustainability-oriented products for retail customers. Under its climate strategy, Union Investment plans for its securities and commercial real estate portfolios to be climate-neutral by 2050.

- VR Smart Finanz plans to continue to step up its sustainability activities by offering greater assistance to customers – particularly small and medium-sized enterprises (SMEs) – as they transition to more sustainable business models.

Verbund First 4.0 and the Advancing Sustainability program at DZ BANK

At DZ BANK, the strategic initiatives designed to ensure the bank's resilience for the future are brought together in the 'Verbund First 4.0' strategic program. The program is aimed at improvements in three key areas: market offering, control and production processes, and corporate culture. Verbund First 4.0 is updated continually in line with requirements. Related topics, such as sustainability, digitalization, and employer branding, are key elements of the transformation of the economy. The program is divided into implementation packages, including one package dedicated specifically to sustainability topics. The aims include satisfying regulatory requirements relating to sustainability and creating transparency in order to provide a basis for strategic decisions about the future focus of sustainability activities.

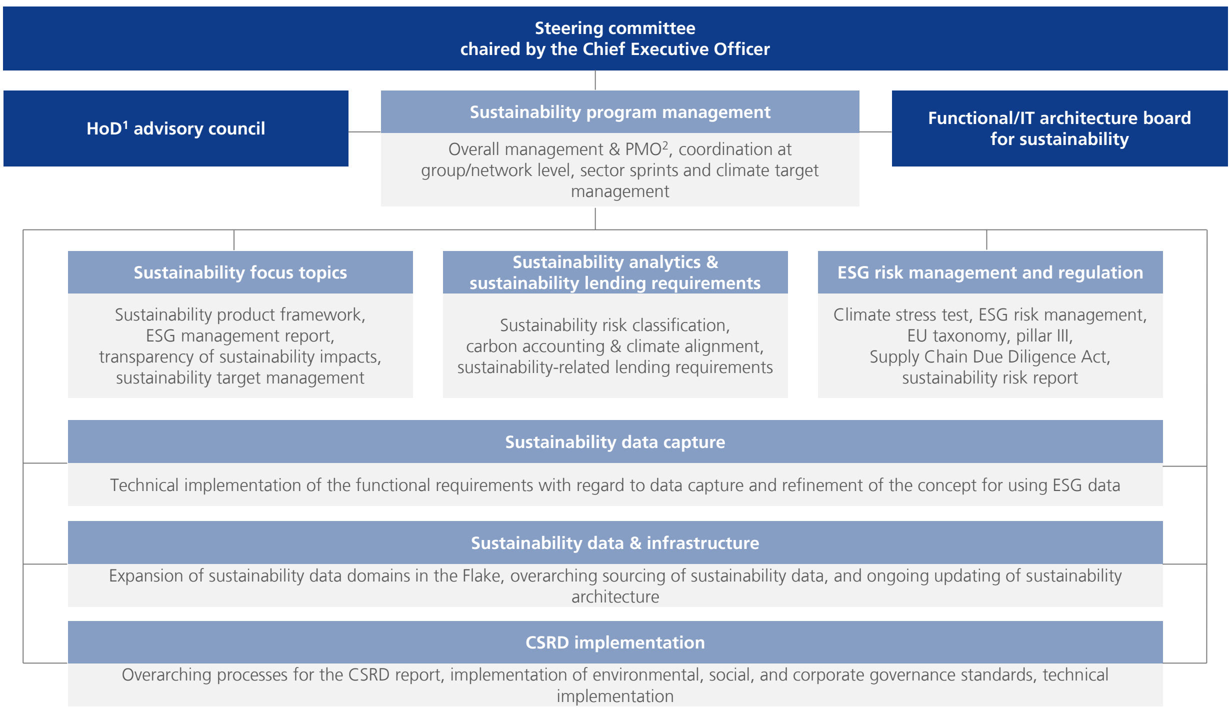
Since 2022, the associated actions have been implemented primarily as part of DZ BANK's Advancing Sustainability program (see Fig. VII.6). The aim of the Advancing Sustainability program is to develop sustainability at a strategic and operational level and to embed it in the organization in order to strengthen the role of DZ BANK in supporting customers' transformation and satisfy regulatory requirements. The program focuses on both the outside-in and the inside-out perspective. The outside-in perspective primarily covers the management of climate-related and environmental risks against the backdrop of the ECB's expectations in this context. Approaches and metrics for matters relating to sustainability risks are being developed as part of the program. With regard to the inside-out perspective, also known as the impact perspective, the umbrella program specifically covers matters such as climate alignment and carbon accounting, sustainable development goals

(SDG) mapping, the setting of climate targets, and active supply chain management. This includes integrating qualitative and quantitative ESG assessments into the lending process, conducting climate stress tests, and implementing statutory ESG disclosure requirements.

The Strategy & Group Development division of DZ BANK manages the program. Other divisions that are involved include Credit, Group Risk Control & Services, Group Risk Controlling, Compliance, Group Human Resources, Central Corporate Banking, Structured Finance, Group Finance, Group Financial Services, and IT. The program creates the foundations on which to achieve DZ BANK's sustainability vision, which includes further development of the sustainability strategy, the anchoring of sustainability aspects within the governance structure, the integration of ESG factors into the operating model, and the establishment of the sustainability-related IT infrastructure. The structure of the program is intended to facilitate the content-related and organizational aspects of collaboration between the projects included in the program and the management of interdependencies between individual projects, and to make it possible to leverage synergies in implementing the IT infrastructure and coordinate the communication of overall progress to the Board of Managing Directors.

The following figure shows the sustainability-related steering committees in the DZ BANK Group, plus DZ BANK's ESG organization.

FIG. VII.6: ADVANCING SUSTAINABILITY UMBRELLA PROGRAM OF DZ BANK IN 2024



1 Head of Department 2 Project Management Office

Sustainability targets

In 2020, the 17 sustainable development goals (SDGs) of the United Nations (UN) were determined as the overarching classification framework for the business activities of the DZ BANK Group entities. This is consistent with the objectives of the Cooperative Financial Network, which regards the SDGs as a core component of its sustainability strategy.

With this in mind, DZ BANK has formulated a variety of sustainability goals that are used in the performance assessment of the DZ BANK Board of Managing Directors and others. These include quantitative goals as well as improving the quality of every aspect of ESG within the organization. The Board of Managing Directors and the Supervisory Board are updated regularly on progress with the achievement of these goals.

1.4.2 Interests of stakeholder groups (SBM-2)

Representatives of companies and organizations that influence the DZ BANK Group's activities at an economic, environmental, or social level and/or are impacted by its activities, are considered to be important stakeholders, as are employees. Overall, the DZ BANK Group has identified 15 stakeholder groups with whom it engages in dialogue through a range of communication channels. These are listed in Fig. VII.8 in chapter VII.1.5.

In the year under review, the regular strategy events held by Atruvia, the BVR, and DZ BANK in collaboration with the Cooperative Financial Network's regional banking associations were again combined into a multi-company format entitled 'Strategie-Hub Regional 2024' with a series of 4 regional events. The objective is to facilitate dialogue on shared strategic topics in order to strengthen the Cooperative Financial Network's strategy and, for reasons of efficiency, to reduce the number of events covering similar subjects. Furthermore, network committees ensure that the cooperative banks are closely involved in DZ BANK's strategic considerations and initiatives.

A body of particular strategic importance is the DZ BANK Group's Central Advisory Council, which ensures that the cooperative banks are involved in material strategic decisions of the DZ BANK Group. The council comprises 33 members from the Boards of Managing Directors of cooperative banks plus other important officeholders from within the Cooperative Financial Network. The meetings of the Central Advisory Council are also attended by the Board of Managing Directors of DZ BANK and the chief executive officers of the largest group entities. DZ BANK facilitates communication and information sharing with the cooperative banks through various dialogue events, such as a virtual spring conference and in-person autumn conferences. In addition, the sustainability conference that DZ BANK had previously organized by itself for cooperative banks was transformed into a joint event with the BVR, Atruvia AG, and DG Nexolution eG in 2024. This sustainability meet-up serves as a platform for information sharing, dialogue, and networking for the cooperative banks. Furthermore, 2 regional banking dialogue events on the subject of sustainability took place at various sites in 2024.

Stakeholders are surveyed in order to find out about their interests and collect any suggestions. Regular surveys also take place at BSH, R+V, and TeamBank that allow customer satisfaction to be measured systematically on the basis of the Net Promoter Score. All DZ BANK Group entities conduct regular employee surveys (see chapter VII.3.2.1). In addition, the DZ BANK Group entities use various discussion formats to engage in dialogue with national and international stakeholders. The Entrepreneur Advisory Board meets twice per year, bringing the Board of Managing Directors of DZ BANK together with corporate customers and other representatives from academia, politics, and industry associations and providing an opportunity to discuss current business developments, trends, and experiences. UMH organizes an annual sustainability conference for institutional clients, where the speakers are drawn from the worlds of business and academia. DZ HYP maintains regular contact with its stakeholders by holding Advisory Board meetings and organizing a variety of events for real estate customers and the Cooperative Financial Network. In addition, experts from DZ BANK maintain a regular dialogue with institutional investors at home and abroad, for example during conferences and roadshows focused on sustainability.

In 2024, DZ BANK was approached by non-governmental organizations (NGOs) and media outlets with a range of inquiries and matters that were investigated and addressed. Matters raised by stakeholders predominantly focused on climate change and decarbonization as a result of the transition away from fossil fuels and on human rights.

1.5 Materiality assessment

Brief summary
- Explanation of the materiality assessment used to determine the scope of the report
- Presentation of the process and disclosures on the materiality assessment's stakeholders and participants
- Presentation and explanation of the results of the materiality assessment
- Overview of EU legislation in the report

1.5.1 The materiality assessment process (IRO-1)

Materiality assessment

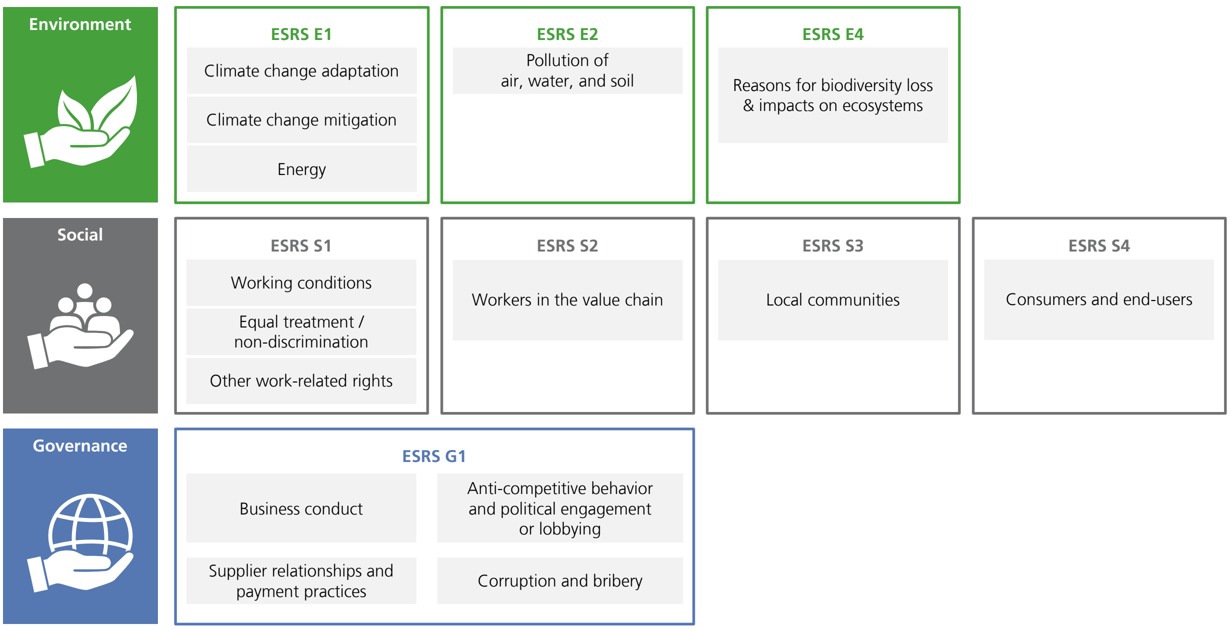
A materiality assessment was carried out for the DZ BANK Group to define the material data points that must be reported in 2024. The materiality assessment is divided into the following steps:

1. Identifying the DZ BANK Group's potentially material impacts, risks, and opportunities
2. Engaging with the DZ BANK Group's stakeholders
3. Evaluating the material impacts, risks, and opportunities identified for the DZ BANK Group
4. Quantifying the impact materiality for the DZ BANK Group
5. Evaluating the risks for the DZ BANK Group

Identifying the DZ BANK Group's potentially material impacts, risks, and opportunities

Using the Implementation Guidance DRAFT EFRAG IG 1 (November 6, 2023) of the European Financial Reporting Advisory Group (EFRAG) as a guide, 15 relevant sustainability topics for the DZ BANK Group were determined at the sub-topic level (see Fig. VII.7), which provide the basis for identifying the IROs. No additional sustainability topics were identified for the DZ BANK Group. The sustainability topics were examined and evaluated in two dimensions: business portfolio and own operations. The DZ BANK Group's IROs are mainly found in the business portfolio, and thus outside of own operations. This does not apply to the 'own employees' topic, which – in accordance with ESRS S1 – can only be examined within the group's own operations.

FIG. VII.7: MATERIAL TOPICS OF THE DZ BANK GROUP



With regard to affected business activities and stakeholders, the DZ BANK Group's relevant potential and actual impacts on people and the environment, both positive and negative, and its risks and opportunities were determined for the identified sustainability topics and initially recorded in an IRO catalog. Negative effects often resulted in direct financial risks, while positive effects were reflected in the form of opportunities. IROs specific to business lines were also formulated, for example in relation to the insurance business or asset management, during the analysis of the DZ BANK Group entities. The collation of IROs was based on various internal sources, including the business environment analysis and the risk inventory check, for mapping the DZ BANK Group's specific business models.

The DZ BANK Group does not conduct any material business activities in which impacts, risks, and opportunities related to water and marine resources may arise. Furthermore, it does not conduct any material business activities in which impacts, risks, and opportunities related to the circular economy may arise. This was determined in the materiality assessment based on the methodology described above.

In its assessment of risks and opportunities that have or may have financial effects, the DZ BANK Group does not – unlike for other types of risk – set priorities for sustainability risks. This is because the DZ BANK Group views sustainability risks as risk factors for the established financial and non-financial risks, for which it carries out an annual ESG risk driver analysis.

The ESG risk analysis forms part of the capital/earnings (ICAAP) dimension in the annual group risk inventory check. Examining the significance of ESG risks is also an established part of the liquidity (ILAAP) dimension of the risk inventory check. ESG risks that are material are fully integrated into the subsequent processes, such as the determination of risk appetite, the definition of risk strategies, and the selection of methods for measuring, monitoring, and reporting on risks. The regular process for identifying, evaluating, and subsequently managing sustainability risks is therefore integrated into general risk management in the DZ BANK Group.

IROs relating to financial and non-financial risks were formulated on the basis of the DZ BANK Group's ESG risk analysis, which already covers most ESRS topics. The ESG risk analysis provides a list of potentially material and non-material ESG risk factors to which the ESRS sustainability matters can be assigned accordingly. The ESG risk analysis in 2024 covered all topics relating to ESRS sustainability matters. The analysis drew primarily on external sources, such as the S&P Risk Atlas, the Sustainable Development Goal Index, and the Environmental Performance Index, in order to examine ESG-specific risks in terms of geographical features and the sectors in which business partners operate.

The process for the ESG risk analysis was refined in 2024. In particular, the nature-related risk factors identified were divided into nature-related physical risks and nature-related transition risks, as is also done for climate risks.

Engaging with the DZ BANK Group's stakeholders

According to ESRS, stakeholder engagement is an integral part of the materiality assessment. Relevant stakeholders were represented in workshops by internal contacts during the assessment of the DZ BANK Group's positive and negative impacts on people and the environment and of its sustainability-related financial opportunities. This ensured that the interests and views of relevant stakeholders with regard to the sustainability matters that affect them were included in the materiality assessment.

Relevant stakeholder groups were selected on the basis of the ESRS requirements and on the basis of the relevant stakeholder groups established by the DZ BANK Group for its previous sustainability reporting. The participating entities in the DZ BANK Group mirrored those belonging to the DZ BANK Group's CSRD reporting working group,[2] namely the management units plus Reisebank and VR Payment. When assigning internal con-

[2] The following group entities were added to the CSRD reporting working group in connection with sustainability reporting: VR Factoring GmbH and VR Equitypartner.

tacts to the stakeholder groups, it was imperative that the contact person has sufficient knowledge of the sustainability topics and interests of their assigned stakeholder group, as a result of their work in the DZ BANK Group, in order to carry out a materiality assessment (see Fig. VII.8).

No specific consultation of affected communities in relation to pollution, water and marine resources, biodiversity and ecosystems, and resource use and circular economy was carried out for the materiality assessment. Instead, the concerns of the affected communities were taken into account by surveying internal stakeholders as part of the qualitative materiality assessment.

FIG. VII.8: REPRESENTING THE INTERESTS OF THE STAKEHOLDER GROUPS

Stakeholder group		Internal representatives	Current stakeholder engagement
Employees and other workers	DZ BANK Group employees, workers' representatives / works councils, external workers, employees in the supply chain	HR, works council	Regular employee surveys, regular dialogue with the works council, employee development initiatives, interaction with employees via internal communication channels, exchange of information with the works council
Customers	Corporate, retail, public-sector, institutional customers	Front-office divisions	In-person discussions with customers, regular customer surveys, various dialogue formats with the cooperative banks (Central Advisory Council of the DZ BANK Group, conferences, sustainability dialogue with regional banks, etc.), quality management and complaints management systems
Suppliers / service providers	Suppliers / service providers such as paper suppliers, IT vendors, waste disposal companies, agencies	Procurement	Monitoring of compliance with sustainability requirements for DZ BANK Group suppliers, sustainability questionnaire for classifying suppliers with regard to sustainability risk, annual development talks with sustainability-relevant suppliers and service providers, EcoVadis platform for supplier assessment
Investors	Investors (lenders)	Group Treasury & Investor Relations	Processing of inquiries from – and regular discussions with – investors, sustainability dialogue initiatives (conferences, roadshows, Sustainability Day)
Corporate management	Board of Managing Directors Supervisory Board	Central Services / committee management	Overarching management and assignment of topics in committee management
Local communities and at-risk groups	Representatives of regional communities, including local residents living near DZ BANK Group sites	Project finance and environmental manager	Membership of national interest groups Addressing the needs and concerns of local communities in the context of project financing and funding initiatives
Analysts / rating agencies	Analysts, rating agency representatives	Internal rating managers	Processing of inquiries and communication with rating providers
Strategic partners	Banks in the Cooperative Financial Network	Support function for cooperative banks / sales	Regular dialogue with the cooperative banks, including on the group's Central Advisory Council with regard to strategic decisions, other dialogue formats with the cooperative banks (e.g. conferences, regular customer surveys)
Non-governmental organizations	Representatives of NGOs / charitable foundations	Strategy & Group Development division	Review and processing of NGOs' and charitable foundations' inquiries and requests
Media	Media representatives	Press office	Review and processing of media representatives' inquiries and requests
Competition	Private-sector banks, public-sector credit institutions	Strategy units	Regular sustainability dialogue with pioneers in sustainability, membership of global and national banking associations Membership of associations that promote networking among cooperative banks
Labor market	Labor market	HR	Online and offline communications via the careers website and participation in job fairs and other events Job interviews
Associations	BVR, Bundesverband Öffentlicher Banken Deutschlands	Association communications	Membership of national associations, regular dialogue at association level

Stakeholder group		Internal representatives	Current stakeholder engagement
	(VÖB) [Association of German Public Banks], etc.		
Public authorities / auditors and certification bodies	Compliance department	Finance division	Regular communication with supervisory authorities
Compliance function	Compliance department	Compliance department	Corresponds to the company's compliance function

Evaluating the material impacts, risks, and opportunities identified for the DZ BANK Group

According to ESRS 1, a sustainability matter is material if it is assessed as material from either the inside-out perspective (impact materiality) or the outside-in perspective (financial materiality), in line with the principle of double materiality. Where an IRO associated with a sustainability topic is assessed as material, this topic is rated material in its entirety for the relevant dimension (own operations and/or business portfolio).

Assessment methodology

The impact assessment is based on an evaluation of the severity of the impacts and how likely they are to occur (in the case of potential impacts) and the extent to which they can be remedied (in the case of negative impacts). The time horizon is also taken into account. 2 factors determine the severity: 'extent' (how severe are the impacts?) and 'scope' (how far-reaching are the impacts?). An overview of the material impacts and their time horizons can be found in Fig. VII.9.

FIG. VII.9: OVERVIEW OF THE MATERIAL IMPACTS AND THEIR TIME HORIZONS

Impact	Content	Time horizon
E1-1: Climate change adaptation		
Positive impact	Providing incentives for more sustainable practices/action through financing/insurance and bonuses for / investment in 'sustainable solutions'	Short term
Positive impact	Financing / insuring / investing in projects that improve the resilience of borrowers / insurees / investee companies regarding the impacts of climate change	Short term
Negative impact	Creating perverse incentives because adaptation measures have not been taken into account in investment decisions or when agreeing finance/insurance	Medium term
E1-2: Climate change mitigation (emissions)		
Positive impact	Directing capital toward sustainable investments through exclusion criteria or sector criteria	Short term
Positive impact	Financing / investing in / insuring projects that reduce greenhouse gas (GHG) emissions and taxonomy-aligned products	Short term
Positive impact	Supporting/facilitating existing customers' transition to climate neutrality and/or reduction of GHG emissions	Short term
Positive impact	Making it easier for investors to take environmental criteria into account in their investments by offering sustainable products	Short term
Negative impact	Financing / investing in / insuring GHG-intensive sectors and projects	Short term
E1-3: Energy		
Positive impact	Supporting the energy transition through financing of / investment in / insurance of renewable energies	Short term
Positive impact	Supporting energy saving measures through financing of / investment in / insurance of energy efficiency projects	Short term
Negative impact	Hindering the shift to green energy through financing of / investment in / insurance of the fossil fuel sector	Short term
E2-1: Pollution		
Positive impact	Offering insurance/finance/investment for new technologies that reduce pollution	Medium term
Negative impact	Financing / investing in / insuring projects/companies in particularly polluting industries and/or with a high volume of harmful emissions	Short term

Impact	Content	Time horizon
E4-1: Biodiversity and ecosystems		
Positive impact	Protecting ecosystems and biodiversity by excluding projects with an adverse impact on biodiversity from finance/investment and by supporting the transformation with regard to mitigating the negative impact of biodiversity matters	Short term
Negative impact	Financing / insuring / investing in companies whose activities/projects damage biodiversity and ecosystems	Short term
S1-1: Working conditions		
Positive impact	Motivating employees with fair and transparent remuneration systems	Short term
Positive impact	Ensuring employee satisfaction, e.g. with work-life balance and preventive health programs	Short term
Negative impact	Increased sick leave and absenteeism due to unsuitable working conditions	Medium term
S1-2: Equal treatment / non-discrimination		
Positive impact	Ensuring equal treatment and non-discrimination in order to create an inclusive work environment	Short term
Positive impact	Supporting the equal treatment of employees	Short term
S1-3: Other labor rights		
Negative impact	Losing trust in the employer due to insufficient protection of employees' personal data	Medium term
S2-1: Workers in the value chain		
Positive impact	Granting loans that can be used for investments that create jobs and reduce unemployment in affected communities	Short term
S3-1: Affected communities		
Positive impact	Supporting public infrastructure through sustainable investments that benefit society	Short term
Positive impact	Financing and supporting owner-occupied housing, thus creating living space for communities	Short term
Positive impact	Considering and improving the living conditions of affected communities as part of financing/insurance	Short term
Positive impact	Helping local communities by supporting community-based projects and initiatives	Short term
Positive impact	Providing jobs and training (mainly through trade taxes) for the regional population	Short term
S4-1: Consumers and end-users		
Positive impact	Facilitating the general public's access to financial products and insurance across all customer segments	Short term
Positive impact	Helping to protect customers by defending the individual's right to privacy (e.g. data protection)	Short term
Positive impact	Keeping customers informed by offering high-quality advice and fulfilling the duty to inform, explain, and clarify	Short term
G1-1: Business practices and corporate culture		
Positive impact	Improving corporate culture and long-term stability through support for the identification of non-compliant conduct, which is achieved by offering protection for whistleblowers	Short term
Positive impact	Maintaining long-term, successful business relationships founded on good compliance and a strong corporate culture	Short term
G1-3: Anti-competitive behavior, political engagement / lobbying		
Positive impact	Contributing indirectly to policy through work on committees	Short term
G1-4: Corruption and bribery		
Positive impact	Setting an example and avoiding incidents of corruption by establishing a functioning compliance management system, compliance policies that include rules on corruption, employee training, and an annual risk analysis for preventive purposes	Short term
Positive impact	Supporting the identification of corruption or fraud, e.g. through an anonymous whistleblowing system and training for employees	Short term
Positive impact	Creating incentives for the avoidance of corruption and bribery when collaborating with business partners	Short term
Positive impact	Tackling financial criminality	Short term

Risks and opportunities are assessed using the categories ‘financial effect’ (what is the extent of the effects?) and ‘probability of occurrence’ (how likely are the risks/opportunities to occur despite remedial action?). In some cases, dependence on resources and relationships is also taken into account.

The threshold values for determining the materiality of an IRO were based on the EFRAG recommendations in accordance with ‘European Sustainability Reporting Guidelines 1, Double materiality conceptual guidelines for standard-setting’ (January 2022). The threshold value for impact materiality is greater than or equal to 8 on a scale of 1 to 15. For financial materiality, the threshold value is greater than or equal to 3 on a scale of 1 to 5.

Quantifying the impact materiality for the DZ BANK Group

In addition to the qualitative materiality assessment, a quantitative analysis of the credit and investment portfolio was carried out with regard to managing the impacts of the DZ BANK Group’s business activities. This was so that the impacts in the DZ BANK Group’s lending and investment business can be taken into consideration. The quantitative materiality assessment was based on an ‘SDG demonstrator’ that was derived from the average values for the DZ BANK portfolio and enables the impact of the DZ BANK Group’s individual portfolios on the SDGs to be analyzed. Using the Impact Radar of the United Nations Environment Programme Finance Initiative (UNEP FI), the SDGs were then assigned to specific ESRS topic areas, allowing the portfolio volumes to be assessed from an ESRS perspective.

The assessment includes the data supplied (EU taxonomy and portfolio data for assets under management (AuM)) for the DZ BANK Group.

This data was supplied at NACE code level (Nomenclature statistique des activités économiques dans la Communauté européenne (statistical classification of economic activities in the European Community)), enabling assignment in accordance with DZ BANK’s existing SDG classification methodology.

3 different activities and segments in the value chain were examined for the qualitative materiality assessment (banking business, insurance business, asset management), whereas the assessments for the value chains were consolidated for the final overall analysis.

The results of the quantitative materiality assessment confirm the relevant ESRS topic areas identified in the qualitative materiality assessment. No new material topics were identified by the quantitative materiality assessment.

Evaluating the risks for the DZ BANK Group

The assessment of financial risks (part of financial materiality) was based on the ESG risk analysis. This ensures consistency with existing risk processes. One or more ESRS sub-topics were assigned to each risk factor on the DZ BANK Group’s risk factor longlist in order to incorporate the outcome of the ESG risk analysis (potentially material ESG risk factor category within a material DZ BANK Group risk type) into the ESRS materiality assessment. Where the ESG risk analysis found that a risk factor is relevant and potentially material, the associated ESRS sub-topic was categorized as material in the risk dimension in the ESRS materiality assessment. In the case of potentially material risk factor categories, the underlying risk factors in the longlist and the time horizons in which they are relevant were identified by experts on a qualitative basis.

As the ESRS materiality assessment is carried out in the ‘business portfolio’ and ‘own operations’ dimensions, the risk types are assigned as follows:

- Business portfolio dimension:
- Financial risk types
- Reputational risk (considered on a case-by-case basis)
- Own operations dimension:
- Operational risk
- Reputational risk (considered on a case-by-case basis)

Potentially material risks that could impact on the DZ BANK Group financially were formulated for each risk type and ESRS sub-topic where a potentially material ESG risk was identified using the aforementioned system.

Financial and non-financial risks are considered in the approach used to assess which risk types are affected:

- Financial risks
  - Credit risk, equity investment risk, business risk, market risk, technical risk of a home savings and loan company in the Bank sector: assessment using exposure/concentration analysis
  - Market risk in the Insurance sector, actuarial risk: qualitative expert assessment
- Non-financial risks
  - Operational risk: expert assessment based on the DZ BANK Group's existing standard scenarios
  - Reputational risk: expert assessment based on the DZ BANK Group's ESG-related reputational risk scenarios

A groupwide analysis of exposure/concentration is used to assess which financial risks are affected. For each risk factor and risk factor category, the portfolio was divided into segments with potentially higher risk and low risk by means of an exposure value (lending volume, carrying amounts of investment, etc.) based on the risk type. Once the segments of the portfolio with low risk were excluded, the segments with potentially higher risk were validated. To this end, the completeness of the factors examined, the information value of various structuring features, and any mitigating effects were discussed at the risk type level. In the presentation of the results, a risk factor category is considered potentially material if, after taking the aspects mentioned above into account, at least 10 percent of each portfolio exposure shows a potentially higher risk in relation to the country-specific and/or sector-specific evaluation.

In an environmental and climate context, the primary focus is on climate-related physical risks, transition risks, and other environmental risk factors, including biodiversity aspects, in own operations and the business portfolio. These are initially identified and assessed using the method outlined above as part of the ESG risk analysis. The identified material climate-related physical and transition risks, and the relevant time horizons, are described in greater detail in chapter VII.2.1. The DZ BANK Group's stress testing includes the physical and transition risks identified by the ESG risk analysis and uses a variety of scenario analyses to gauge the resilience of the DZ BANK Group's business model. The results of the stress testing, and the underlying climate scenarios, are also presented in chapter VII.2.1.

As part of the qualitative materiality assessment, local stakeholders assessed the DZ BANK Group's locations to identify actual and potential risks related to pollution and biodiversity. Since the DZ BANK Group's sites are located in urban areas, no further site analysis was carried out.

The climate scenarios on which the risk assessment is based, with regard to both climate-related physical risks and climate-related transition risks, can be found in chapter VII.2.1.

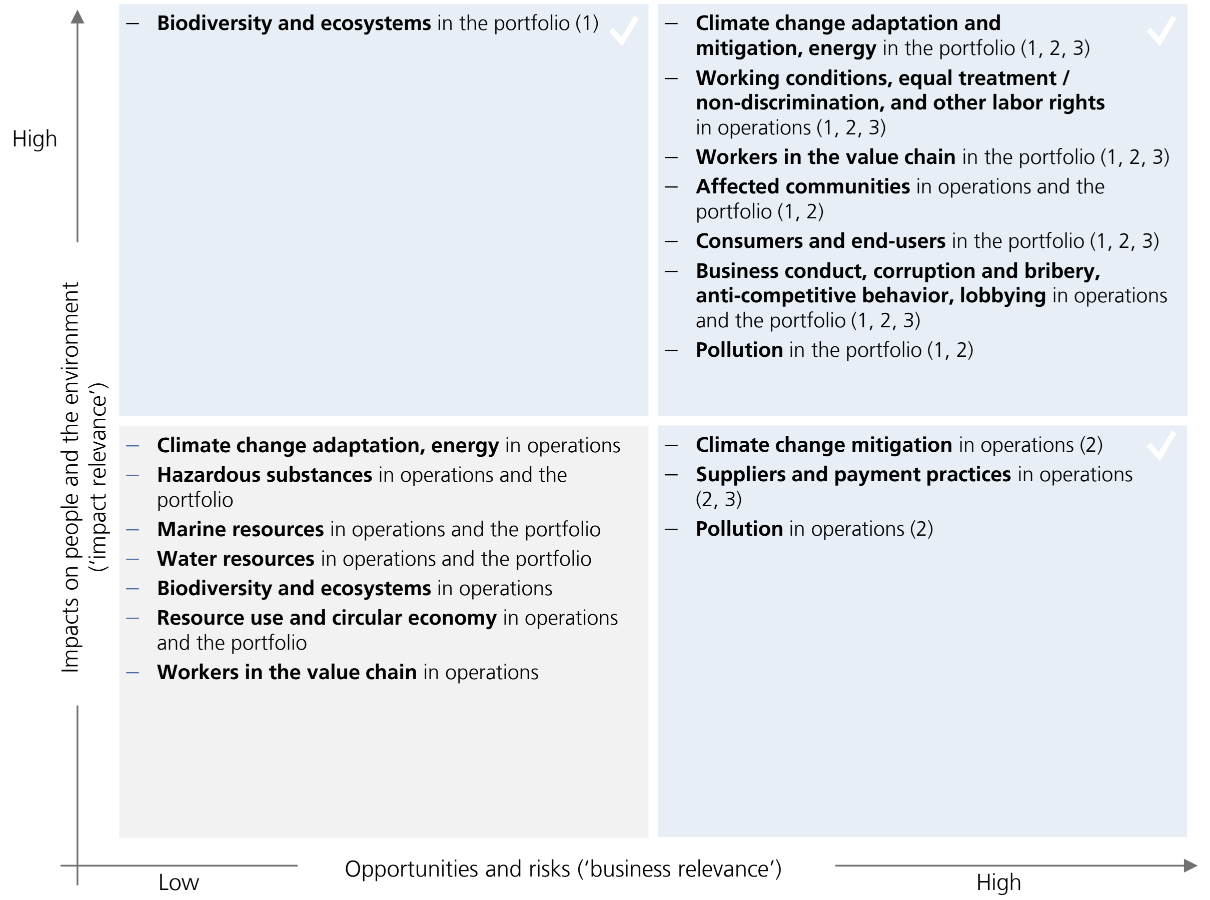
1.5.2 Results of the materiality assessment (IRO-2)

In its materiality assessment, the DZ BANK Group identified many potential and actual material impacts on people and the environment. These relate to its own operations and to the business portfolio and encompass both positive and negative aspects (inside out). Financial risks and opportunities (outside-in) were also identified. A detailed explanation of the process can be found in chapter VII.1.5.1 above.

The assessment identified climate change mitigation and pollution as material sustainability topics in the group's own operations, as well as various topics concerning its *own workforce (working conditions, equal treatment / non-discrimination, other labor rights), affected communities* and, in the area of corporate governance, the topics of *business practices, corruption and bribery, anti-competitive behavior, lobbying, and suppliers* and *payment practices.* The following topics were assessed as material in the business portfolio: *climate change adaptation, climate change mitigation, energy, pollution, biodiversity and ecosystems* and, in the social sphere, *workers in the value chain, affected communities,* and *consumers and end-users. Business practices, corruption and bribery, anti-competitive behavior,* and *lobbying* are also considered material here.

Fig. VII.10 shows the results of the materiality assessment in a materiality matrix along the two axes of double materiality (impact materiality and financial materiality).

FIG. VII.10: RESULTS PRESENTED AS A MATERIALITY MATRIX



Material from the (1) impact perspective (for positive/negative, see Fig. VII.9), (2) risk perspective, (3) opportunity perspective

Impacts, risks, and opportunities can influence the DZ BANK Group's business model and strategy, while at the same time being induced by strategic decisions and the focus of the business model. These interrelationships are explored in detail in the topic-related sections of this report. The material impacts, risks, and opportunities identified in the materiality assessment are presented in chapters VII.2.1 (Environment), VII.3.1 (Social matters), and VII.4.1 (Governance).

The risks identified in the materiality assessment and the related current financial impacts are covered in the stress tests and in risk management. Should these risks materialize, losses, reduced income, increased costs, and liquidity squeezes could adversely affect the financial performance of the DZ BANK Group or of individual group entities. Detecting such risks at an early stage and taking suitable mitigating action are therefore crucial to ensuring long-term financial stability.

Based on the results of the materiality assessment, and in line with EFRAG guidance on the value chain, the reporting requirements under ESRS were assigned to the topics identified as material. The reporting requirements presented in Fig. VII.11 and the mandatory disclosures under ESRS 2 have been incorporated into this sustainability report.

FIG. VII.11: TOPICS OF THE MATERIALITY ASSESSMENT, INCLUDING ASSIGNMENT OF THE DISCLOSURE REQUIREMENTS

Dimension	Standard	Topic	Reporting requirements
Own operations	E1	Climate change (climate change mitigation)	GOV-3, SBM-3, IRO-1, E1-1, E1-2, E1-3, E1-4, E1-6, E1-7, E1-8, E1-9
	E2	Pollution	IRO-1, E2-1, E2-2, E2-3, E2-6
	S1	Own workforce (working conditions, equal treatment / non-discrimination, other labor rights)	SBM-2, SBM-3, S1-1, S1-2, S1-3, S1-4, S1-5, S1-6, S1-7, S1-8, S1-9, S1-10, S1-11, S1-12, S1-13, S1-14, S1-15, S1-16
	S3	Affected communities	SBM-2, SBM-3, S3-1, S3-2, S3-3, S3-4, S3-5
	G1	Business conduct (business practices and corporate culture, anti-competitive behavior, political engagement, suppliers, corruption and bribery)	GOV-1, IRO-1, G1-1, G1-2, G1-3, G1-4, G1-5
Business portfolio	E1	Climate change (climate change adaptation, climate change mitigation, energy)	SBM-3, IRO-1, E1-1, E1-2, E1-3, E1-4, E1-6, E1-9
	E2	Pollution	IRO-1, E2-1, E2-2, E2-3, E2-6
	E4	Biodiversity and ecosystems	IRO-1, SBM-3, E4-1, E4-2, E4-3, E4-4, E4-6
	S2	Workers in the value chain	SBM-2, SBM-3, S2-1, S2-2, S2-3, S2-4, S2-5
	S3	Affected communities	SBM-2, SBM-3, S3-1, S3-2, S3-3, S3-4, S3-5
	S4	Workers in the value chain	SBM-2, SBM-3, S4-1, S4-2, S4-3, S4-4, S4-5
	G1	Business conduct (business practices and corporate culture, anti-competitive behavior, political engagement, corruption and bribery)	IRO-1, G1-1, G1-3, G1-4

The results of the materiality assessment and an overview of the material IROs are communicated to DZ BANK's supervisory and management bodies and, through the GSC, to the Boards of Managing Directors of the DZ BANK group entities represented on the GSC.

For the first time, information on the background, process, methodology, and indicative results of the materiality assessment was provided at Board of Managing Directors level in the GSC in October 2023, and at Supervisory Board level during the meeting of the DZ BANK Supervisory Board in March 2024. The results of the materiality assessment were presented and approved in the GSC in February 2025. The results will be presented to the Supervisory Board of DZ BANK in March 2025.

The results of the materiality assessment are validated every year using a questionnaire on material changes compared with the previous year. The basis for validation is the documentation, including the data from the previous year's materiality assessment.

Relevant topics and IROs are reassessed where the questionnaire reveals material changes to a DZ BANK Group entity's starting position or changes of a regulatory nature. The reassessment is carried out on the basis of discussions and coordination in an appropriate format (such as workshops or agreement by circulation) with the relevant internal stakeholder representatives and those responsible for related topics. Financial materiality is validated by analyzing the materiality of ESG risks for material risk types by means of the ESG risk analysis as part of the groupwide ICAAP risk inventory check.

Overview of EU legislation in the sustainability report

FIG. VII.12: DATA POINTS FROM OTHER EU LEGISLATION LISTED IN ANNEX B OF THE ESRS 2 STANDARD

Disclosure requirement[1]	Data point	Materiality	Location
ESRS 2 GOV-1	Board's gender diversity Paragraph 21 (d)	Mandatory disclosure	Chapter VII.1.3.1 Fig. VII.2: Composition of the Supervisory Board by gender and age
ESRS 2 GOV-1	Percentage of board members who are independent Paragraph 21 (e)	Mandatory disclosure	Chapter VII.1.3.1 subchapter Supervisory Board
ESRS 2 GOV-4	Statement on due diligence Paragraph 30	Mandatory disclosure	Chapter VII.1.3.3
ESRS 2 SBM-1	Involvement in activities related to fossil fuel activities Paragraph 40 (d) i	Mandatory disclosure	
ESRS 2 SBM-1	Involvement in activities related to chemical production Paragraph 40 (d) ii	N.A.[2]	
ESRS 2 SBM-1	Involvement in activities related to controversial weapons Paragraph 40 (d) iii	N.A.[2]	
ESRS 2 SBM-1	Involvement in activities related to cultivation and production of tobacco Paragraph 40 (d) iv	N.A.[2]	
ESRS E1-1	Transition plan to reach climate neutrality by 2050 Paragraph 14	Material	Chapter VII.2.3.1 subchapter Transition to a climate-neutral economy
ESRS E1-1	Undertakings excluded from Paris-aligned benchmarks Paragraph 16 (g)	Material	Chapter VII.2.3.1 subchapter Transition to a climate-neutral economy
ESRS E1-4	GHG emission reduction targets Paragraph 34	Material	Chapter VII.2.3.1
ESRS E1-5	Energy consumption from fossil sources, disaggregated by source (only high climate impact sectors) Paragraph 38	Not material	
ESRS E1-5	Energy consumption and mix Paragraph 37	Not material	
ESRS E1-5	Energy intensity associated with activities in high climate impact sectors Paragraphs 40 to 43	Not material	
ESRS E1-6	Gross Scopes 1, 2, 3 and total GHG emissions Paragraph 44	Material	Chapter VII.2.4 Fig. VII.19 The DZ BANK Group's greenhouse gas emissions
ESRS E1-6	Gross GHG emissions intensity Paragraphs 53 to 55	Material	Chapter VII.2.4 Fig. VII.20 Intensity of greenhouse gas emissions in relation to net revenue
ESRS E1-7	GHG removals and carbon credits Paragraph 56	Material	Chapter VII.2.4 subchapter GHG removals and internal carbon pricing systems
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks Paragraph 66	N.A.[2]	
ESRS E1-9	Disaggregation of monetary amounts by acute and chronic physical risk Paragraph 66 (a)	N.A.[2]	
ESRS E1-9	Location of significant assets at material physical risk Paragraph 66 (c)	N.A.[2]	
ESRS E1-9	Breakdown of the carrying value of own real estate assets by energy-efficiency class Paragraph 67 (c)	N.A.[2]	

Disclosure requirement[1]	Data point	Materiality	Location
ESRS E1-9	Degree of exposure of the portfolio to climate-related opportunities Paragraph 69	N.A.[2]	
ESRS E2-4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water, and soil Paragraph 28	Not material	
ESRS E3-1	Water and marine resources Paragraph 9	Not material	
ESRS E3-1	Dedicated policy Paragraph 13	Not material	
ESRS E3-1	Sustainable oceans and seas Paragraph 14	Not material	
ESRS E3-4	Total water recycled and reused Paragraph 28 (c)	Not material	
ESRS E3-4	Total water consumption in m³ per net revenue on own operations Paragraph 29	Not material	
ESRS 2 – SBM-3 – E4	Paragraph 16 (a) i	Not material	
ESRS 2 – SBM-3 – E4	Paragraph 16 (b)	Material	Chapter VII.1.5 Fig. VII.9: Overview of the material impacts and their time horizons
ESRS 2 – SBM-3 – E4	Paragraph 16 (c)	Not material	
ESRS E4-2	Sustainable land / agriculture practices or policies Paragraph 24 (b)	Material	Chapter VII.2.3.3 subchapter Policies for biodiversity and ecosystems
ESRS E4-2	Sustainable oceans/seas practices or policies Paragraph 24 (c)	Material	Chapter VII.2.3.3 subchapter Policies for biodiversity and ecosystems
ESRS E4-2	Policies to address deforestation Paragraph 24 (d)	Material	Chapter VII.2.3.3 subchapter Policies for biodiversity and ecosystems
ESRS E5-5	Non-recycled waste Paragraph 37 (d)	Not material	
ESRS E5-5	Hazardous waste and radioactive waste Paragraph 39	Not material	
ESRS 2 SBM3 – S1	Risk of incidents of forced labor Paragraph 14 (f)	Material	Chapter VII.3.1
ESRS 2 SBM3 – S1	Risk of incidents of child labor Paragraph 14 (g)	Material	Chapter VII.3.1
ESRS S1-1	Human rights policy commitments Paragraph 20	Material	Chapter VII.3.2.6 subchapter Policies relating to the workforce's human rights
ESRS S1-1	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8 Paragraph 21	Material	Chapter VII.3.2.6 subchapter Policies relating to the workforce's human rights
ESRS S1-1	Processes and measures for preventing trafficking in human beings Paragraph 22	Material	Chapter VII.3.2.6 subchapter Processes relating to the workforce's human rights
ESRS S1-1	Workplace accident prevention policy or management system Paragraph 23	Material	Chapter VII.3.2.5 subchapter Policies relating to occupational health and safety
ESRS S1-3	Grievance/complaints handling mechanisms Paragraph 32 (c)	Material	Chapter VII.3.2.6 subchapter Processes relating to the workforce's human rights
ESRS S1-14	Number of fatalities and number and rate of work-related accidents Paragraph 88 (b) and (c)	Material	Chapter VII.3.2.5 subchapter Metrics relating to occupational health and safety
ESRS S1-14	Number of days lost to injuries, accidents, fatalities, or illness Paragraph 88 (e)	Material	Chapter VII.3.2.5 subchapter Metrics relating to occupational health and safety

Disclosure requirement[1]	Data point	Materiality	Location
ESRS S1-16	Unadjusted gender pay gap Paragraph 97 (a)	Material	Chapter VII.3.2.4 subchapter Metrics relating to remuneration
ESRS S1-16	Excessive CEO pay ratio Paragraph 97 (b)	Material	Chapter VII.3.2.4 subchapter Metrics relating to remuneration
ESRS S1-17	Incidents of discrimination Paragraph 103 (a)	Material	Chapter VII.3.2.6 subchapter Metrics relating to the workforce's human rights
ESRS S1-17	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines Paragraph 104 (a)	Material	Chapter VII.3.2.6 subchapter Metrics relating to the workforce's human rights
ESRS 2 SBM3 – S2	Significant risk of child labor or forced labor in the value chain Paragraph 11 (b)	Material	Chapter VII.3.1
ESRS S2-1	Human rights policy commitments Paragraph 17	Material	Chapter VII.3.3 subchapter Policies relating to workers in the value chain
ESRS S2-1	Policies related to value chain workers Paragraph 18	Material	Chapter VII.3.3 subchapter Policies relating to workers in the value chain
ESRS S2-1	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines Paragraph 19	Material	Chapter VII.3.3 subchapter Policies relating to workers in the value chain
ESRS S2-1	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8 Paragraph 19	Material	Chapter VII.3.3 subchapter Policies relating to workers in the value chain
ESRS S2-4	Human rights issues and incidents connected to upstream and downstream value chain Paragraph 36	Material	Chapter VII.3.3
ESRS S3-1	Human rights policy commitments Paragraph 16	Material	Chapter VII.3.4 subchapter Policies relating to affected communities
ESRS S3-1	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines Paragraph 17	Material	Chapter VII.3.4 subchapter Metrics for engaging with affected communities
ESRS S3-4	Human rights issues and incidents Paragraph 36	Material	Chapter VII.3.4
ESRS S4-1	Policies related to consumers and end-users Paragraph 16	Material	Chapter VII.3.5.1 subchapter Policies relating to investors Chapter VII.3.5.2 subchapter Policies relating to policyholders Chapter VII.3.5.3 subchapter Policies relating to consumer finance and real estate finance borrowers Chapter VII.3.5.4 subchapter Policies relating to home savings customers
ESRS S4-1	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines Paragraph 17	Material	Chapter VII.3.5.1 subchapter Policies relating to investors Chapter VII.3.5.2 subchapter Policies relating to policyholders Chapter VII.3.5.3 subchapter Policies relating to consumer finance and real estate finance borrowers Chapter VII.3.5.4 subchapter Policies relating to home savings customers

Disclosure requirement[1]	Data point	Materiality	Location
ESRS S4-4	Human rights issues and incidents Paragraph 35	N.A.[3]	
ESRS G1-1	United Nations Convention against Corruption Paragraph 10 (b)	N.A.[3]	
ESRS G1-1	Protection of whistleblowers Paragraph 10 (d)	N.A.[3]	
ESRS G1-4	Fines for violation of anti-corruption and anti-bribery laws Paragraph 24 (a)	Material	Chapter VII.4.3 subchapter Metrics relating to compliance
ESRS G1-4	Standards of anti-corruption and anti-bribery Paragraph 24 (b)	Material	Chapter VII.4.3 subchapter Metrics relating to compliance

[1] Sequence according to Annex B of ESRS 2.
[2] N/A, as the data point is voluntary or is not taken into account due to a transitional period in the reporting year.
[3] N/A, as the data point only needs to be reported in the event of a negative statement.

2 Environment

Given the growing importance of sustainable growth for society as a whole, particularly in an environmental context, the entities in the DZ BANK Group are future-proofing their business. They are actively supporting the European action plan for financing sustainable growth and are helping their customers with their green transition. In this context, climate action is a key aspect in both the business portfolio and in own operations. As a company in the financial sector, the DZ BANK Group plays an important role in the economy in terms of its customers' sustainability transformation. Moreover, considering environmental aspects in its own operations helps the DZ BANK Group to reduce costs thanks to the careful and efficient use of resources. This section shows how environmental matters in own operations and the business portfolio, and the reduction of greenhouse gas emissions, are an integral part of the corporate strategy. It concludes with an insight into the relevant metrics relating to the EU taxonomy, which quantify the progress and challenges in these areas.

2.1 Management of material impacts, risks, and opportunities in the environmental sphere (SBM-3)

Climate change and its impact on the economy and society are among the global challenges. Since the financial sector is a key pillar of the economy and directly influences strategic business decisions, it is deemed to play a key role in limiting global warming and aligning the economy with the Paris climate goals. As a financial services provider, the DZ BANK Group believes it has a responsibility to proactively support and shape the transition to a climate-neutral economy.

Through its financial services, the DZ BANK Group shapes the environment by supporting green transformation and incentivizing sustainable practices by offering targeted products and applying exclusion criteria for specific business practices and areas of business, thus directing capital into sustainable investment. Furthermore, the DZ BANK Group has a positive impact on the environment by financing or insuring projects that improve borrowers' resilience regarding the impacts of climate change. Growing customer demand for relevant investment and financing solutions presents financial opportunities for the DZ BANK Group. However, potential negative environmental impacts may arise by providing finance in GHG-intensive sectors or by creating perverse incentives because adaptation measures have not been sufficiently taken into account.

In response to advancing climate change, the DZ BANK Group has identified climate-related and environmental risks as material topics for risk management. It has also put structures in place to identify this kind of risk as early as possible, assess the financial impact, and take action to avoid or mitigate these risks. There are 2 categories of risk for the DZ BANK Group: physical risks and transition risks related to the climate and the environment. Physical risk refers to the financial impact of climate change or the financial impact of environmental conditions. These impacts include more frequent occurrence of extreme weather events, gradual climate change, and progressive environmental degradation (e.g. due to rising temperatures, rising sea levels, loss of biodiversity). Transition risk is the danger of financial losses that may directly or indirectly occur for banks or insurance companies, for example, in connection with the process of switching to a lower-carbon and more environmentally sustainable economy. This risk could, for example, arise due to the rapid adoption of political initiatives to protect the climate and the environment, due to technological progress, or due to changes in market sentiment and preferences. The DZ BANK Group takes a consistently joined-up approach to the framing of its corporate and risk strategies, taking material climate-related and environmental risks into account.

ESG risks and, in particular, climate risks and environmental risks are integrated into the DZ BANK Group's strategic and operational risk management framework. ESG risks are viewed as risk factors for the classic financial and non-financial risks. In this context, sustainability risks that impact on the business activities of the group entities are becoming increasingly important. The DZ BANK Group has integrated an ESG risk analysis into the annual Group risk inventory. In 2024, climate-related physical and transition risks were identified as potentially material overarching factors that harbor short-term, medium-term, and long-term risks with regard to credit risk, actuarial risk, operational risk, reputational risk, business risk, and market risk in the Insurance sector. Furthermore, short-, medium-, and long-term environmental transition risks were rated potentially material for operational risk. Physical risks are expected to grow in importance in the long term, which will primarily affect credit risk and actuarial risk. Transition risks are expected to grow in importance in the medium term. This will primarily affect credit risk, market risk in the Insurance sector, and business risk. Material transition risks include risk factors such as the change in energy policy, increases in carbon emission pricing, and climate-related and environmental legal risks.

To test the resilience of its strategy in the face of the latest sustainability-related developments, the DZ BANK Group conducts a variety of analyses whose results build on one another. As mentioned above, the DZ BANK Group has integrated an ESG risk analysis into its annual Group risk inventory. DZ BANK also conducts annual stress tests and business environment analyses. Together, these 3 analyses cover physical risks, transition risks, and systemic risks related to climate and the environment. One of the areas of focus is the analysis of portfolio risks. Risks to the business are included under operational risk and also examined in the ESG risk analysis and the groupwide stress testing. Fundamentally, the risk analysis identifies the potentially material physical risks and transition risks for the DZ BANK Group. Stress testing checks the resilience of the DZ BANK Group's business model in respect of the identified risks. The business environment analyses use the results of the aforementioned analyses and specify the impacts and recommended actions at management unit level.

As part of stress testing, the DZ BANK Group is continually expanding the data and processes with climate scenarios. The DZ BANK Group has implemented an internal climate stress test framework that is part of the existing stress test program. It examines numerous exploratory climate scenario analyses at DZ BANK Group level from a normative and economic perspective for the relevant risk types (credit risk, market risk, operational risk, reputational risk, actuarial risk), time horizons, and climate risks.

Climate risks are factored into the regular adverse stress tests. The framework is integrated into ESG risk management, mainly closely linked to the ESG risk analysis. The following climate scenarios are considered. For flood risk, extreme flood scenarios are examined for 2055 in a world that has warmed by 2.5°C, which corresponds to the Representative Concentration Pathways (RCP) 8.5 scenario. Losses for properties and borrowers are determined on a granular basis, taking the respective locations into account. For forest fires and drought, these types of event are also projected on a granular basis for 2050, taking the location into account and assuming a global warming of 2.3°C. Impacts on the DZ BANK Group's portfolios are determined accordingly. The maps used in all physical climate scenarios are taken from providers such as the Network for Greening the Financial System (NGFS), Aqueduct, and the Joint Research Center. The examination of climate-related transition risks is based on the 'delayed transition' scenario from NGFS.

Overall, exploratory climate scenarios are examined across all climate risks, risk types, and time horizons. Furthermore, in-depth analyses were carried out for climate-related transition risks using a scenario that covers all risk types. The results of the stress tests show that the DZ BANK Group's profitability and capitalization are resilient in the face of climate risks, and that its exposure to such risks, particularly physical climate risks, is low.

The climate stress tests carried out are subject to uncertainty due to the available scenarios and data, and because the methods employed are not widely established across the industry yet. For this reason, the climate stress test report contains in-depth information about the scenarios, assumptions, and simplifications. The plan is to further refine the scenarios, data, and methods in the years ahead.

In addition to risk analyses and stress testing, certain management units in the DZ BANK Group also conduct business environment analyses to determine the impacts of ESG risks, including transition risks, on the DZ BANK Group's business activities and to identify potential opportunities related to material sustainability topics. The business environment analyses identify the material risks for each management unit and any material opportunities that can be pursued in the relevant business environment. The analyses document climate-related and environmental risks and their impacts on the business models of certain management units in the DZ BANK Group. They also ensure that climate-related and environmental risks are taken into account in the strategic planning process. To the best of their ability, the relevant management units estimate the probability of occurrence of the risks and, if they occur, how soon. Action plans can then be derived from the identified physical and transition risks.

Material climate-related and environmental risks are identified for each sector, the specific chains of events are explained in greater detail, and the impacts on the business model of the relevant management unit are identified. In each sector, the assumptions regarding climate risks and environmental risks are based on the latest regulatory developments (for example a ban on internal combustion engines in the automotive sector) and trends (such as supply bottlenecks caused by the war in Ukraine). Due to the variation in the group entities' business models, physical and transition risks are considered specifically for each group entity's relevant/affected transactions and customers, but are not broken down into a sector overview. The analyses for DZ BANK are conducted in climate-related focus sectors[3] (automotive, energy, fossil fuels, aviation, shipping, cement, and steel). The findings of the business environment analyses give each management unit an indication of how they should react to the specific climate-related and/or environmental risk, and what action they should take, if any. This primarily applies to DZ BANK, as it accounts for the largest share of the business portfolio in the focus sectors examined so far. However, the analysis is not limited to DZ BANK; business environment analyses were conducted by all defined management units in 2024. For the first time, the analyses in 2025 are scheduled to focus on short-, medium-, and long-term options for adapting each business model to climate change.

The materiality assessment (see chapter VII.1.5) conducted by the DZ BANK Group identified material impacts, risks, and opportunities in the 'environment' topic area. These are listed in the figure below, divided into the dimensions 'own operations' and 'business portfolio'. The following subchapters expand on these IROs by describing the DZ BANK Group's environmental targets, actions, and policies.

The entities in the DZ BANK Group each provide the financial resources – in the form of dedicated budgets – for managing and implementing the individual actions related to the environment.

With regard to the DZ BANK Group's own operations, the material IROs deal with climate change mitigation and operational risks in the context of pollution. The relevant information can mainly be found in chapter VII.2.2.

The IROs listed here in the context of the environmental business portfolio are mainly addressed in chapter VII.2.3. An overarching structure was chosen that explores the individual environmental topics in several chapters. Only chapter VII.2.3.1 contains exclusively climate-related goals for the sector targets. More precise details of the assignment of topics to chapters in the report can be found in the figure below.

FIG. VII.13: OVERVIEW OF THE MATERIAL IMPACTS, RISKS, AND OPPORTUNITIES IN THE ENVIRONMENTAL SPHERE

Topics of the materiality assessment	Standard	Dimension	IRO type	Impacts, risks, and opportunities	Chapter in the report
Climate change adaptation	E1	Business portfolio	Positive Impact	Providing incentives for more sustainable practices/action through financing/insurance and bonuses for / investment in 'sustainable solutions'	Chapter VII.2.3.1 Climate change in the business portfolio
			Positive Impact	Financing / insuring / investing in projects that improve the resilience of borrowers / insurees / investee companies regarding the impacts of climate change	

[3] In the context of setting climate targets, focus sectors are sectors of industry that need to make a significant global contribution to decarbonization, or sectors that are relevant to the business model of the DZ BANK banking group.

Topics of the materiality assessment	Standard	Dimension	IRO type	Impacts, risks, and opportunities	Chapter in the report
			Negative Impact	Creating perverse incentives because adaptation measures have not been taken into account in investment decisions or when agreeing finance/insurance	
			Opportunity	Growing customer demand for financing of / insurance for / investment in adaptation measures (DZ BANK Group positioned as a provider of transformation support)	
			Risk	Credit risk: higher probability of default and/or lower collateral value where affected by the physical consequences of climate change	
Climate change mitigation (emissions)	E1	Own operations	Risk	Operational risk: increased legal risk due to climate factors	Chapter VII.2.2.1 Climate change in own operations
			Risk	Own operations-related reputational risk: damage to stakeholders' trust in DZ BANK Group entities due to their own liability/legal risks in connection with (i) court proceedings or the withdrawal of licenses owing to breaches of emissions standards; (ii) claims for compensation brought by persons or companies due to losses that they may have suffered as a result of physical or transition risks; stakeholders raise criticism about products or terms and conditions being marketed as sustainable to business partners or consumers / retail customers, particularly in the event of regulatory/statutory changes to public policy (e.g. a stronger focus on greenwashing)	Chapter VII.2.1 Management of material impacts, risks, and opportunities in the environmental sphere Chapter VII.2.2.1 Climate change in own operations
		Business portfolio	Positive Impact	Directing capital toward sustainable investments through exclusion criteria or sector criteria	Chapter VII.2.3.1 Climate change in the business portfolio
			Positive Impact	Financing / investing in / insuring projects that reduce GHG emissions and taxonomy-aligned products	
			Positive Impact	Supporting/facilitating existing customers' transition to climate neutrality and/or reduction of GHG emissions	
			Positive Impact	Making it easier for investors to take environmental criteria into account in their investments by offering sustainable products	
			Negative Impact	Financing / investing in / insuring GHG-intensive sectors and projects	
			Opportunity	Increasing opportunities for funding through green bonds / social bonds / ESG bonds thanks to a growing, referenceable business portfolio	
			Opportunity	Growing customer demand for investment / finance / insurance solutions for measures designed to mitigate climate change	
			Opportunity	Strengthening of existing business segments and opening up of new ones through green technologies	
			Opportunity	Improved reputation through positioning as a provider of support for the transition to climate neutrality	
			Risk	Credit risk: higher probability of default and/or lower collateral value as a result of adaptation costs and lower borrower profitability due to transition risks	

Topics of the materiality assessment	Standard	Dimension	IRO type	Impacts, risks, and opportunities	Chapter in the report
			Risk	Credit risk and market risk: higher probability of default, lower collateral value, and changes to credit rating / asset valuations in investments in the Insurance sector as a result of adaptation costs and/or lower borrower/issuer profitability due to policy changes in connection with the transition to clean energy (e.g. the phase-out of coal / shift away from internal combustion engines) or due to legal risks related to climate matters	
			Risk	Reputational risk in the business portfolio: damage to stakeholders' trust in DZ BANK Group entities because they provide funding to business partners / sectors that have high emissions, that are negatively affected by climate-driven consumer behavior, or that have high levels of transportation/travel, use outdated drive systems (internal combustion engines, etc.), or use environmentally harmful technologies	
Energy	E1	Business portfolio	Positive impact	Supporting the energy transition through financing of / investment in / insurance of renewable energies	Chapter VII.2.3.1 Climate change in the business portfolio
			Positive impact	Supporting energy saving measures through financing of / investment in / insurance of energy efficiency projects	
			Negative Impact	Hindering the shift to green energy through financing of / investment in / insurance of the fossil fuel sector	
			Opportunity	Rising demand for financing of / insurance of / investment in the shift to green energy, including renewable energy projects and innovative technologies	
			Risk	Credit risk and market risk: higher probability of default, lower collateral value and changes to credit rating / asset valuations in investments in the insurance sector as a result of adaptation costs and/or lower borrower/issuer profitability due to transition risks	
			Risk	Reputational risk: damage to stakeholders' trust in DZ BANK Group entities because they provide funding to energy-intensive business partners / sectors or to those using energy-intensive technologies or to those obtaining energy from energy-intensive, non-renewable sources	
			Risk	Credit risk: higher probability of default and/or lower collateral value as a result of adaptation costs and lower borrower profitability due to the transition of the economy toward energy-saving technologies	
Pollution	E2	Own operations	Risiko	Operational risk: increased legal risk due to environmental factors	Chapter VII.2.2.2 Pollution in own operations
		Business portfolio	Positive Impact	Offering insurance/finance/investment for new technologies that reduce pollution	Chapter VII.2.3.2 Pollution in the business portfolio
			Negative Impact	Financing / investing in / insuring projects/companies in particularly polluting industries and/or with a high volume of harmful emissions	
			Risk	Market risk: changes to credit rating / asset valuations in investments in the Insurance sector as a result of adaptation costs and lower issuer profitability due to more stringent environmental requirements	

Topics of the materiality assessment	Standard	Dimension	IRO type	Impacts, risks, and opportunities	Chapter in the report
Biodiversity and ecosystems	E4	Business portfolio	Positive impact	Protecting ecosystems and biodiversity by excluding projects with an adverse impact on biodiversity from finance/investment and by supporting the transformation with regard to mitigating the negative impact of biodiversity matters	Chapter VII.2.3.3 Biodiversity and ecosystems in the business portfolio
			Negative Impact	Financing / insuring / investing in companies whose activities/projects damage biodiversity and ecosystems	

2.2 Environmental matters in own operations

Brief summary

- Presentation of the planned transition to climate-neutral own operations
- Introduction of the KCU as the central committee of the DZ BANK Group for own operations matters
- Description of the previous climate target pathway in own operations for parts of the DZ BANK Group
- Description of the policies, actions, and relevant decarbonization levers for reducing greenhouse gas emissions in the DZ BANK Group

The DZ BANK Group deals with the integration of environmental matters into its own operations through a wide range of activities. Protecting the environment in the context of its own operations contributes to the careful and efficient use of resources and can help to reduce costs. For the entities in the DZ BANK Group, however, running their own operations in an environmentally responsible manner is also a matter of setting a positive example for employees and customers. Since 2014, the entities in the DZ BANK Group[4] have been working together within the KCU to minimize their environmental footprint. The following chapters explain in greater detail the specific targets, policies, and actions relating to the group's environmental activities at the level of its own operations.

2.2.1 Climate change in own operations (E1-1, E1-2, E1-3, E1-4)

Transition to a climate-neutral economy (from the perspective of own operations)

Details of the elements required in connection with disclosure requirement E1-1 – transition plan for climate change mitigation, such as decarbonization levers and related actions, are provided below. This chapter also explains in more detail the efforts and activities carried out at the level of own operations in support of the 1.5°C target of the Paris climate agreement. The DZ BANK Group did not define a transition plan of its own for its own operations with regard to its business model in 2024. The transition to climate-neutral own operations will be reviewed and further developed in 2025.

In accordance with its **Position Paper Climate and Environment**, the DZ BANK Group focuses on ongoing energy efficiency actions and on efforts to raise its employees' awareness of sustainability topics in the group's business operations. In its **Position Paper Climate**, DZ BANK also published the principles upon which it will base its actions. The first principle in the position paper, 'Improving our environmental footprint', takes an own operations perspective. It is based on DZ BANK's efforts to continuously reduce its resource consumption in order to minimize the adverse impact of its operational activities on the environment.

Climate targets in own operations

There were various changes to the sustainability reporting in relation to 1. scope of consolidation, 2. methodology for determining and processing data, and 3. the Scope 3 categories analyzed:

[4] Members of the KCU since 2014: BSH, DZ BANK, DZ HYP, DZ PRIVATBANK, R+V, Reisebank, TeamBank, UMH, VR Payment, VR Smart Finanz. Members of the KCU since 2024: VR Equitypartner, VR Factoring GmbH.

1. **Changes to the scope of consolidation:** The number of entities included in the DZ BANK Group's greenhouse gas emissions reporting has risen significantly. As a result, VR Equitypartner, VR Factoring GmbH, and VR Payment became additional members of the KCU in connection with the ESRS sustainability reporting. The GHG emissions of the DZ BANK Group are calculated within the KCU. The entire scope of consolidation for the sustainability reporting has also increased, as set out in chapter VII. 1.1.

2. **Standard methodology:** The climate data for the newly consolidated entities was collected for the first time in 2024. Since then, the DZ BANK Group has used the tool provided by the Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. (VfU) [Association for Environmental Management and Sustainability in Financial Institutions] to calculate all GHG emissions, whereas individual methods were used in the past. The method used to calculate GHG emissions in the reporting year is described in more detail in chapter VII.2.4.

3. **Expansion and amendment of Scope 3:** The DZ BANK Group reviewed the Scope 3 categories as part of a significance analysis. This resulted in an adjustment (addition of new emissions sources and removal of previous ones). A detailed list of Scope 3 categories, divided into 'significant' and 'not significant', is contained in chapter VII.2.4.

These changes and the resulting limited comparability with the climate target/pathway contained in previous sustainability reports means that the previous climate target, which was set for large parts of the DZ BANK Group[5] prior to the publication of the ESRS requirements, could not be adjusted to the current needs in 2024 in order to meet the requirements for ESRS targets in terms of being measurable, outcome-oriented, and time-bound.

Based on the currently available data with the changes described above, in 2025 DZ BANK Group plans to review and adjust the climate target pathway contained in previous sustainability reports. Particular attention will be paid to ensuring that in the future, the requirements for an ESRS-compliant target – being measurable, outcome-oriented, and time-bound – can be met in the best possible way.

As mentioned above, however, large parts of the DZ BANK Group had set a combined climate target (Scopes 1 to 3) prior to publication of the ESRS requirements. This target, which anticipates **climate-neutral own operations** by no later than **2045**, was communicated in previous sustainability reports with an interim target for 2030. It was based on the Federal Climate Change Act, which came into force on December 12, 2019, enshrining the national climate change mitigation targets for the Federal Republic of Germany in law and supporting the Paris climate agreement in limiting global warming to 1.5°C. The previous goal for large parts of the DZ BANK Group, of achieving climate neutrality by 2045, was the minimum target. The group entities can aim to achieve this emissions reduction more quickly on a voluntary basis. In accordance with previous reports, the volume of greenhouse gas emissions shall be reduced by 65 percent by 2030 compared with the base year of 2009. The plan is to retain the previous, combined overall target (Scopes 1 to 3) of **climate-neutral own operations** by no later than **2045** when adjusting the climate target pathway in 2025.

The operationalization of the climate target pathway and the associated actions is the responsibility of the KCU. One of its tasks in this context is to standardize the data referring to own operations and the resulting carbon footprint. All group entities represented in the KCU record their greenhouse gas emissions in CO_2 equivalents in accordance with the international standard based on the Greenhouse Gas Protocol (GHG Protocol). The emissions are broken down into Scope 1 (direct greenhouse gas emissions), Scope 2 (indirect greenhouse gas emissions), and Scope 3 (greenhouse gas emissions in the value chain).

[5] This does not apply to the group entities VR Equitypartner, VR Factoring GmbH, and VR Payment which were included in the KCU as part of the initial CSRD reporting for the first time in 2024 (they previously only had guest status in the KCU).

The DZ BANK Group identified the following key decarbonization levers aimed at reducing greenhouse gas emissions in its own operations. The levers are underpinned by specific actions (see 'Climate-related actions in own operations').

FIG. VII.14: THE DZ BANK GROUP'S DECARBONIZATION LEVERS

Eco-friendly mobility
This lever includes the avoidance / reduction of GHG emissions through the use of innovative mobility concepts and ways of working

Eco-friendly facility management
This lever includes the use of renewable energy and smart building controls, and the efficient use of space

The decarbonization levers listed in Fig. VII.14 are applied in order to reduce the greenhouse gas emissions in the DZ BANK Group's own operations. The emissions reductions achieved and expected from the aforementioned decarbonization levers and related actions were not quantified on a disaggregated basis in 2024 due to the high number of actions and the interplay between them. The aim is to record the reductions at action level as part of the revision of the target pathway in 2025.

Climate policies in own operations

The policies described below are directly linked to the material topic of climate change mitigation (greenhouse gas emissions), plus the related IROs

The majority of the DZ BANK Group aims to minimize the environmental impact of business travel with its **business travel policy**. For example, business trips in general, and especially domestic flights in Germany, are approved only if they are demonstrably necessary. This contributes to the reduction of greenhouse gas emissions, the promotion of environmentally friendly forms of public transportation, and the optimization of travel processes. For DZ BANK, the business travel policy is available in the ORG portal on the intranet as part of the written set of procedural rules. Governance of the business travel policy is the responsibility of the member of the Board of Managing Directors in charge of the Group Human Resources division. Operationally, the annual review is carried out by Human Resources.

The devolved **company car policies** in the majority of DZ BANK Group entities support the target of reducing greenhouse gas emissions by using modern, clean vehicles. For example, preference is given to electric/hybrid vehicles and the choice of cars and engine specifications is restricted by a CO_2 emissions cap. This cap is continually adjusted in accordance with the environmental rules and regulations applicable to the Group. The process governing company car use at DZ BANK is documented in the written set of procedural rules, with a reference to the company car regulation. Governance of the company car policy is the responsibility of the member of the Board of Managing Directors in charge of the Services & Organisation (SO) division. Operationally, the annual review is carried out by SO.

Climate-related actions in own operations

Various actions have been implemented by the individual group entities to reduce the greenhouse gas emissions of the DZ BANK Group's own operations.

The KCU ensures that **achievement of the climate target is monitored** and action plans are put in place. The KCU coordinates the implementation of the climate strategy through the existing yearly process for recording and interpreting data and initiating appropriate action, and reports the results to the GSC. Where the

DZ BANK Group cannot avoid or reduce its carbon emissions, the GSC decides on an ad hoc basis about taking further actions to actively manage them. Actions taken by DZ BANK in 2024 to meet its climate targets included in particular the introduction of an energy management system in line with ISO 50001, an update to the business travel policy, and the electrification of the vehicle fleet. Further details are provided below.

The environmental actions of DZ BANK (in Germany) listed by way of example are also implemented in the same or a similar way in individual DZ BANK group entities. To show which of the main decarbonization levers the actions have been assigned to, the relevant lever is given before each action.

Eco-friendly mobility – avoidance/optimization of business trips

The most important actions in connection with the implementation of the business travel policy are (i) avoiding business travel by using virtual alternatives, (ii) using the Deutsche Bahn railway network for long-distance travel (zero-carbon as part of the corporate customer program), (iii) giving preference to public transportation over cars, and (iv) giving preference to hotels certified as sustainable (VDR certified business hotels). These measures are not time-limited and are reviewed and updated on an ongoing basis.

Eco-friendly mobility – electrification of the vehicle fleet

The most important actions in connection with the implementation of the company car policy are (i) switching the fleet over to green electric vehicles (EVs), accompanied by a commitment to pay for the electricity used to charge company cars at home, and (ii) setting a CO_2 emission cap for vehicles with internal combustion engines. At the end of 2024, the share of EVs in the fleet was 29.6 percent, i.e. 125 of the 423 vehicles were either all-electric or hybrid. The aim is to have an all-electric fleet by 2030.

Eco-friendly mobility – support for alternative transportation

DZ BANK provides a **travel subsidy** to encourage its employees to commute between home and work using public transportation. Since September 2020, DZ BANK has also been offering the DZ Rad scheme, which allows employees to **lease a bike** through salary sacrifice. In total, more than 1,200 bike leasing contracts have been agreed at DZ BANK so far. In 2024, 64.85 percent of employees used public transportation to commute to work.

Eco-friendly facilities management – optimization of energy and heat consumption

DZ BANK mainly uses **district heating** to heat its premises. All major sites of DZ BANK in Germany, including Berlin, Düsseldorf, Frankfurt am Main, Hannover, and Stuttgart, use electricity that is generated exclusively from **renewable sources**. **Electricity consumption** at the bank's offices has fallen steadily since 2020. This was partly attributable to an increase in the number of employees working from home since the pandemic, but was also driven by a significant improvement in the efficiency of computing centers thanks to the replacement of outdated hardware and the optimization of technical configurations. In order to reduce the use of electricity and district heating even further in the future, the focus remains on the efficiency of building operations. An **ISO 50001-compliant energy management system** is currently being introduced for this purpose. This should give rise to specific actions for operational energy management.

Eco-friendly facilities management – 'New Work' workspace concept

Under DZ BANK's new **workspace concept, New Work',** the desks in the designated New Work areas are not permanently assigned to particular employees; the desk sharing ratio is 7 desks to 10 employees. This makes better use of the available space and thereby optimizes energy consumption. The concept has already been implemented on 37 of the 50 floors in the DZ BANK building at Westend 1 in Frankfurt am Main and will be rolled out to a further 7 floors in 2025. 6 of the total 50 floors are designated special-purpose zones. The 'New Work' concept has also already been introduced at the offices in Düsseldorf, Hannover, and Stuttgart.

Cutting across the decarbonization levers, the following additional actions for reducing the greenhouse gas emissions at the level of own operations were implemented.

Environmental and energy management systems

The new German Energy Efficiency Act (EnEfG), which came into force on November 18, 2023 with the goal of raising energy efficiency in Germany, requires companies with annual energy consumption of 7.5 gigawatt hours (GWh) to reduce energy consumption more significantly and to introduce an **energy management system** in accordance with the **ISO 50001** international standard or an **environmental management system based on the Eco-Management and Audit Scheme** (EMAS) by the end of July 18, 2025. EnEfG is aimed at the continual planning, management, monitoring, and improvement of all actions and processes in a company relating to the environment. Further objectives are the systematic and ongoing optimization of energy efficiency, a reduction in energy costs, and the minimization of greenhouse gas emissions. Some entities in the DZ BANK Group already have an externally certified environmental management system. R+V and UMH have implemented an environmental management system in accordance with DIN ISO 14001. TeamBank uses the EMAS environmental management system. BSH plans to implement an environmental management system certified in accordance with EMAS by mid-2025. DZ BANK and R+V intend to introduce an energy management system in accordance with the ISO 50001 standard.

Environmental checks in supplier management

Risks may arise in the supply chain that could have an adverse impact on the environment and society as well as jeopardize the supplier relationship. When selecting service providers and suppliers and when purchasing goods and services, the entities in the DZ BANK Group are therefore required to pay careful attention not only to criteria such as quality and price but also to sustainability criteria and the minimization of risk. These include the sustainability requirements that relate to the ESG risks. In accordance with the **sustainability in procurement guidelines**, which are based on the principles of the UN Global Compact and apply to all group entities, the DZ BANK Group's procurement processes incorporate economic, social, and environmental standards. These include minimizing the impact on the environment, and the ongoing improvement of suppliers' environmental protection measures.

The **working group for sustainability in procurement**, which comprises the sustainability coordinators from the procurement departments of the group entities, updates the processes and targets that relate to sustainability in procurement on an ongoing basis. In accordance with new statutory requirements, the working group is developing a **sustainability questionnaire** for capturing sustainability-related information for suppliers. However, the questionnaire will only be used in exceptional cases where a supplier does not undergo an assessment by a sustainability rating platform. **EcoVadis** was selected as the platform for assessing suppliers in 2021 and is now in use at BSH, DZ BANK, DZ HYP, DZ PRIVATBANK, R+V, UMH, and VR Payment. A detailed description of the sustainable supplier management system can be found in chapter VII.4.4.

2.2.2 Pollution in own operations (E2-1, E2-2, E2-3)

No separate targets or policies were defined for potential pollution caused by the DZ BANK Group. This is due to the low materiality. The known adverse impacts are addressed on an ad hoc basis and climate-related policies and actions are implemented to avoid potential legal risks arising in connection with environmental aspects.

2.3 Environmental matters in the business portfolio

Brief summary

- Reporting of targets, policies, and actions relating to climate, pollution, and biodiversity and ecosystems in the business portfolio
- Presentation of the decarbonization targets and ambitions in the lending, asset management, and insurance businesses; in particular presentation of the sector sprints as the basis for the sector targets in the lending business of the DZ BANK banking group
- Description of the DZ BANK Group's exclusion criteria for the lending business, own-account investing, and special funds in relation to climate, pollution, and biodiversity
- List of the DZ BANK sector criteria for integrating sustainability matters into the lending process
- Summary of the voluntary commitments related to the environment

As a group of companies in the financial sector, the DZ BANK Group is committed to playing a key role in the economy's green transformation. It can support its customers' transition to more environmentally friendly practices and processes by allocating funds for uses that promote sustainability. The following chapters explain in greater detail the DZ BANK Group's role in the transition to a climate-neutral economy and the group's specific targets, actions, and policies relating to its environmental activities at the business portfolio level.

2.3.1 Climate change in the business portfolio (E1-1, E1-2, E1-3, E1-4)

Transition to a climate-neutral economy

For the DZ BANK Group, sustainability is an integral part of the values that it embodies and the activities that it carries out. To this end, it updates the groupwide sustainability strategy on an ongoing basis with the aim of contributing to the transition to a sustainable economy. The DZ BANK Group's **Position Paper Climate and Environment** establishes a framework that addresses the integration of climate-related and environmental aspects into each group entity's operational and portfolio-specific activities. With a particular emphasis on its business portfolio, the DZ BANK Group seeks to align economic and social targets with environmental targets and actively support the transformation of the real economy. This is reflected in the objectives aligned with the 1.5°C target in order to complete the transition to a net zero future. The DZ BANK Group is not excluded from the Paris-aligned EU benchmarks.

For example, the DZ BANK banking group has developed comprehensive sector targets based on **sector sprints** in which internal stakeholders were extensively involved, in particular representatives of the Strategy & Group Development division, the Corporate Banking and Structured Finance front-office divisions, and representatives of the relevant sectoral centers of excellence from the lending business. The sector targets were developed for the corporates, project finance, ships, and real estate asset classes. These climate targets relate to the DZ BANK banking group, i.e. the banking group including own-account investing[6]. Real estate finance at DZ PRIVATBANK is not currently taken into account. The climate target analysis does not include any of the special funds managed in the DZ BANK Group. R+V is not included in the sector target analysis.

The sector targets were agreed by the GSC. The Supervisory Board receives a report each year on the level of target achievement, as part of the business strategy. These targets are based on a structured methodology and are not currently subject to external validation. During these sector sprints, material decarbonization levers were formulated at a qualitative level for the individual sectors and factored into the targets. Overall, the focus was on conducting a comprehensive assessment of the expected transformation for each sector in order to forecast as accurately as possible the extent to which each target will be reached. It is assumed that business partners in the relevant portfolios will gradually and voluntarily implement new technologies that contribute to decarbonization. The DZ BANK banking group itself does not currently plan to use new technologies to achieve the decarbonization targets in the business portfolio.

[6] Own-account investing in funds is excluded from the analysis

The degree of target achievement by the DZ BANK banking group is affected by the actual progress of the transformation in the real economy and any structural shifts in carbon-intensive new business in the business portfolio. The extent of the transition to a zero carbon economy is closely tied to the achievement of decarbonization targets. The progress of the achievement of the sector targets in percentage terms is shown in the section 'Decarbonization targets in the lending business'. Furthermore, red warning thresholds were established for the target pathways, which are intended to ensure that the affected target pathway and the reasons for deviation will be assessed separately where there is a significant deviation from the target. On the basis of this half-yearly monitoring, actions that are appropriate at the time can be initiated in the event of an overshoot. This carefully directed performance monitoring helps to ensure that the climate targets are met. The DZ BANK banking group plans to assist its customers with the upcoming transformation process (reduction) by positioning itself as a provider of transformation support. This is intended to ensure the reduction of potentially locked-in greenhouse gas emissions and also promote climate-friendly new business (avoidance).

The sector sprints revealed that there are generally 2 relevant **decarbonization levers** for each business portfolio. The first decarbonization lever focuses on customers' transformation (passive decarbonization lever) and the second decarbonization lever describes the active adaptation of the business portfolio, such as the targeted expansion of new business with emission-efficient customers (active decarbonization lever). The passive decarbonization levers were analyzed, quantified, and incorporated into the target setting for each individual sector. The process took account of the technological possibilities and actions that can feasibly be implemented in each sector. For example, there are currently only limited short-term technological options in the cement sector, while options to expand the use of renewables already exist in the energy sector. Depending on the sector and starting position, the assumptions regarding the expected development of these two decarbonization levers were taken into account in the target discussions. Customer transformation was identified as a relevant decarbonization lever during all sector sprints, since the business portfolio targets of the DZ BANK banking group can only be achieved if customers actively pursue their own transformation. Active restructuring of the portfolio is essentially only considered as one of several possible actions in the event of a deviation from the target. In the fossil fuels sector, the absolute size of the financed portfolio and thus the level of absolute financed emissions is managed through appropriate rules. Where possible, the DZ BANK banking group also plans to make the most of business opportunities that have a positive influence on the specific business portfolio. As shown in the tables below, the decarbonization actions including the time horizons for these actions are quantified for the 2 forms of decarbonization lever, active and passive.

The sector-specific decarbonization targets are a core element of the overarching sustainability strategy of the DZ BANK banking group across the dimensions of market opportunity, climate-related and environmental risks, and decarbonization. The definition and categorization of the baseline values is important when defining decarbonization targets. Climate alignment is used for this. Climate alignment describes the process of comparing the business portfolio with the reference pathways to achieve the net zero goal. The climate targets were identified on the basis of these comparisons. Climate alignment thus provides the methodological basis for the climate targets. In accordance with the rules for determining climate alignment, sector targets focus on the parts of the value chain that exert the greatest leverage effect in terms of decarbonization and thereby make transition risks, in particular, transparent. By calculating the actual value and comparing this with a 1.5°C reference pathway, which already contains significant assumptions, it becomes clear how climate-efficient the bank's customers are and how extensive the upcoming transformation is. If the actual value is poor, it follows that the portfolio needs to be transformed more quickly than the global average in order to remain on the 1.5°C pathway in 2050. Half-yearly publication as part of the regulatory risk reporting (Pillar III) ensures transparency with regard to which transition risks are increasing and which are falling, allowing action to be taken in the event of a target being missed. The greenhouse gas inventory on which the decarbonization targets and climate alignment are based and the categorization of the emissions scopes are shown in the greenhouse gas emissions of the entities of the DZ BANK banking group in Fig. VII.19 in chapter VII.2.4.

DZ BANK AG also sets out the decarbonization levers it is using to shape the transition to a climate-neutral economy in its **Position Paper Climate,** which is publicly accessible on the DZ BANK website. Within the business portfolio, these include:

1. **Expanding the low-carbon business portfolio:** DZ BANK supports its customers with their funding projects on the path to a low-carbon economy. It pursues this objective through its product offering.

2. **Supporting the transformation of carbon-intensive industries and activities:** DZ BANK plans to permanently reduce the carbon intensity of its credit portfolio. It is doing so by assessing business activities against internal sustainability standards (e.g. exclusion criteria and sector criteria) and advising customers on their transformation.

3. **Commitment to promoting sustainability:** DZ BANK encourages sustainability discourse in society and business, and supports the transition to a low-carbon economy. To this end, it is active in relevant networks, raises awareness of the topic among its employees, and provides transparency through its reporting.

In its published Position Paper Climate and Environment, the DZ BANK Group reiterates its determination to play its part in limiting climate change and to strategically align itself with this objective.

Outside the banking group, R+V believes that, as an institutional investor and an insurer, it has a responsibility to society and the environment. R+V's fundamental position with regard to material climate change-related sustainability matters, and the basis for the transition to a climate-neutral economy, is set out in its overarching sustainability strategy. This was agreed on June 13, 2022 by the Board of Managing Directors of R+V Versicherung AG for all R+V companies in Germany, with the exception of carexpert, Sprint, and Gesellschaft für Wohnungs- und Gewerbebau Baden-Württemberg AG (GWG). The Sustainability department in Corporate Development is responsible for coordinating implementation of the strategy. The actions and activities required to implement the strategic areas of action in the sustainability strategy are documented in the sustainability program.

The targets and actions for investing activities developed in connection with R+V's sustainability strategy are explained in detail in chapters VII.2.3.1 'Decarbonization targets in the insurance business' and VII.2.3.1 'Climate-related actions in the insurance business'. R+V intends to achieve climate neutrality in the underwriting business by 2050. As of 2024, the methods for recording the greenhouse gas emissions produced by insurance customers and the possible decarbonization levers for these greenhouse gas emissions have not yet been finalized. The declaration of intent to achieve climate neutrality in the insurance business does not currently constitute a measurable target. The climate targets previously communicated in the insurance business should also be regarded as declarations of intent. Work on defining specific targets or interim targets will begin in 2025. To facilitate the achievement of these targets, efforts will be made to consistently implement sustainability aspects in the underwriting business.

Decarbonization targets in the lending business

In recent years, the DZ BANK Group has set itself a range of climate targets, from sector-specific and cross-sector decarbonization targets to increasing the proportion of the business portfolio volume accounted for by renewable energies. These targets are directly linked to the material topics of climate change adaptation, climate change mitigation, and energy, plus the related IROs.

In 2022, the DZ BANK banking group[7] began to align its business portfolios with the general parameters aimed at achieving the Paris climate agreement. To this end, the DZ BANK banking group undertakes to align its portfolios in particularly carbon-intensive sectors with the 1.5°C target. The sector-specific decarbonization pathways are running on a medium to long-term convergence with the 1.5°C reference pathway. Conformity with the 1.5°C target pathway should be achieved in 2050 for selected sectors. The entities in the DZ BANK banking group formally declared this ambition as part of voluntary commitments such as the Net Zero Banking

[7] The GHG emissions reduction targets listed in the following chapters ('Fossil fuels' to 'Chemicals') are decarbonization targets for focus sectors in the lending business. They apply exclusively to the business portfolios in the DZ BANK banking group. Outside the DZ BANK banking group, R+V has set its own targets for its investment activities. These are set out in the chapter 'Decarbonization targets in the insurance business'.

Alliance Germany and the collective commitment to climate action of the German financial sector. A summary of the voluntary commitments given by the DZ BANK Group is shown in Fig. VII.18 at the end of this chapter.

When the sector targets were set, not every part of the business portfolio of the DZ BANK Group was included. The focus was on the DZ BANK banking group, i.e. the banking group including own-account investing[8]. Real estate finance at DZ PRIVATBANK is not currently taken into account. The climate target analysis does not include any of the special funds managed in the DZ BANK Group. R+V is not included in the sector target analysis. The sector targets relate to the business portfolio and thus fall under Scope 3 greenhouse gas emissions (category 15).

The physical emissions intensities in the sectors of particular relevance to decarbonization, also known as focus sectors, are measured, documented, and translated into targets. Targets and decarbonization pathways were defined for the following sectors, predominantly during **sector sprints:**

– Fossil fuel
– Energy
– Automotive
– Steel
– Cement
– Aviation
– Shipping
– Real estate (private and commercial)
– Chemicals

The underlying methodology for calculation of the benchmark figures and actual figures for the physical emissions intensities in these sectors is based on the rules in the Paris Agreement Capital Transition Assessment (PACTA). The main principle of the PACTA methodology is the measurement of sector-specific physical emissions intensities, which are then compared with the Net Zero 2050 scenarios published by the International Energy Agency (IEA). Physical emissions intensity reflects the particular nature of the individual sector and facilitates comparisons between companies in that sector. Climate alignment focuses on the parts of the value chain that exert the greatest leverage effect in terms of decarbonization. To comply with the PACTA methodology, the analysis looks at the NACE codes that cover all of the counterparties included in DZ BANK banking group's portfolio that are relevant to climate alignment. The physical emissions intensity for the portfolio is calculated based on the total sample and the carrying amounts for the aggregated credit risk data. To ensure that the results for its portfolio are consistent, DZ BANK calculates physical emissions intensity on a bottom-up basis at asset level for each customer in the selected focus sectors. Granular production data and emissions factors that are primarily based on external data sources are used for each sector.

During the target discussion (sector sprints) for the focus sectors, scenarios were calculated that represent the expected development of the business portfolio and its decarbonization. The specific comparison scenarios are taken from the updated roadmap of World Energy Outlook 2023 for net-zero emissions by 2050.

The sectors undergo a detailed analysis, taking account of regulatory conditions, the sector's technical possibilities and limitations, and innovation. The targets were set on the basis of these scenarios and assumptions. The sector targets for the DZ BANK banking group are aimed at aligning the lending and investment portfolios with the Net Zero Emissions 2050 scenario (NZE) of the International Energy Agency in the long term.

Most of the targets are presented as intensity values, as is common in the market. This makes it easier to capture the specifics of individual sectors and use efficiency-related targets to support companies with their sustainability transformation. Furthermore, intensity targets allow banks to pursue environmental goals that are in line with their ambition to grow.

[8] Own-account investing in funds is excluded from the analysis.

Only the fossil fuel sector has been given an absolute target for the reduction of greenhouse gas emissions as it is generally not possible to measure transformation within this sector. Once their transformation is complete, some companies would be categorized in one or more other sectors, for example the energy sector, and then be covered by the respective sector targets.

DZ BANK publishes its climate targets and the related target achievement on the basis of the currently available data and currently valid methodology. It is expected that methodological standards will continue to develop and data quality will improve over time, so DZ BANK's analysis and setting of climate targets will remain an ongoing process and results may be updated.

The DZ BANK banking group has developed half-yearly monitoring for the targets so that it has the option to take more far-reaching action if the climate targets set are not achieved. Before each business transaction in the fossil fuel sector, the feasibility of carrying out the business is also examined, taking account of the climate target pathway. The aim in doing so is to continuously develop the business portfolio along the climate target pathway.

The individual sectors and decarbonization levers are described in greater detail below.

Fossil fuel

The fossil fuel sector plays a central role in the global energy economy but also presents considerable challenges with regard to climate action and sustainability. The burning of fossil fuels such as coal, oil, and gas is responsible for a significant proportion of global greenhouse gas emissions. The transition to less carbon-intensive fuels and the introduction of technologies that reduce emissions are important steps. Reducing greenhouse gas emissions from fossil fuels is essential to achieving the global 1.5°C target and minimizing the negative impact on health and the environment.

The DZ BANK banking group's decarbonization target pathway is broadly aligned with the International Energy Agency's Net Zero Emissions (IEA NZE) reference pathway, which is recognized internationally and by the science community and is based on an absolute metric (financed emissions – megatonnes CO_2eq). The target is limited to upstream oil and gas activities[9] (extraction and production; Scope 3 greenhouse gas emissions), not to geographical boundaries. It covers the original target period from 2024 to 2050 (26 years) with defined interim targets for 2027, 2030, and 2040.

Fossil fuel	**Benchmark as at June 30, 2024**	**Actual value as at Dec. 31, 2024**	**2027 target**	**2030 target**	**2040 target**	**2050 target**
Absolute financed emissions (mtCO_2eq)	**1.70**	**1.31**	1.59	1.45	0.56	0.12
Reduction target (mtCO_2eq)			0.11	0.25	1.14	1.58
Passive lever: Transformation of the sector			0.11	0.18	0.59	0.79
Active lever: Tapering of the portfolio and financing of less emissions-intensive customers			-	0.06	0.55	0.79

Energy

The greenhouse gas emissions of the energy sector, particularly power generation, account for around 75.7 percent of global greenhouse gas emissions.[10] Reducing these greenhouse gas emissions requires both industry and consumers and end-users to transition to low-carbon and renewable energy sources as soon as possible. Green power generation will support the decarbonization of other sectors (such as automotive and steel).

[9] Further information can be found under the exclusion criterion 'thermal coal', for example, which is explained later in this chapter.
[10] World Resources Institute (2021): https://www.wri.org/insights/4-charts-explain-greenhouse-gas-emissions-countries-and-sectors

Suppliers face the further challenge of guaranteeing energy security and providing energy sources such as gas as a bridging technology.

The main lever for decarbonizing the energy sector is the switch from generating electricity from fossil energy sources (coal, oil, gas) to generating it from renewable sources.

The DZ BANK banking group's decarbonization target pathway is aligned with the IEA NZE reference pathway, which is recognized internationally and by the science community and is based on a relative metric (physical emissions intensity – kg CO_2eq / megawatt hour). The target is limited to power generation (Scope 1 greenhouse gas emissions from the companies' perspective, which equate to Scope 3 greenhouse gas emissions from the DZ BANK banking group's perspective), not to geographical boundaries. It covers the original target period from 2022 to 2050 (28 years) with defined interim targets for 2025, 2030, and 2040.

Energy	Benchmark as at December 31, 2022	Actual value as at Dec. 31, 2024	2025 target	2030 target	2040 target	2050 target
Physical emissions intensity (kgCO_2eq / MWh)	**125.46**	**95.98**	107.12	78.38	-	-
Reduction target (kgCO_2eq / MWh)			18.34	47.46	125.46	125.46
Passive lever: Transformation of the sector			18.34	47.46	125.46	125.46
Active lever: Tapering of the portfolio and financing of less emissions-intensive customers			-	-	-	-

Automotive

The automotive sector accounts for around 12.1 percent of global greenhouse gas emissions.[11] The focus here is primarily on vehicle manufacturers. New drive technologies, particularly hybrid and all-electric vehicles, will be key to accelerating decarbonization within the sector. Other drive types may also become a factor in the medium to long term.

The DZ BANK banking group's decarbonization target pathway is aligned with the IEA NZE reference pathway, which is recognized internationally and by the science community and is based on a relative metric (physical emissions intensity – kgCO_2eq / km). The target is limited to vehicle manufacturers (Scope 3 greenhouse gas emissions from the vehicle manufacturers' perspective and the DZ BANK banking group's perspective), not to geographical boundaries. It covers the original target period from 2022 to 2050 (28 years) with defined interim targets for 2025, 2030, and 2040.

Automotive	Benchmark as at December 31, 2022	Actual value as at Dec. 31, 2024	2025 target	2030 target	2040 target	2050 target
Physical emissions intensity (kgCO_2eq / km)	**0.15**	**0.13**	0.14	0.11	0.02	-
Reduction target (kgCO_2eq / km)			0.01	0.04	0.13	0.15
Passive lever: Transformation of the sector			0.01	0.04	0.13	0.15
Active lever: Tapering of the portfolio and financing of less emissions-intensive customers			-	-	-	-

[11] World Resources Institute (2021): https://www.wri.org/insights/4-charts-explain-greenhouse-gas-emissions-countries-and-sectors

Steel

The steel sector accounts for around 6.1 percent of global greenhouse gas emissions.[12] Significant reductions in carbon emissions cannot be achieved through short-term process optimization alone; they require long-term, cost-intensive structural changes.

The main lever for decarbonizing the steel sector is to switch production from conventional blast furnaces to electric arc furnaces for extracting steel from iron ore.

The DZ BANK banking group's decarbonization target pathway is aligned with the IEA NZE reference pathway, which is recognized internationally and by the science community and is based on a relative metric (physical emissions intensity – $kgCO_2eq$ / kilogram of steel). The target is limited to steel producers (Scope 1 and Scope 2 greenhouse gas emissions from the steel producers' perspective, which equate to Scope 3 greenhouse gas emissions from the DZ BANK banking group's perspective), not to geographical boundaries. It covers the original target period from 2022 to 2050 (28 years) with defined interim targets for 2025, 2030, and 2040.

Steel	Benchmark as at December 31, 2022	Actual value as at Dec. 31, 2024	2025 target	2030 target	2040 target	2050 target
Physical emissions intensity ($kgCO_2eq$ / kg)	**1.11**	**1.26**	1.05	0.92	0.34	0.08
Reduction target ($kgCO_2eq$ / kg)			0.06	0.19	0.77	1.03
Passive lever: Transformation of the sector			0.06	0.19	0.77	1.03
Active lever: Tapering of the portfolio and financing of less emissions-intensive customers			-	-	-	-

Cement

The cement sector currently accounts for around 3.4 percent of annual global greenhouse gas emissions.[13] The bulk of cement-related greenhouse gas emissions along the value chain are generated in cement production through calcination, an essential part of the manufacturing process. New solutions are being researched to decarbonize cement production, such as reducing the clinker factor or the greenhouse gas emissions inherent to heat generation in the process, and the use of carbon capture, utilization, and storage (CCUS) solutions in the long term.

The DZ BANK banking group's decarbonization target pathway is aligned with the IEA NZE reference pathway, which is recognized internationally and by the science community and is based on a relative metric for cement production (physical emissions intensity – $kgCO_2eq$ / kilogram of cement). The target is limited to cement producers (Scope 1 and Scope 2 greenhouse gas emissions from the customers' perspective, which equate to Scope 3 greenhouse gas emissions from the DZ BANK banking group's perspective), not to geographical boundaries. It covers the original target period from 2022 to 2050 (28 years) with defined interim targets for 2025, 2030, and 2040.

[12] World Resources Institute (2021): https://www.wri.org/insights/4-charts-explain-greenhouse-gas-emissions-countries-and-sectors
[13] World Resources Institute (2021): https://www.wri.org/insights/4-charts-explain-greenhouse-gas-emissions-countries-and-sectors

Cement	Benchmark as at December 31, 2022	Actual value as at Dec. 31, 2024	2025 target	2030 target	2040 target	2050 target
Physical emissions intensity ($kgCO_2eq$ / kg)	**0.63**	**0.66**	0.60	0.53	0.27	0.02
Reduction target ($kgCO_2eq$ / kg)			0.03	0.10	0.36	0.61
Passive lever: Transformation of the sector			0.03	0.10	0.36	0.61
Active lever: Tapering of the portfolio and financing of less emissions-intensive customers			-	-	-	-

Aviation

Direct greenhouse gas emissions from aviation account for around 3.1 percent of global greenhouse gas emissions.[14] The majority are produced in flight operations through the combustion of kerosene jet fuel. In the short term, technical and operational efficiency improvements can lower these greenhouse gas emissions. These include the use of more efficient fleets, operations scheduling, and air traffic management. In the medium term, sustainable aviation fuels (SAFs), which are produced without the use of fossil fuels, will be available.

The DZ BANK banking group's decarbonization target pathway is aligned with the IEA NZE reference pathway, which is recognized internationally and by the science community and is based on a relative metric (physical emissions intensity – $kgCO_2eq$ / pkm[15]). The target is limited to passenger airplanes (Scope 1 greenhouse gas emissions from the customers' perspective, which equate to Scope 3 greenhouse gas emissions from the DZ BANK banking group's perspective), not to geographical boundaries. It covers the original target period from 2022 to 2050 (28 years) with defined interim targets for 2025, 2030, and 2040.

Aviation	Benchmark as at December 31, 2022	Actual value as at Dec. 31, 2024	2025 target	2030 target	2040 target	2050 target
Physical emissions intensity ($kgCO_2eq$ / pkm)	**0.10**	**0.10**	0.10	0.08	0.04	0.01
Reduction target ($kgCO_2eq$ / pkm)			0.01	0.03	0.07	0.09
Passive lever: Transformation of the sector			0.01	0.03	0.07	0.09
Active lever: Tapering of the portfolio and financing of less emissions-intensive customers			-	-	-	-

Shipping

Direct greenhouse gas emissions from the shipping sector account for around 1.7 percent of global greenhouse gas emissions.[16] Improvements to operational efficiency, the optimization of technology, and the use of alternative fuels can all help to decarbonize the sector.

The main approach to reducing emissions in the shipping sector is to optimize the vessels, for example by reducing the vessels' resistance in the water and improving propulsion systems, and to switch to less carbon-intensive drive technologies.

In the shipping sector, the DZ BANK banking group has a very diverse business portfolio featuring many different types of vessel. The Poseidon Principles (PP) of the International Maritime Organization (IMO) provide the basis for the climate alignment of the shipping sector, with specific reference pathways applicable depending

[14] Bundesverband der Deutschen Luftverkehrswirtschaft (BDL) [German Aviation Association] (2023): https://www.bdl.aero/en/topics/climate-environmental-protection/climateprotection/.
[15] pkm = passenger kilometer.
[16] World Resources Institute (2021): https://www.wri.org/insights/4-charts-explain-greenhouse-gas-emissions-countries-and-sectors

on the type and size of vessel. This results in an aggregated overall pathway comprising the individual pathways for each vessel type. The focus here is on directly financing individual vessels (assets), not on financing the shipping company for a specific purpose. The reference pathway is based on a relative metric (physical emissions intensity – gCO_2eq / dwt nm or gt nm (deadweight tonnage nautical miles or gross tonnage nautical miles). The target is limited to operation of the ships (Scope 1 greenhouse gas emissions from the shipping companies' perspective, which equate to Scope 3 greenhouse gas emissions from the DZ BANK banking group's perspective), not to geographical boundaries. It covers the original target period from 2023 to 2050 (27 years) with defined interim targets for 2025, 2030, and 2040.

The vessels' physical emissions intensities and reference pathways are aggregated to facilitate presentation at business portfolio-level. It should be noted that the business portfolio in this sector is small, and physical emissions intensity is therefore sensitive to the conclusion of individual transactions that alter the composition of the business portfolio. The reference pathway is recalculated and aggregated for each reporting date on the basis of the actual value.

Shipping	Benchmark as at December 31, 2023	Actual value as at Dec. 31, 2024	2025 target	2030 target	2040 target	2050 target
Physical emissions intensity (gCO_2eq / dwt nm or gt nm)	**9.09**	**8.51**	8.86	8.44	5.58	2.56
Reduction target (gCO_2eq / dwt nm or gt nm)			0.23	0.65	3.51	6.54
Passive lever: Transformation of the sector			0.23	0.65	3.51	6.54
Active lever: Tapering of the portfolio and financing of less emissions-intensive customers			-	-	-	-

Real estate

Buildings are the single largest energy consumer in the EU, accounting for 6.6 percent of global energy-related carbon emissions.[17] The bulk of this is generated by residential buildings. The sector therefore has huge potential for greater energy efficiency, while presenting major challenges for market players in both private and commercial real estate.

Legislation such as the EU Energy Performance of Buildings Directive (EPBD), the German Buildings Energy Act (GEG), and the EU Taxonomy Regulation has been designed to encourage decarbonization, but the targets set may need to be adjusted in response to rapid changes.

In the medium term, decarbonization is expected to primarily be achieved by improving energy efficiency in buildings and replacing oil and gas heating systems. The technologies required for decarbonization already exist and are largely ready to be used. The main levers for decarbonizing the real estate sector are transitioning from fossil energy sources (coal, oil, and gas) to renewables for heat and electricity generation, adapting real estate to enable the effective use of these renewable energy sources, and improving energy efficiency in buildings, particularly through renovation measures.

The DZ BANK banking group's decarbonization target pathway is aligned with the Carbon Risk Real Estate Monitor (CRREM) reference pathway, which is recognized internationally and by the science community and is based on a relative metric (physical emissions intensity – $kgCO_2eq / m^2a$). This reference pathway makes assumptions for previous years on transformation that has not yet been completed. The target is limited to materiality in private and commercial real estate (Scope 1 and Scope 2 greenhouse gas emissions from the customers' perspective, which equate to Scope 3 greenhouse gas emissions from the DZ BANK banking group's

[17] World Resources Institute (2021): https://www.wri.org/insights/4-charts-explain-greenhouse-gas-emissions-countries-and-sectors

perspective), not to geographical boundaries. It covers the original target period from 2023 to 2050 (27 years) with defined interim targets for 2026, 2030, and 2040.

Commercial real estate	Benchmark as at December 31, 2023	Actual value as at Dec. 31, 2024	2026 target	2030 target	2040 target	2050 target
Physical emissions intensity $kgCO_2eq / m^2a$	**40.89**	**39.23**	38.15	26.01	9.03	0.60
Reduction target ($kgCO_2eq / m^2a$)			2.74	14.88	31.86	40.29
Passive lever: Transformation of the sector			2.74	14.88	31.86	40.29
Active lever: Tapering of the portfolio and financing of less emissions-intensive customers			-	-	-	-

Private real estate	Benchmark as at December 31, 2023	Actual value as at Dec. 31, 2024	2026 target	2030 target	2040 target	2050 target
Physical emissions intensity $kgCO_2eq / m^2a$	**44.17**	**40.63**	38.98	27.63	10.93	0.06
Reduction target ($kgCO_2eq / m^2a$)			5.19	16.54	33.24	44.11
Passive lever: Transformation of the sector			5.19	16.54	33.24	44.11
Active lever: Tapering of the portfolio and financing of less emissions-intensive customers			-	-	-	-

Chemicals

The chemicals sector is an integral part of numerous industries. As a sector that will be difficult to decarbonize, it faces considerable challenges with regard to climate change mitigation. The chemicals industry is a major consumer of energy and accounts for around 2.6 percent of global greenhouse gas emissions.[18] Key decarbonization levers include optimizing the efficiency of process technologies and chemical processes, using renewable energy sources such as wind and solar power, replacing fossil fuels with, for example, biomass in heat and steam generation, increasing the rate of recycling, and using power-to-X technologies to convert excess renewable energy into chemical products. These steps are essential to increasing sustainability in the chemicals sector and to achieving global climate targets.

The DZ BANK banking group's decarbonization target pathway is broadly aligned with the IEA NZE reference pathway, which is recognized internationally and by the science community and is based on a relative revenue metric ($kgCO_2$ / €), which measures the customer's carbon emissions per euro of revenue. In line with the IEA reference pathway, the target is limited to the entire midstream segment and to pharmaceutical companies (Scope 1 greenhouse gas emissions from the companies' perspective, which equate to Scope 3 greenhouse gas emissions from the DZ BANK banking group's perspective), not to geographical boundaries. It initially covers the original target period from 2024 to 2030 (6 years) with a defined interim target for 2027.

Chemicals	Benchmark as at June 30, 2024	Actual value as at Dec. 31, 2024	2027 target	2030 target	2040 target	2050 target
Physical emissions intensity ($kgCO_2$ / €)	**0.21**	**0.20**	0.20	0.19		
Reduction target ($kgCO_2$ / €)			0.01	0.02		
Passive lever: Transformation of the sector			0.01	0.02		
Active lever: Tapering of the portfolio and financing of less emissions-intensive customers			-	-		

[18] World Resources Institute (2021): https://www.wri.org/insights/4-charts-explain-greenhouse-gas-emissions-countries-and-sectors

Decarbonization targets in asset management

DZ PRIVATBANK[19] aims to contribute to the fight against climate change and help to finance the sustainable transformation of the economy. This involves mitigating the financially material risks of climate change in its asset management customers' portfolios and, at the same time, systematically harnessing the opportunities presented by technological progress.

As part of its climate strategy, UMH aims to cut financed greenhouse gas emissions in the portfolio of **securities** under management to **net zero** before 2050. This long-term aim, which is based on the ambition of limiting global warming to no more than 1.5°C above pre-industrial levels, is to be reached using binding interim targets. The first step is to reduce the financed greenhouse gas emissions in the securities portfolio by at least 50 percent by 2030, compared with the 2019 base year.

In the real estate business, UMH has adopted a Manage to Green strategy with which it is aiming to make its global **real estate portfolio climate neutral by 2050**.[20] It has defined 2 interim steps to help achieve this: Relative to the 2022 base year, the annual carbon emissions per square meter are to be reduced by 40 percent by 2030, and the energy consumption per square meter is to be reduced by 35 percent by 2035.

Decarbonization targets in the insurance business

In 2021, R+V set itself a binding climate target for its investments. This includes a reduction in greenhouse gas emissions (measured in CO_2 equivalents) with the aim of reaching **climate neutrality** in **2050**. R+V is guided in this respect by the agreement to limit average global warming to a maximum of 1.5°C above pre-industrial levels. The objective applies both separately to the individual companies R+V Lebensversicherung AG and Condor Lebensversicherungs-AG, and in the form of a group target to the R+V insurance companies in Germany. It does not apply to carexpert, Sprint, GWG, or Assimoco S.p.A. The climate targets for R+V's investment activities were agreed in 2021 on R+V's own initiative, and initially applied exclusively to the asset classes 'listed equities of large European companies' and 'listed bonds of large international companies' (not including finance companies). These asset classes are referred to below simply as 'equities' and 'bonds'. The base year for the asset classes and bonds is 2019. A baseline measurement for 2019 produced a figure of 161 tCO_2eq / € million for equities and corporate bonds. R+V's choice of 2019 as the base year (prior to the global coronavirus pandemic with its temporary effect on the target metric) is in line with the targets of the Net-Zero Asset Owner Alliance (NZAOA).

– 2025: -20 percent carbon footprint for equities and bonds (these two asset classes account for a material proportion of the known carbon emissions linked to investments)
– 2030: -40 percent carbon footprint for equities and bonds

In April 2023, R+V joined the Net-Zero Asset Owner Alliance (NZAOA) in order to reinforce its own climate target. Under the NZAOA, which was set up by the United Nations Environment Programme Finance Initiative (UNEP FI) and the Principles for Responsible Investment (PRI), a number of companies worldwide – mainly major pension providers and insurers – have committed to making their investment portfolios climate-neutral by 2050. The NZAOA members set themselves science-based interim targets and undertake to report regularly on progress. A key action is aimed at encouraging an economically feasible transition that is compatible with the Paris climate goals through dialogue with the companies in which members invest. In April 2024, R+V published a selection of optional targets based on the third edition of the NZAOA's target-setting protocol. As there is not yet enough data and uniform measurement methods are not yet available for all investments, R+V aims to gradually integrate further relevant asset classes into its climate target over the next few years. The climate targets for investment were defined in agreement with the Board of Managing Directors of R+V Versicherung AG and as such make an active contribution toward implementing R+V's overarching sustainability strategy. There are currently no plans to introduce new technologies to achieve the climate targets.

[19] In the paragraphs below, 'DZ PRIVATBANK' is used to refer to both DZ PRIVATBANK S.A. and DZ PRIVATBANK Schweiz AG.
[20] This does not apply to UMH's mandates for real estate service investment management companies or to the Zentral Boden Immobilien Group (ZBI).

The targets for equities and bonds relate to the Scope 1 and Scope 2 greenhouse gas emissions of the entities affected. The location-based method is used to calculate the Scope 2 greenhouse gas emissions included in the target. In comparison with the financed emissions for the investment as a whole, which are calculated according to the PCAF standard, the PCAF standard is applied only approximately for the metric that provides the basis for the target. In particular, the company intensities for both equities and bonds are always weighted with the relevant fair values rather than, in the case of bonds, the par values. The target for equities and bonds applies to 2.9 percent of the Scope 3 greenhouse gas emissions in the greenhouse gas inventory and thus represents that share of total greenhouse gas emissions. The target also includes around one-third of the financed emissions excluding the Scope 3 greenhouse gas emissions. This figure should be regarded as highly approximate, particularly given the methodological differences in the underlying metrics and the different measurement dates. By June 30, 2024, the carbon footprint for equities and bonds had been reduced by 30.3 percent, relative to the 2019 base year. Progress is monitored by a committee made up of employees from the financial controlling and securities portfolio management teams.

Climate policies in the lending business: Exclusion criteria related to the environment

The DZ BANK Group has adopted strict standards for its business activities in order to meet its corporate social responsibilities toward people and the environment, and comply with the principles of sustainable corporate governance. The **exclusion criteria** for specific business practices and sectors are an integral element of its commitment to sustainability. They are designed to ensure that the minimum requirements relating to ESG topics are met and to prevent increased risk of damage to the DZ BANK Group’s reputation. The groupwide exclusion criteria are reviewed and refined annually to adapt them to changing societal norms and new developments in science and politics. This policy is directly linked to the material topics of climate change adaptation, climate change mitigation, energy, pollution, and biodiversity and ecosystems, plus the related IROs.

As a financial services provider, the DZ BANK Group brings different business models together in one group. Depending on the nature of the business, the group entities will have their own ESG priorities. The exclusion criteria shown below are based on one standard that applies across the group. Further criteria may exist or be set for each group entity in relation to its business model.

The DZ BANK Group’s exclusion criteria for the **lending business, own-account investing, and special funds** are described below.

General exclusion criteria apply to lending, own-account investments, and debt capital market business[21] in the DZ BANK Group. Every exposure – including corporate, project, export, foreign trade, acquisition, real estate, leasing, and object finance – must be examined in terms of sustainability matters. These general exclusion criteria are enshrined in the group credit standard of the DZ BANK Group, which provides rules on the consideration of risks associated with ESG factors. This contributes to achieving the overarching goal of integrating sustainability matters into the DZ BANK Group’s internal processes. The exclusion criteria directly relating to GHGs and the climate also make it easier to achieve climate targets (sector targets). Depending on the business model of the group entity concerned, the scope of application or justified exceptions (for example exceptions for cooperative banks, for DZ BANK group companies, where there is credible evidence of the borrower’s willingness to transform, or for higher-level decisions in exceptional cases) can be defined.

The exclusion criteria in the list below set the standard for the DZ BANK Group. The exclusions specific to the environment are indicated by ‘E’. The exclusions marked with ‘S’ are fundamental principles for dealing with social matters (see chapter VII.3.3).

[21] DCM = debt capital market: support for customers in structuring and placing bonds on the capital markets.

FIG. VII.15: EXCLUSION CRITERIA FOR THE DZ BANK GROUP'S LENDING AND OWN-ACCOUNT INVESTING ACTIVITIES

Exclusion criteria	
Thermal coal 'E'	We do not fund coal-fired power plants – whether new or existing. We do not fund upstream activities in the thermal coal value chain – especially extraction and trade, and directly associated activities. We do not fund companies that operate coal-fired power plants, extract thermal coal, trade in thermal coal, or have a direct association with it, unless - the possibility of the funding being used in connection with these activities can be ruled out; or - there is a clear willingness to transform; or - thermal coal accounts for less than 5 percent of the business (for operators of coal-fired power plants, this is the proportion of power generation; for others, the share of revenue).
Oil/gas extraction 'E'	We do not fund oil extraction activities (upstream) and oil/gas extraction activities that involve fracking, oil shale / oil sand, Arctic drilling, or deep sea mining. Additional information in connection with climate target management: We do not enter into new business (other than refinancing) that increases the lending volume with companies involved in oil and gas extraction (upstream), unless evidence is provided that the funds are to be used for a purpose other than oil/gas extraction.
Nuclear energy 'E'	We do not fund activities connected with the construction, operation, or maintenance of nuclear power stations.
Trading of animals and plants 'E'	We do not fund activities involving the trading of endangered animal or plant species in accordance with the CITES (Convention on International Trade in Endangered Species) list.
Significant threats to the environment 'E'	We do not fund companies or projects that pose significant environmental risks, particularly uranium extraction, mining activities involving the mountain-top removal method, asbestos extraction, projects/assets or activities that pose a high risk of nuclear, biological, or chemical contamination (excluding biogas facilities), and hazardous goods with insufficient measures to minimize risk.
Controversial weapons 'S'	We do not fund the production or trade of controversial weapons, i.e. weapons that have indiscriminate effects, are excessively injurious, have a devastating impact on the civilian population, or have been internationally outlawed, including – but not limited to – nuclear, biological, and chemical weapons, land mines, anti-personnel mines, cluster bombs, autonomous weapons, and depleted uranium munitions.
	We do not fund companies involved in the development, production, maintenance, operation, or trade of controversial weapons or their core components if it cannot be ruled out that the funding may be used for these activities.
Conventional weapons 'S'	We do not fund companies that are linked to the development, production, maintenance, or operation of conventional weapons or their material parts, pursuant to the definition in the German Weapons Act (WaffG) and that have their registered office outside NATO or EEA/EFTA countries, unless there is proof that the weapons will be used exclusively by NATO, EEA, or EFTA countries.
	We do not fund transactions involving the supply of weapons in/to countries outside NATO, the EEA, or EFTA or areas of conflict, unless a government export authorization has been issued.
Human rights and labor rights 'S'	We do not fund companies that demonstrably contravene internationally recognized standards of human rights and labor rights. Internationally recognized standards are the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the fundamental conventions of the International Labour Organization (ILO).
Pornography 'S'	We do not fund companies from the pornography industry or similar sectors (sex industry)
Controversial gambling 'S'	We do not fund companies that are involved in controversial forms of gambling. Companies involved in controversial forms of gambling are defined as companies whose original business purpose is gambling, except where operated or supervised by public-sector entities.
Trade involving conflict materials 'S'	We do not fund trade activities involving materials extracted in conflict regions by a conflict party in a way that breaches human rights, and which may be used to finance the conflict.
Deforestation 'E'	We do not fund activities with a direct link to illegal deforestation, slash-and-burn, and/or the conversion of tropical forests, primary forests, and protected areas.

Monitoring compliance with the exclusion criteria and sector criteria forms part of the management of ESG risks in the loan origination and monitoring process. At DZ BANK, loan applications are systematically assessed on a qualitative basis against relevant sustainability criteria as part of the credit check process. The ESG checklist systematically documents the checking of the exclusion criteria and sector criteria. Checks are also carried out during the lending process to establish whether the standards specified in the sector criteria or third-party initiatives referenced in the sector criteria are affected. For example, in connection with the funding of companies with a palm oil connection, a check is carried out to establish whether, in addition to membership of or certification from the Roundtable on Sustainable Palm Oil (RSPO), a 'no deforestation, no peat and no exploitation' (NDPE) policy has been agreed and implemented and whether requirements relating to traceability to the plantations from which the oil was sourced can be guaranteed and demonstrated.

In order to identify where the exclusion criteria and the sector criteria may need to be adapted because of new developments in science and politics or changing societal norms, DZ BANK set up the exclusion criteria working group, which regularly addresses strategic aspects, taking stakeholder input into consideration. Changes to exclusion criteria and sector criteria have to be agreed by DZ BANK's Credit Committee. These changes are also communicated to external stakeholders as part of the sustainability reporting.

Since 2021, the ad hoc exclusion criteria committee has been assisting in the interpretation of exclusion criteria and sector criteria in lending decisions at DZ BANK. It meets every week and comprises members of the Credit, Corporate Banking, Structured Finance, and Strategy & Group Development divisions.

The DZ BANK Group also takes ESG aspects into account in the **management of special funds** consisting of capital paid in by investors in a fund management company. In order to comply with environmental, social, and ethical standards, the group has defined specific exclusion criteria for all funds in which it is responsible for the entire value chain in the investment process. For example, it excludes investments in companies[22] that earn more than 5 percent of their revenue from extracting coal or generate more than 25 percent of their energy from coal and do not have a credible climate strategy.

The **investment of policyholders' money** is subject to separate exclusion criteria. In this context, R+V has defined general exclusion criteria for its investment activities that are applied before the investment review process. The criteria, which are updated on an ongoing basis, cover various controversial economic activities. Restricting investments in coal-based business models is a key aspect of climate change mitigation. That is why R+V does not invest in companies that generate 30 percent or more of their revenue from the mining, treatment, or use of coal. R+V's exclusion criteria apply to all asset classes – particularly equities, interest-bearing securities, loans, and real estate – over which R+V's portfolio managers have a direct influence. In 2022, these criteria were extended to include selected parts of the portfolio that are managed by external portfolio managers. This action supports the decarbonization targets for R+V's investments.

Climate policies in the lending business: Sector criteria of DZ BANK

Alongside the groupwide exclusion criteria described above, additionally defined **sector criteria** apply in the same scope within DZ BANK for integrating sustainability matters into the lending process. The aim of this requirement is to integrate sustainability more widely and meet the climate targets. A deviation from this requirement is possible in exceptional cases for higher-level decisions. The sector criteria define general principles for lending in selected sectors that are particularly vulnerable from a sustainability perspective. The criteria also ensure that minimum ESG standards are taken into account. They are applied to ESG-related projects, transactions, and companies that derive more than 50 percent of their total revenue directly or indirectly from the relevant sector and approach DZ BANK as a borrower. In the context of the environment and climate, there are rules relating, for example, to managing forests sustainably (forestry) and not converting peat bogs into agricultural land (agriculture) that address aspects of both climate and biodiversity. This policy is directly linked to the material topics of climate change adaptation, climate change mitigation, energy, pollution, and biodiversity and ecosystems, plus the related IROs.

[22] Does not apply to unit-linked life insurance and occupational pension provision for the account of, and at the risk of, third-parties.

The sector criteria for lending products in DZ BANK's relevant sectors are listed below. They are not limited to geographical boundaries, and are already integrated into the lending process.

FIG. VII.16: SECTOR CRITERIA FOR THE LENDING ACTIVITIES OF DZ BANK

Sector criteria	
Dams and water infrastructure	DZ BANK acknowledges the recommendations of the World Commission on Dams (WCD) and therefore does not provide funding to any dam projects that do not apply the WCD's recommendations as fully as possible. The customer is required to provide evidence, including that it – has secured public acceptance; – has undertaken a comprehensive and unbiased review of options; – has appropriate measures in place during dam operation; – is preserving river ecosystems, biodiversity, and the livelihoods associated with these; – recognizes the rights of people affected by the dam and equitable sharing of the benefits; – adheres to obligations and agreements; – facilitates the cross-border use of rivers for the benefit of peace, development, security, and safety.
Commodities industry	DZ BANK recognizes that special care and precautions need to be taken in the commodities industry because of political, environmental, and social sensibilities. Particularly in the oil and gas and the metals and mining sectors, it is guided by international conventions and makes reference to best practice. The World Bank and industry associations provide examples of best practice at regional level. Financing decisions specifically take account of the following aspects: – Compliance with human rights – Particular consideration of the interests of indigenous people and local communities – Compliance with the minimum standards for occupational health and safety set out by the International Labour Organization (ILO); no child labor – Pollution of the environment in the process of extracting commodities (contamination of groundwater, lakes, and rivers; soil and air pollution) and consideration of the preservation of biodiversity – Protection of designated UNESCO World Heritage sites or other protected spaces – Use of toxic substances in the production process – Compliance with laws – Transparency of income streams between companies and government institutions in the affected country as a means of precluding corruption – Consideration of customary/traditional ownership rights and the principles of 'free, prior, and informed consent: indigenous rights, participation, and the mining industry' DZ BANK only finances such customers if they already demonstrably fulfill the criteria or are making sustained efforts to fulfill them in the near future.
Forestry	DZ BANK recognizes that forestry and the handling of forestry resources play a key role in fighting climate change and protecting biodiversity and ecosystems. DZ BANK therefore aims only to finance transactions in this sector with customers that have been certified by the Forest Stewardship Council (FSC), to the relevant national standards under the Programme for the Endorsement of Forest Certification (PEFC), or to recognized equivalent standards. DZ BANK's funding decisions are also guided by the revised version of the World Bank standards (WN OP 4.36, 2013) and by the sustainable forestry criteria specified at the Ministerial Conference on the Protection of Forests in Europe, held in Helsinki in 1993 (MCPFE, Forest Europe since 2009).
Fishing	With regard to fishing, DZ BANK recognizes that particular care needs to be taken to preserve biodiversity (such as avoidance of overfishing) and therefore to protect people's livelihoods and aquatic ecosystems. As a result, in this sector it only provides funding where certification has been obtained from the Marine Stewardship Council (MSC) or standards with an equivalent level of recognition have been applied.
Maritime industry	DZ BANK recognizes that great care must also be taken in the construction and operation of ships. Consequently, it aims not to provide any funding for ships or their operators that fail to meet the following minimum requirements: – The rules and regulations of the International Maritime Organization (IMO) are applied. – For inland navigation: The appropriate training has been completed and is evidenced by valid licenses. – The shipyard can provide evidence of a suitably positive track record (for example, not a greenfield shipyard); for funding of existing/second-hand projects, proof of appropriate build/maintenance quality is available. – Ship classification by a classification society accepted by DZ BANK that has at least IACS (International Association of Classification Societies) standard

Sector criteria

Palm oil	When dealing with customers or conducting business where there is a connection to palm oil, DZ BANK recognizes that special care and precautions are required to avoid negative impacts on the environment, climate, and human rights. It therefore links its funding for companies in the palm oil value chain to the following minimum requirements: – Membership of the Roundtable on Sustainable Palm Oil (RSPO) or another recognized organization whose standards are at least equivalent to those of the RSPO – NDPE policy (no deforestation, no peat, no exploitation) whose scope encompasses not only proprietary palm oil plantations but also suppliers, purchased palm oil, palm fruit, and intermediate products – By 2030 and for the entire volume of palm oil that is traded, processed, or sold: – Full traceability to the plantations from which the palm fruit was sourced – Full RSPO certification or other generally accepted certification that uses standards that are at least equivalent to those of the RSPO
Agriculture	Through its role in supporting customers' transformation, DZ BANK takes responsibility for people, animals, nature, and the environment. It recognizes that farmers find themselves in a difficult position, having to balance the need for food security with social expectations regarding the way in which food is produced. DZ BANK therefore supports all farmers who adhere to the following sector criteria for agriculture, irrespective of whether they farm conventionally or organically: – No conversion of peat bogs into agricultural land – Purchase of land in regions with an indigenous population only in accordance with the principles of free, prior, and informed consent (FPIC) – Compliance with the requirements of German fertilizer legislation (Fertilizer Regulation) – Compliance with the German Plant Protection Act (PflSchG) and the German Plant Protection Implementing Regulations (PflSchAnwV) – Reduction of water consumption as far as possible – Compliance with the German Animal Welfare Livestock Husbandry Regulation (TierSchNutztV), for example not keeping laying hens in cages and only using antibiotics where necessary – Support concentrated on those farms that operate in accordance with the conditionality requirements of the EU's common agricultural policy and are eligible for support In this context, DZ BANK is committed to the preservation of biodiversity and the reduction of greenhouse gases, and it supports companies that pursue the principle of a circular economy, for example by recycling agricultural waste into bioenergy.

Climate policies in asset management

Reflecting what DZ PRIVATBANK sees as investors' growing demands for skilled and effective sustainability-oriented investment, DZ PRIVATBANK has continually updated its sustainability concepts, its structures and processes for integrating ESG factors into the investment process, its range of products and services, and its reporting on sustainability quality in recent years. It signed up to the Principles for Responsible Investment (PRI) in autumn 2021. DZ PRIVATBANK's **responsible investment policy** provides an overview of how ESG strategies and criteria are integrated into its investment process. Responsibility for implementing this policy lies with the member of the Board of Managing Directors in charge of the Investment Office. The policy is implemented in accordance with the requirements of the UN Global Compact. As this is an inhouse policy, the strategies, processes, and criteria described therein apply to all financial products managed by DZ PRIVATBANK. The policy therefore covers significantly more than half of the assets under management.

The policy for a sustainable investment process is intended to ensure that a product's promises in relation to sustainability are kept. The policy's monitoring process, which is based on internal control mechanisms, is designed to ensure that all rules in the investment process are followed. Integration with a monitoring system enables DZ PRIVATBANK to monitor compliance with ESG ratios and blacklists. The ESG ratios are based on the regulatory framework of the EU Sustainable Finance Disclosure Regulation (SFDR) and the EU Taxonomy Regulation, and encompass compliance with minimum shares of taxonomy-aligned investments and investment in environmentally sustainable activities, as well as compliance with the restriction on adverse sustainability impacts in customer portfolios. The blacklists are used to exclude investments, for example those in companies that engage in the manufacture of controversial weapons or commit serious breaches of human rights, environmental protection, or anti-corruption laws. This process relies on data fields from specialist ESG data providers. This is intended to ensure that investments satisfy the environmental, social, and corporate governance criteria and that potential risks are minimized. Overall, this process creates transparency and accountability in respect of DZ PRIVATBANK's customers and stakeholders. Responsibility for implementing this policy lies with the member of the Board of Managing Directors in charge of the Investment Office. The policy applies to all asset management strategies, but to different extents. Implementation of this policy takes account of related elements, such as the EU taxonomy, the UN Global Compact, and the Sustainable Finance Disclosure Regulation (SFDR).

UMH agreed its 2021 **climate strategy** with the aim of mitigating climate change and supporting the sustainable transformation of the economy. With regard to securities, the strategy is based on the principles of climate neutrality by 2050 and is aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Key elements of the climate strategy include support for portfolio companies of UMH in the transformation and the divestment from fossil fuels. Particular emphasis is given to the integration of climate-related risks and opportunities in investment decisions. The strategy encompasses activities along the whole value chain and, geographically, to global markets, whereby funds in developed markets should become climate-neutral sooner. The second management level at UMH, the portfolio management segment management team, is responsible for implementing the strategy.

UMH's **Manage to Green strategy** is a wide-ranging plan to decarbonize the real estate portfolio with the aim of achieving climate neutrality by 2050. The strategy is based on 3 pillars: 'Energy and carbon emissions', 'ESG criteria', and 'Communication and awareness-raising'. Continuous monitoring and management using digital tools, a proprietary sustainability scoring system, and accepted scientific benchmarks such as the Carbon Risk Real Estate Monitor (CRREM) ensures that progress remains measurable and on track. The scope of the strategy includes actively managed funds and activities along the value chain involving primarily commercial buildings in the portfolio. This begins with market research and extends through fund management, purchasing, operation, and leasing to service provider management and sale. Geographically, the concept encompasses UMH's global property portfolios. Relevant stakeholders include tenants, service providers, investors, and public institutions. UMH works closely with these players to achieve the strategy's objectives. Ultimate responsibility for implementing and monitoring the strategy rests with UMH's second management level, the real estate segment management team, who regularly review progress and make strategic decisions concerning the further development of the concept.

The policies described here are directly linked to the material topics of climate change adaptation and climate change mitigation, and the related IROs.

Climate policies in the real estate lending business

BSH derives its understanding of sustainability from the UN's sustainable development goals (SDGs), the Paris climate agreement, and the United Nations Global Compact code of conduct. It was the first building society to participate in the Stiftung KlimaWirtschaft [German CEO Alliance for Climate and Economy] and to sign the UN's Principles for Responsible Banking, underlining its sense of corporate responsibility regarding sustainability and its wish to contribute to the implementation of German, European, and international sustainability targets.

BSH's home savings and home finance products, which focus on residential properties, contribute to sustainability objectives in the area of private and mainly owner-occupied housing. This is also enshrined in **BSH's business strategy,** because supporting sustainability is a strategic area of action and is set out in concrete terms in the sustainability and risk strategy, which forms part of the overall business strategy.

BSH's **sustainability strategy** brings together the sustainability activities of the various areas of action and serves as a framework. It addresses the activities and ambitions of the Schwäbisch Hall Group with regard to 5 areas of action: strategy, regulation, market development, business operations, and communication & corporate social responsibility (CSR). The areas of action describe the sustainable transformation required to make owner-occupied housing more climate-friendly and underpin the associated overall corporate responsibility of BSH. The regular review of the Schwäbisch Hall Group's sustainability strategy is carried out annually in an established strategic process. Ultimate responsibility rests with the Sustainability Board. The content and areas of action are derived in part from the BVR sustainability system and are also based on the 2020 stakeholder survey on material sustainability topics. The content of the strategy is shared with employees through various internal communication channels (such as the intranet and the organization manual).

In January 2022, DZ HYP published its first **Green Bond Framework,** which created the basis for the issue of green Pfandbriefe. The DZ HYP Green Bond Framework is based on the Green Bond Principles of the International Capital Market Association (ICMA) and on the minimum standards for green mortgage Pfandbriefe of the Verband deutscher Pfandbriefbanken (vdp) [Association of German Pfandbrief Banks]. To keep the framework up to date, it is reviewed at regular intervals and revised as necessary. Responsibility rests with the Treasury department and the relevant heads of division.

On December 18, 2024, DZ HYP published a comprehensive update of its Green Bond Framework. The changes mostly related to additional criteria for the selection of eligible projects. These criteria are aligned with those of the EU Taxonomy for a material contribution to climate change mitigation. The updated Green Bond Framework was developed in accordance with the latest market standards, in particular the new vdp minimum standards. It allows the bank to further expand its greenhouse gas emissions from green Pfandbriefe and offer investors a transparent and reliable basis for sustainable investments.

These policies are directly linked to the material topics of climate change adaptation and climate change mitigation, and the related IROs.

Climate actions in the lending business: Monitoring in connection with climate target management

Target achievement is monitored by means of **regular management** with the aim of tracking performance in all sectors for which decarbonization targets have been set: fossil fuels, energy, automotive, steel, cement, aviation, shipping, real estate, and chemicals. The half-yearly internal ESG management report creates transparency around the achievement or non-achievement of climate targets (reporting of deviations). Sector-specific actual values are compared with the DZ target pathway on the basis of the established carbon database. Warning thresholds are used to show whether the climate targets have been exceeded. If a red warning threshold is crossed, a proposal is drawn up for possible strategic input. These ad hoc actions are tailored to each context in order to address the specific circumstances in the sector and the current situation in the best possible way.

The strategic input-based system of control runs in parallel with the updating of the carbon accounting figures (reporting dates: June 30 and December 31). The frequency of the carbon calculation and review of the sectors is synchronized with the Pillar III reporting obligation (including completion of Template 3[1]: Targets and distance from International Energy Agency Net Zero 2050). There are currently no plans to increase the frequency, as previous half-yearly data updates have revealed only a minor shift in the primary energy unit (physical emissions intensity) of the actual values in the DZ BANK Group.

Based on defined warning thresholds, a possible overshoot of the agreed climate targets is indicated. A comparison of the updated actual value against the target pathway will identify potential overshoots of the climate targets. These overshoots are divided into 3 categories: below or equal to the target pathway of the DZ BANK banking group (green warning threshold), up to 5 percent above the target pathway of the DZ BANK banking group (amber warning threshold), and more than 5 percent above the target pathway of the DZ BANK banking group (red warning threshold). The warning thresholds for the target pathway of the DZ BANK banking group in the real estate sector are set at 10 percent because increased fluctuation is expected.

If an amber warning threshold is reached, the ESG management report must include a brief explanation on developments within the sector portfolio. If a red warning threshold is crossed, the virtual team made up of experts from the Corporate Management and front-office divisions develop a proposal for possible strategic input. If a sector looks likely to cross the red warning threshold in the foreseeable future (for example, if a sector remains at the amber warning threshold for a long period), consideration is also given to developing preparatory strategic input. It is currently assumed that in the context of sustainability, the available resources are sufficient to allow the virtual climate target management team to perform its tasks effectively.

This action applies to all financing of relevant activities in each sector (see Fig. VII.17) and is not limited to geographical boundaries. In contrast to the calculation of financed emissions (see chapter VII.2.4), the exposure used as the measure in climate target management is predominantly the lending volume rather than the volume actually drawn down. DZ BANK has already carried out the half-yearly monitoring for the sectors for which decarbonization target pathways were published at the end of 2023. For the other sectors (chemicals, fossil fuels), the first monitoring will be carried out as at the update date of December 31, 2024. The action was introduced without an end date.

FIG. VII.17: RELEVANT ACTIVITIES BY SECTOR – SECTOR VALUE CHAINS

Fossil fuel	Value chain The focus in the fossil fuel sector with regard to oil & gas is on extraction and output; with coal it is on mining.	Oil & gas: extraction & output Coal: mining → Transportation & storage → Refineries & sales	LENDING VOLUME €340.9 million
Energy	Value chain The focus within the energy sector is on power generation, as it is at this stage of the value chain that most emissions are produced.	Energy generation → Energy processing → Energy transmission → Energy distribution	LENDING VOLUME €10.93 billion
Automotive	Value chain The focus within the automotive sector is on original equipment manufacturers (OEMs). They are responsible for the drive technology used.	Suppliers → OEMs (incl. automotive banks) → Dealers	LENDING VOLUME €803.6 million
Steel	Value chain The focus within the steel sector is on steel production. It is at this stage of the value chain that most emissions are produced.	Extraction of raw materials → Steel production → Steel processing	LENDING VOLUME €265.8 million
Cement	Value chain The focus within the cement sector is on the manufacture of cement. It is at this stage of the value chain that most emissions are produced.	Extraction of raw materials → Manufacture of cement → Cement processing	LENDING VOLUME €86.2 million
Aviation	Value chain The focus in the aviation sector is on airline operators, as they are responsible for the majority of flights carried out and therefore for the majority of emissions.	Suppliers, airports & services → Aircraft manufacturers → Airlines & operators	LENDING VOLUME €114.3 million
Shipping	Value chain The focus in the shipping sector is on ship owners and operators, as they are responsible for the voyages carried out and therefore for the related emissions.	Suppliers, ports & services → Shipbuilding → Ship owners & operators	OUTSTANDING AMOUNT €562.8 million
Commercial real estate	Value chain The focus in the commercial real estate sector is on property owners, as they are responsible for the properties' emissions.	Suppliers → Building → Owners → Maintenance → Recycling	OUTSTANDING AMOUNT €38.36 billion
Private real estate	Value chain The focus in the private real estate sector is on property owners, as they are responsible for the properties' emissions.	Suppliers → Building → Home owners → Maintenance → Recycling	OUTSTANDING AMOUNT €66.84 billion
Chemicals	Value chain The focus in chemicals is on commodity chemicals, specialty chemicals, and pharmaceuticals.	Raw materials → Commodity chemicals → Specialty chemicals → Pharma → Plastics / distribution	LENDING VOLUME €4.57 billion

Climate actions in the lending business: Advancing Sustainability program

A key action is a dedicated **sustainability program** that was launched as a way of achieving the overarching target of integrating sustainability into DZ BANK's processes.[23] At the start of 2022, DZ BANK's cross-divisional sustainability activities were amalgamated in the integrated Advancing Sustainability umbrella program. The aim of the program is to develop sustainability at a strategic and operational level and to embed it in the organization in order to strengthen the role of DZ BANK and the DZ BANK Group in supporting customers' transformation and satisfy regulatory requirements. The Advancing Sustainability umbrella program is an important part of the sustainability implementation package under DZ BANK's 'Verbund First 4.0' strategy. The sustainability program creates the foundations on which to achieve DZ BANK's sustainability vision. They include further development of the sustainability strategy, the anchoring of sustainability matters within the governance structure, and the integration of ESG factors into the operating model (including necessary adjustments to the IT system landscape).

The content covered by the program was divided into 7 task areas in 2024:

- Sustainability program management: overall management of the program (including further development of the sector targets and climate target management)
- Sustainability focus topics: strategic and overarching topics (including sustainability impact transparency and sustainability product framework)
- Sustainability analytics and sustainability lending requirements: methods relating to greenhouse gas footprints and ESG risks
- Sustainability regulation: expectations of the regulatory authorities and implementation of legal requirements such as the EU Taxonomy and the German Supply Chain Due Diligence Act (LkSG)
- Capture of sustainability data: technical implementation of the functional sustainability requirements with regard to data capture and refinement of the design of the ESG data frontend
- Sustainability data and infrastructure: further development of the sustainability data domains in the federated data lake (Flake), overarching sourcing of sustainability data, and ongoing updating of the sustainability architecture
- CSRD reporting: implementation of CSRD reporting, including environmental, social, and corporate governance standards

The progress of the sustainability program is monitored by the Board of Management-level steering committees. The existence/design of the sustainability program is reviewed as part of the annual project portfolio planning process. The sustainability program is furnished with external and internal resources as part of the project portfolio planning process, which is based on a one-year horizon. There is currently no fixed end date.

Climate actions in the lending business: Expansion of renewable energy

Alongside the real estate sector, the energy sector is the most relevant when it comes to the targeted decarbonization of the DZ BANK banking group's portfolios. In 2021, DZ BANK AG set its first absolute funding target for lending volume in the renewable energy sector for the following year. The target has been continually refined since then and is set at €7.1 billion for 2026. DZ BANK sees supporting its customers through their own transformation as an essential prerequisite for playing a key role in shaping a low-carbon future. The utility companies' vision for transformation is also the main lever for transforming the business portfolio.

The expansion of the volume of business in renewable energies is already under way and is not limited to geographical boundaries. No clearly definable financial resources were used to implement this action. It is not possible to create a plausible model of the resulting GHG emission reductions without a disproportionate amount of time and expense due to the diversity of the financed business portfolio and the financial instruments used.

[23] The systematic integration of sustainability matters into DZ BANK's standard processes was initiated on the basis of a resolution of the Board of Managing Directors dated January 7, 2020.

Climate and environmental actions in the lending business: Integration of ESG aspects into risk management

To avoid the material risks described in chapter VII.2.1, the DZ BANK Group incorporates ESG aspects into its risk management and the lending process. Within strategic risk management, ESG risk factors are reflected in the strategies. Further rules for the DZ BANK Group's risk appetite framework are derived from the strategy. The governance of the DZ BANK Group's risk appetite framework includes an established 'three lines of defense' model (3LoD model). The responsibilities and tasks relating to sustainability risks are essentially based on the same allocation of roles as used in the established 3LoD model. The first line of defense manages the sustainability risks assumed by the bank. As the second line of defense, the risk management function (in particular Group Risk Controlling and Group Risk Control & Services) determines, evaluates, measures, monitors, and reports sustainability risks as part of the process of managing the material risk types. This is done implicitly in connection with the individual material risk types, and there are also explicit tasks relating to the groupwide management of ESG risks. If necessary, models and processes used in operational risk management are further developed with regard to ESG risks. The DZ BANK Group has initiated various actions to collect sustainability-related data in the lending process and thus to identify ESG risks and integrate them into decision-making processes. All entities in the DZ BANK Group that are required by law or regulation to establish a compliance function have done so in order to mitigate risks arising from non-compliance with legal provisions and requirements. Internal Audit, which is the third line of defense, examines the appropriateness of the arrangements for managing sustainability risks as part of its audit schedule.

DZ BANK's Board of Managing Directors lays down the core risk policy guidelines and decisions and bears responsibility for them. It defines the company-wide framework for risk appetite and risk-bearing capacity, as well as the risk management targets and the actions taken to achieve them. The group entities' compliance with the risk strategies is monitored on an ongoing basis. The Board of Management is apprised of the overall risk situation in a timely manner, and the annual alignment and updating of the risk strategies is conducted in close collaboration with the relevant divisions and affected group entities.

Loan applications are systematically assessed against relevant sustainability criteria as part of DZ BANK's credit check process. This is based on the DZ BANK ESG checklist, which in turn is aligned with the 10 principles of the UN Global Compact. The focus is on the dimensions of climate and environment, social responsibility, corporate governance, and the customers' general engagement with these. The ESG checklist helps to gauge the sustainability efforts of a customer or project and determine the reputational impact on DZ BANK. The checklist's findings are depicted on a four-level scale. Loan applications with an elevated or strong ESG-related negative reputational impact must be documented accordingly and forwarded to a higher authorization level for approval. Within the DZ BANK Group's credit check process, the checking of sustainability matters is adapted to the business model of the group entities.

In addition to gauging the ESG-related reputational impact on DZ BANK, the processes for the extension and monitoring of loans also involve assessing the effects of ESG aspects on the credit risk of DZ BANK's corporate customers. The ESG credit risk score is used for this. This score supplements the internal credit rating for corporate customers by providing an additional statement on the probability and scope of a potential future change in creditworthiness due to sustainability matters for a medium-term time horizon (5 to 10 years). The process provides a cross-sectoral statement on creditworthiness. The ESG credit risk score encompasses physical environmental risks and transition risks, social risks, and corporate governance risks, providing a separate subscore for each risk type. The individual results for the different risk types within the ESG credit risk score have 5 possible risk levels, ranging from A (very low risk) to E (very high risk). Where relevant, ESG credit risk is also taken into account in regular and ad hoc credit control.

The ESG risk factors are integrated into the reporting process for the risk categories in the monthly and quarterly overall risk report. The DZ BANK Group's sustainability risk report also summarizes the reporting on ESG risks to senior management. It includes, in particular, business portfolio information for sectors that are of special importance from a sustainability perspective. The banking sector's relevant credit portfolio is analyzed in detail with regard to carbon emissions, ESG credit risk scores, and climate alignment in combination with ratings and lending volume. The crucial factors are primarily transition risks, which are reflected in the ESG credit risk score. Physical risks for the relevant lending exposures of the DZ BANK Group are also analyzed, in particular for the real estate finance of BSH and DZ HYP and business with corporate customers. The DZ BANK Group's business portfolios that are relevant to ESG risks are analyzed separately by sector, and the relevant metrics, such as carbon emissions, ESG credit risk score, and climate alignment are outlined. The sustainability risk report is produced every six months and is approved by the Risk Committee of DZ BANK.

Climate actions in asset management

In view of its fiduciary duties of protecting and increasing investors' wealth, DZ PRIVATBANK regards climate change as extremely relevant. Assessing climate-related risks is a complex task, as is the assessment of the financial risks that companies face in connection with the climate. Taking a fundamental approach to dealing with this issue in **asset management,** DZ PRIVATBANK intends to draw up a **climate strategy** with the Paris climate agreement in mind in order to contribute to the fight against climate change and help to finance the sustainable transformation of the economy. Responsibility for this strategy lies with the member of the Board of Managing Directors in charge of the Investment Office. The monitoring processes are currently being put in place.

DZ PRIVATBANK **redesigned its sustainable investment process** in 2022 in order to implement regulatory requirements and develop further ESG-related investment solutions. It encompasses the entire investment process, from transparency when promoting environmental and social characteristics in pre-contractual disclosures, and comprehensive rules and in-depth analysis regarding sustainability criteria for investment decisions, through to documentary evidence in the periodic regulatory ESG reporting. The final step in the sustainable investment process is the assessment of the potential returns from all possible ESG investments. This assessment is conducted by the portfolio managers ahead of the final allocation decision.

Several actions were initiated in 2024 to implement the UMH climate strategy. Ongoing active dialogue was sought with **carbon-intensive companies** in the UMH portfolio. The funding of fossil fuels was gradually scaled back and a transformation rating to assess companies' climate strategies was introduced. These issuers are called upon to define long-term, medium-term, and short-term emissions reduction targets, along with the implementation and capital expenditure plans needed to achieve them. The speed at which emissions are being reduced is monitored on an ongoing basis. The issuers that do not meet these requirements by the specified deadlines are gradually excluded from the securities portfolios. UMH continuously monitors the 50 most carbon-intensive emitters of greenhouse gases in the portfolio for their short-term, medium-term, and long-term emission reduction targets and tightens the requirements on the companies every five years:

- From 2025, it will no longer be possible to invest in significant emitters of greenhouse gases that refuse to publish complete long-term climate targets (Scope 1, Scope 2, and Scope 3, where standardized calculation methods exist).
- From 2030, it will no longer be possible to invest in significant emitters of greenhouse gases that refuse to publish complete short-term and medium-term climate targets.
- From 2035, it will no longer be possible to invest in significant emitters of greenhouse gases that refuse to present a credible plan to reach the emission reduction targets.
- From 2040, it will no longer be possible to invest in significant emitters of greenhouse gases that are unable to prove that the intensity of their greenhouse gas emissions is consistent with the defined pathway toward climate neutrality. Furthermore, investment planning must not conflict with the climate change mitigation targets.

The credibility of the transformation of many companies in particularly high-emission industries is checked using systematically generated **transformation ratings.** Business models that cannot be transformed are being gradually excluded. One of the actions planned is the complete transition away from the extraction of thermal coal by 2025. Following on from the decision to **phase out coal** back in 2020, an exit strategy for investments in oil and gas extraction was adopted in 2024. The actions extend to all securities-based asset classes, with sectoral and regional differences taken into account. In the case of government bonds, currencies, derivatives, and commodities, management on the basis of financed emissions is not consistently possible or useful at present.

Under its Manage to Green strategy, UMH uses various instruments for real estate assets, such as its proprietary **sustainable investment check,** which helps to analyze the ESG criteria of a property or development project being considered for purchase. The check is repeated annually for buildings held in the portfolio. The evaluation system comprises 7 categories, including data relevant to the building's structure, operational measures, and user comfort. Further actions under the strategy are the **installation of energy monitoring systems** and **timetables for energy efficiency improvements.** The success of all actions can be tracked in the Immosustain sustainability management software on the basis of consumption data, carbon emissions, and the CRREM climate pathways. CRREM stands for Carbon Risk Real Estate Monitor and provides science-based, recognized decarbonization pathways for real estate.[24]

Climate actions in the real estate lending business

As part of its sustainability strategy, BSH wants to provide its customers and partners with expert support and guidance on projects, whether involving new builds or existing properties. To this end, the majority of the field sales team have become certified **advisors for modernization and development lending.** The certification process began in 2023 and is continued on an ongoing basis. Main focal points include continuing professional development (CPD) on the modernization of residential properties and introduction of energy efficiency improvements. BSH provides its field sales team with specific training in this regard and is partnering with Bundesverband Gebäudemodernisierung e.V., Germany's national building modernization association. The CPD provided to field sales advisors will enable them to give customers more targeted advice on energy efficiency measures. In addition to the CPD, the field sales advisors use a **digital tool** called **SanierungsGuide** (renovation guide) to advise BSH customers. The tool contains all relevant property data, which it uses to produce a rough calculation of the property's current efficiency class and identify short-term and long-term renovations that would have a positive impact on energy performance. This can potentially help to achieve the climate target of continuously reducing the carbon footprint in the credit portfolio of the Schwäbisch Hall Group.

Another action resulting from BSH's business and sustainability strategy is the inclusion via click options of climate and environmental risks in **pricing,** based on the energy efficiency class of the funded real estate. Funding is offered for real estate in the highest energy efficiency classes, A and A+, at a preferential interest rate. Since July 2024, energy efficient improvements resulting in a 30 percent or more reduction in the building's primary energy consumption have also received preferential interest rates. Further changes to the pricing are planned for 2026. However, this is an ongoing action that is dependent on developments in the market. Integration into pricing incentivizes the granting of modernization loans and loans for properties with high energy efficiency ratings, which potentially contributes to achievement of the climate target of continuously reducing the carbon footprint in the BSH credit portfolio.

In 2022, DZ HYP began focusing on the **classification of the lending business,** paying particular attention to energy efficiency and the environmental elements of the financed properties. **Energy performance certificates** are required for new business and the relevant data from these certificates is systematically captured. This requirement applies to retail customers if the property owner is required to produce certificates under the Buildings Energy Act. In new business with retail customers, a sustainable eco-loan was launched at the start of May for properties in a very good energy efficiency class and/or with low final energy consumption. **Development lending programs from Germany's KfW development bank** – 'Climate-friendly new construction – residential buildings', 'Efficiency House modernization', 'Home ownership for families', and 'Young buys

[24] This does not apply to UMH's mandates for real estate service investment management companies or to the Zentral Boden Immobilien Group (ZBI).

old' – have been integrated into the retail sales channels. In existing business, DZ HYP's goal is to gradually obtain further energy performance certificates.

The bank implemented an extended ESG analysis at business partner level in 2023 in order to place a greater emphasis on sustainability matters in its Public Sector business line. The analysis is known as the DZ HYP **sustainability ranking for local authorities** and is an integral element of the local authority lending and decision process.

DZ HYP funds sustainable properties in Germany through green Pfandbriefe that meet the suitability criteria defined in the Green Bond Framework. The focus is on the properties' energy efficiency, which is verified using energy performance certificates, similar documentation, or the energy standard. The first green mortgage Pfandbrief was issued in February 2022. Since then, sustainable funding based on green mortgage Pfandbriefe has become firmly established in DZ HYP's business model and underlines the bank's commitment to sustainable financing practices.

Climate actions in the insurance business

The actions initiated by R+V in investment relate to portfolio management, which represents the decarbonization lever. Portfolio management encompasses all activities relating to the management of an investment portfolio, particularly adjusting the weighting. It thus includes decarbonization of the real economy.

In April 2023, R+V joined **NZAOA** in order to focus on climate change mitigation as a sustainability matter and to reinforce its own climate target. The German subsidiaries Sprint, carexpert, and GWG, and the Italian subsidiary Assimoco are not included. A key action is aimed at encouraging an economically feasible transition that is compatible with the Paris climate goals through dialogue with the companies in which members invest.

Engagement targets are an important aspect of NZAOA membership. In 2024, R+V established a structured **engagement process** for the companies with the highest emissions in its investment portfolio. The NZAOA-related engagement targets inform investors' dialogue with the companies in which they invest, with the aim of helping the real economy to pursue climate targets in order to decarbonize. The engagement activities are aimed at reducing the R+V portfolio's carbon footprint so that climate neutrality can be reached in 2050. The aforementioned five-year interim targets have been defined to keep track of the action. The engagement process is designed to be an ongoing action. It encompasses the asset classes 'listed equities of large European companies' and 'listed bonds of large international companies' (not including finance companies).

Dashboards provide portfolio managers with sustainability-related information on the portfolio. A key component of the dashboard is the **carbon analyzer**, which presents climate-related data. This not only heightens awareness of the effects of investment decisions on the achievement of greenhouse gas emissions reduction targets, but also enables the investment portfolio to be managed in a way that is compatible with the company's sustainability targets. The use of the carbon analyzer and the associated alignment of the investment portfolio are thus central to the achievement of the greenhouse gas emissions reduction targets. The impacts of the action can only be quantified in relation to specific investment decisions made on the basis of results from the carbon analyzer. The action was initiated in the reporting year and includes the aforementioned equities and bonds asset classes.

R+V uses continuous **portfolio reallocations** as a means of guaranteeing the achievement of greenhouse gas emissions reduction targets. These can only be quantified once they have been carried out. This ongoing action will be taken as and when required and encompasses the aforementioned equities and bonds.

Since 2018, R+V has also excluded from its portfolio companies that generate 30 percent or more of their revenue from the mining or treatment of coal. R+V's **exclusion criteria** apply to the following asset classes: equities, interest-bearing securities, and real estate over which R+V's portfolio managers have a direct influence. This excludes the mortgages and commercial real estate asset classes. In 2022, these criteria were extended to include selected parts of the portfolio that are managed by external portfolio managers. This action supports the decarbonization targets for R+V's investments. Further development of the criteria used to exclude investments is planned for 2025. The effect of this action cannot be quantified until it has been fully implemented. Assimoco has excluded investments in coal.

Voluntary commitments and training for employees[25]

Sustainability is a key pillar of the DZ BANK Group's corporate culture and a factor in many of the group's voluntary commitments:

FIG. VII.18: VOLUNTARY COMMITMENTS

Global	
UN Sustainable Development Goals	DZ BANK Gruppe
UN Global Compact	DZ BANK Gruppe
Principles for Responsible Banking	BSH, DZ BANK
Principles for Responsible Investment	DZ PRIVATBANK, R+V, UMH
Principles for Sustainable Insurance	R+V
Task Force on Climate-related Financial Disclosures	DZ BANK, UMH
Net-Zero Asset Managers Initiative	UMH
Net-Zero Asset Owner Alliance	R+V
Green Bond Principles ICMA	DZ BANK
Equator Principles	DZ BANK
National	
Collective commitment to climate action of the German financial sector	DZ BANK
Net Zero Banking Alliance Germany	DZ BANK
German Sustainability Code	DZ PRIVATBANK
German CEO Alliance for Climate and Economy	BSH, UMH

The entities in the DZ BANK Group pursue a wide range of engagement activities and are members of a large number of associations and other advocacy organizations in order to address the expectations of stakeholders in a dialogue with representatives from business, society, and politics, and to promote their own interests (see chapter VII.4.5). These voluntary commitments entail a number of responsibilities. For example, the **Principles for Responsible Banking (PRB)** set quantitative impact targets, one of which is climate-related, while the **financial sector's voluntary commitment to climate change mitigation** prioritizes the 1.5°C target.

The German financial sector's voluntary commitment to climate change mitigation includes the integration of climate risks into risk management processes, the promotion of sustainable financial products, and support for the transition to a low-carbon economy. The aim of these actions is to reduce the financial risks of climate change and encourage investment in sustainable projects. The Net Zero Banking Alliance Germany is a group of 7 German banks. The initiative commits the banks to transform their portfolios in alignment with the climate targets of the Paris Agreement. By entering into these voluntary commitments, DZ BANK is demonstrating that climate and sustainability targets are already being taken fully into account.

In order to build up the sustainability expertise of its own employees, in 2022 DZ BANK developed and rolled out a **foundation training course in sustainability** as well as a **training course in sustainability sales** that included topics on climate and the environment. In 2024, the Supervisory Board received internal training lasting several hours on the subject of sustainability for the fourth time. The implementation of these actions is monitored as part of the relevant higher-level standard processes of the divisions (such as tracking employees' participation in training courses).

[25] Further information on employee training and development can be found in chapter VII.3.2.2 'Employee development'.

2.3.2 Pollution in the business portfolio (E2-1, E2-2, E2-3)

Pollution targets

The DZ BANK Group has not yet defined specific quantitative targets in the area of pollution due to low materiality. DZ BANK has set a target for the energy sector of increasing the use of renewable energy, which, among other things, will make a positive contribution to reducing pollution, as described in chapter VII.2.3.1. Activities within the DZ BANK Group and the individual entities aimed at the further expansion of environmental topics are supported in particular by the following policies and actions.

Pollution policies

Generally, the business portfolio-related policies in the DZ BANK Group follow a holistic understanding of sustainability and the environment and go beyond the topic of climate change. A wide range of sustainability and environmental topics, in particular pollution, are therefore implicitly addressed in existing, overarching policies.

At DZ BANK Group level, the use of **exclusion criteria,** as described in chapter VII.2.3.1, is particularly important. In addition to the climate-related standards, the exclusion criteria also set standards for lending and for own-account investing in polluting industries, in particular 'oil/gas extraction' and 'significant threats to the environment".

DZ BANK also takes pollution into account in its **sector criteria,** as described in chapter VII.2.3.1. In the commodities industry, for example, environmental pollution caused by the process of extracting the commodities is considered as part of the lending decision.

There is no policy focusing solely on pollution, but various aspects of the aforementioned exclusion criteria and sector criteria contribute directly to the pollution-related IROs.

Pollution actions

The DZ BANK Group entities implement actions to ensure compliance with the exclusion criteria in the area of pollution as part of the requirements for the lending business, own-account investing, and special funds. DZ BANK's exclusion criteria working group works on the thematic further development of pollution-related topics on an ongoing basis, and the risks described in chapter VII.2.1 arising from other environmental matters are managed within the relevant business areas.

The DZ BANK Group avoids significantly contributing to pollution in its lending and own-account investing activities, for example by excluding the direct funding of certain oil extraction activities (upstream) and oil/gas extraction that involves fracking, oil shale / oil sands, Arctic drilling, or deep sea mining. The funding of uranium extraction, mining activities involving the mountain-top removal method, asbestos extraction, projects/assets or activities that pose a high risk of nuclear, biological, or chemical contamination (excluding biogas facilities), and hazardous goods with insufficient measures to minimize risk are also excluded, as these activities and projects/assets create significant environmental risks.

DZ BANK bases its lending on the established sector criteria and, for example, recognizes that special care and precautions need to be taken in the commodities industry because of political, environmental, and social sensibilities. When approving loans, particularly in the oil and gas and the metals and mining sectors, it is guided by international conventions and makes reference to best practice examples from the World Bank and industry associations at regional level. The most controversial aspects are specifically examined (see sector criteria for the commodities industry in chapter VII.2.3.1) and funding is only provided to customers that already fulfill the criteria or are making sustained efforts to fulfill them in the short or medium term.

2.3.3 Biodiversity and ecosystems in the business portfolio (E4-1, E4-2, E4-3, E4-4)

Biodiversity and ecosystems are examined as part of the DZ BANK Group's impact and risk analysis. With regard to the resilience of the strategy and business model, biodiversity and ecosystems are considered as part of physical and transition risks to the climate and environment. This includes aspects such as land degradation, desertification, and land mass effects. The method is based on the ESG risk management framework described in chapter VII.2.1. The current assessment identified no risks in the area of biodiversity that imply a risk for the business portfolio, with the exception of operational risks (short, medium, and long-term increased legal risk).

Legal risks arising in connection with transition risks relating to climate and nature (particularly greenwashing), and governance risks relating to insufficiently functional internal control and risk management systems are gauged to have moderate materiality for the DZ BANK Group, and their influence is consequently rated as potentially material. The assessment of the resilience of the current business model in respect of biodiversity and ecosystems is carried out via an internal stakeholder survey within the DZ BANK Group.

At the same time, the potential opportunities that biodiversity could present for the DZ BANK Group are currently being evaluated.

The global assessment of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) emphasizes the central role of climate as a driver of biodiversity topics. In this context, all (sector-related) climate targets, policies, and actions described in chapter VII.2.3.1 are also relevant for promoting and protecting biodiversity. This also applies to the product offering of the DZ BANK Group, where products such as sustainability-linked loans could be adapted to take account of biodiversity aspects, in order to have a positive impact.

The social impacts that could potentially arise from changes to biodiversity have not yet been analyzed in detail. However, this aspect will be included in future studies and analyses to enable a more comprehensive assessment of the relationships between biodiversity and social impacts.

Targets for biodiversity and ecosystems

Biodiversity and ecosystems is a new topic area that is still in development. No specific quantitative targets have been defined for biodiversity and ecosystems in the DZ BANK Group. However, most of the DZ BANK Group is involved in a variety of ways to promote these environmentally relevant matters and prevent negative impacts being caused by investing in activities that damage biodiversity and ecosystems. Their ambitions are supported by the following policies and actions.

Policies for biodiversity and ecosystems

Given the central role of the climate as a driver of impacts and risks in the area of biodiversity and ecosystems, most of the business portfolio-related policies in the DZ BANK Group are based on a holistic understanding of sustainability and the environment and go beyond the topic of climate change. A wide range of sustainability and environmental topics, in particular biodiversity, are therefore implicitly addressed in existing, overarching policies. These policies are thus also directly linked to the material topic of biodiversity and ecosystems, and the related IROs.

At DZ BANK Group level, the use of **exclusion criteria,** as described in chapter VII.2.3.1, is particularly important. In addition to the climate-related standards, the exclusion criteria also set standards for lending and for own-account investing in areas with a direct link to biodiversity and ecosystems. The exclusion criterion 'trading of animals and plants', in particular, excludes funding for activities involving the trading of endangered animal or plant species in accordance with the CITES (Convention on International Trade in Endangered Species) list. Furthermore, the exclusion criterion 'significant threats to the environment' excludes funding for companies or projects that pose significant threats to the environment.

DZ BANK has also taken account of biodiversity in its **sector criteria** for the following areas: dams and water infrastructure, forestry, commodities, and agriculture. It acknowledges the recommendations of the World Commission on Dams (WCD) and does not provide funding to any dam projects that do not fully apply these recommendations. Customers must provide evidence of, among other things, the raising of public acceptance, the preservation of river ecosystems and biodiversity, and the equitable sharing of benefits.

DZ BANK also recognizes in its **sector criteria** that forestry and the management of forestry resources play a key role in the context of climate change and the protection of biodiversity and ecosystems. It therefore only finances organizations in this industry that have been certified by the **Forest Stewardship Council (FSC),** to the relevant national **standards under the Programme for the Endorsement of Forest Certification (PEFC),** or to recognized equivalent standards. Its financing decisions are also guided by the revised **World Bank standard** (WN OP 4.36, 2013) and by the criteria specified at the Ministerial Conference on the Protection of Forests in Europe, held in Helsinki in 1993 (MCPFE, Forest Europe since 2009).

In connection with the sector criterion for the commodities industry, the environmental pollution caused by the process of extracting the commodities and the importance of preserving biodiversity are considered as part of the lending decision.

In line with the sector criterion for agriculture, DZ BANK is committed to preserving biodiversity and reducing greenhouse gases.

UMH has established a clear framework for the protection and promotion of biodiversity in its **biodiversity policy.** The policy supplements the existing climate strategy and defines in greater detail how UMH deals with biodiversity aspects in the areas of business, securities, and real estate. The aim is to systematically integrate biodiversity risks into investment decisions, minimize negative impacts, and be nature positive in the long term, in accordance with global initiatives such as the Kunming-Montreal Global Biodiversity Framework and European requirements such as the EU Biodiversity Strategy for 2030. As a financial investor with a long-term investment horizon, UMH is committed to responsible investment, environmental management, and dialogue with external stakeholders. Responsibility for the implementation of the policy in asset management lies with the second management level of UMH in the Real Estate and Portfolio Management segment management teams.

As part of its business and risk strategy, VR Equitypartner also takes **excluded industries** into account when making investments. These include companies whose business model is associated with endangered animal and plant species and products on the CITES list. Investments in companies whose activities threaten biodiversity are excluded. The implementation of this policy is intended, in particular, to prevent potentially negative impacts on biodiversity and ecosystems. Every 2 years, the business and risk strategy is reviewed to ensure it is up to date and is amended if necessary. It is also updated, if required, in response to specific events. Compliance is ensured through process requirements and checks carried out by a second person. Monitoring is devolved according to subject matter. In accordance with the policy on authorization levels, responsibility rests with the Supervisory Board, the Managing Directors, or the relevant team managers at VR Equitypartner.

Actions for biodiversity and ecosystems

The DZ BANK Group entities implement specific actions to ensure compliance with the aforementioned biodiversity policies. They also drive thematic development and manage the risks described in chapter VII.2.1 arising from other environment-related topics in their respective businesses.

DZ BANK bases its lending activities on the established sector criteria with the expectation that this will prevent potential negative impacts on people, animals, nature, and the environment. It recognizes the key role that agriculture plays in balancing the need for food security with society's expectations regarding the way in which food is produced. It therefore supports all farmers who adhere to the **sector criteria for agriculture,** irrespective of whether they farm conventionally or organically. The criteria include reducing water consumption and complying with German fertilizer legislation, the German Plant Protection Act (PflSchG), and the German Animal Welfare Livestock Husbandry Regulation (TierSchNutztV).

DZ BANK is also committed to the preservation of biodiversity and supports companies that pursue the principle of a circular economy, for example by recycling agricultural waste into bioenergy. It finances land purchases in regions with an indigenous population only in accordance with the principles of **free, prior, and informed consent** (FPIC) and focuses on farms that operate in accordance with the EU's common agricultural policy and are eligible for support. The topic of agriculture and the agriculture portfolio were analyzed comprehensively based on a case study, in collaboration with internal DZ BANK experts and external sector and association experts. DZ BANK analyzed the impacts of its agriculture portfolio on the basis of the SDG classification, including cultivation types and biogas installations, to make the impacts, risks, and opportunities fully transparent. The results of the analysis were presented as part of a 'sector sprint light' for agriculture within the Advancing Sustainability program. The results of the regular SDG classification for DZ BANK's credit portfolio are reported internally to the Board of Managing Directors every six months. In addition, case studies were used to identify the impact of customers along the agricultural value chain, for example in soybean cultivation and deforestation.

R+V developed a **biodiversity score** in 2024 that relates to the sustainability matters of biodiversity and ecosystems in investment activities. This is intended to be part of the ESG integration process from 2025 and, going forward. will apply to listed securities and the downstream value chains of their issuers. The planned implementation is based on the method documentation for ESG integration, which was revised and refined in the reporting year. The addition of biodiversity as a factor is intended to improve the ESG integration process, with both inside-out and outside-in effects being taken into account. The provision of additional information on biodiversity in the ESG task force should help to refine the control measures with regard to sustainability. This should be implemented on a case-by-case basis through the actions available in connection with ESG integration (increased monitoring, portfolio reduction, engagement).

The actions to implement the UMH biodiversity policy include several that focus on product design. In 2024, biodiversity-critical sectors were analyzed on an ongoing basis and relevant biodiversity risks were assessed using the ENCORE tool and integrated into the investment processes and decisions. **Engagement and exclusion criteria** were also applied to ensure that companies make progress. Engagement activities were aimed at companies in sectors such as agriculture, consumer goods, and oil and gas, in order to reduce deforestation and other negative impacts. At the same time, exclusion criteria were introduced for companies that do not meet biodiversity standards such as the UN Convention on Biological Diversity or UNESCO guidelines. In its real estate business, UMH applies **environment checks to purchases** and **actions that promote biodiversity,** such as green roofing and the creation of biotopes.

The actions extend along the upstream and downstream value chains and focus on regions with greater biodiversity, such as tropical forest areas, and on European markets. In the short term, the focus is on the **implementation of the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD),** the integration of comprehensive biodiversity data, and increased engagement in critical sectors. In the medium term, the aim is to prioritize biodiversity-friendly investments and actively reverse biodiversity loss. The long-term objective is to make the portfolio climate neutral, taking biodiversity aspects into account.

2.4 Greenhouse gas emissions of the DZ BANK Group (E1-6, E1-7, E1-8)

The DZ BANK Group reports the greenhouse gas emissions resulting from its own operations in CO_2 equivalents. These are generally calculated using the emissions factors included in the calculation tool provided by the VfU for the financial sector. The process covers greenhouse gas emissions that arise directly from burning fuels, including fuel consumption of fleet vehicles and loss of coolant (Scope 1), greenhouse gas emissions arising from the use of electricity and district heating (Scope 2), and greenhouse gas emissions arising from upstream and downstream activities in the value chain (Scope 3, own operations).

Scope 3 significance analysis

In 2024, a significance analysis of the operational Scope 3 categories was carried out in connection with the sustainability reporting. Categories accounting for less than 3 percent of total operational Scope 3 greenhouse gas emissions (categories 1–14) for the DZ BANK Group are rated as not significant. The Scope 3 categories classified as not significant were not included in the recording of total emissions. An exception was made for category 5, greenhouse gas emissions from waste generated in own operations. Due to stakeholder interest, these greenhouse gas emissions are included in the reporting despite not constituting a significant share. A detailed list of Scope 3 categories, divided into 'significant' and 'not significant', is shown below.

Significant:

- Greenhouse gas emissions from purchased goods and services (category 1)
- Greenhouse gas emissions from capital goods (category 2)
- Greenhouse gas emissions from fuel and energy-related activities (category 3)
- Greenhouse gas emissions from waste generated in own operations (category 5)
- Greenhouse gas emissions from business travel (category 6)
- Greenhouse gas emissions from employee commuting (category 7)
- Greenhouse gas emissions from downstream leased assets (category 13)

Not significant:

- Greenhouse gas emissions from upstream transportation and distribution (category 4)
- Greenhouse gas emissions from upstream leased assets (category 8)

Scope 3 greenhouse gas emissions from downstream transportation and distribution (category 9), the processing of sold products (category 10), the use of sold products (category 11), the end-of-life treatment of sold products (category 12), and franchises (category 14) do not apply in the context of financial services provision and therefore were not recorded.

Procedure for determining greenhouse gas emissions from own operations (Scopes 1, 2, and 3)

Due to the very different ways in which consumption data is collected and made available within the DZ BANK Group, a standardized procedure was defined for determining the consumption data from own operations in order to achieve the best possible data quality. The data quality categories (in descending order) were defined as follows: (i) primary data as at September 30, (ii) primary data from the reporting year prior to September 30, (iii) data from the prior years, and (iv) estimated data. To determine standardized whole-year figures for the individual categories across the group, firstly, available data with a reporting date of September 30 or earlier in the reporting year was collected, taken from previous years, or estimated by experts and extrapolated to December 31 using a rule developed by DZ BANK, either on a straight-line basis or on a weather-adjusted basis (for seasonally dependent emissions sources such as electricity).

The DZ BANK Group's CO_2 emissions were then calculated on the basis of the parameter data for the individual DZ BANK Group entities using ecoinvent emissions factors included in the calculation tool provided for the financial sector by the VfU. Individual emission factors published by government agencies are also used, such as those relating to country-specific electricity mixes.

Procedure for determining financed emissions

DZ BANK considers the principles and provisions of the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard when determining which financing is to be included in the calculation of financed greenhouse gas emissions. Other financing, for which DZ BANK has identified material impacts, risks, and opportunities, is also included. Due to the transitional provisions for entity-specific disclosures, the financed emissions for special funds are not reported at this time. The calculation of financed greenhouse gas emissions (Scope 3 greenhouse gas emissions, category 15) is based on the standards of the Partnership for

Carbon Accounting Financials (PCAF), in particular Part A – Financed Emissions, which applies to financial institutions pursuant to ESRS E1-6 AR 46 (b). PCAF is a global market standard for financial institutions that measures the carbon emissions of their lending and investment portfolios. The disclosed greenhouse gas emissions are CO_2 equivalents (CO_2eq), which are all of the greenhouse gases specified in the Kyoto Protocol converted into the equivalent amounts of CO_2. The calculation of financed emissions is closely based on external standards, but there is no validation by an external body. The methods and figures reported below relate to financed emissions.

The basis for reporting the financed emissions consists of all on-balance-sheet transactions of a finance nature within DZ BANK's scope of consolidation for the purposes of the IFRS consolidated financial statements. These transactions provide direct financial support for counterparties and thus potentially generate carbon emissions resulting from the financed activities. Loans, shares, and bonds are examples of products of a finance nature. To ensure that the finance nature is fully reflected, there is no netting of underlying assets from hedging/derivatives.

The financed portion of the total Scope 1 to Scope 3 greenhouse gas emissions of the counterparty are calculated proportionately based on the amount of finance drawn down relative to the enterprise value. The first step in this calculation is determining the total greenhouse gas emissions of an asset (for example a company). These are then multiplied by an attribution factor. The attribution factor is the ratio of the proportion financed by the bank to the total asset (e.g. the value of the company being financed). This enables the asset's financed emissions that are attributable to the bank to be calculated. The attribution factor is based on an on-balance-sheet perspective, i.e. only the lines actually drawn down without unmatched loan commitments are taken into account as outstanding amounts. For the real estate asset class, however, amounts under a real estate finance arrangement that have not yet been paid out (e.g. tranches not yet drawn down during the construction phase) are also taken into account.

In the model calculation of financed emissions, the way in which greenhouse gas emissions are determined depends on the availability of data. Preferably, directly collected greenhouse gas emissions data or externally published greenhouse gas emissions data is used in the calculation (primary data). Emissions data relating to a customer that is obtained through research and quality assurance is classified as primary data. Emissions data that can be obtained from third-party data providers is also classified as primary data, but only such emissions data that the data providers state as being obtained from reports is used. The share of financed emissions from primary data indicates the percentage of financed emissions determined from primary data. The figure for the DZ BANK Group is 25.71 percent. Estimates are used for the remaining share.

If published information is not available, the customer-specific emissions are determined using bottom-up or regression models or using granular sector-specific and country-specific average values from external data providers. The accuracy of the data varies accordingly, with primary data being the most accurate and granular average values being the least accurate. The data to be used is therefore decided upon using a cascading logic, depending on the availability of data. This is in line with the method commonly used in the market.

Estimates are used in some cases to determine the financed carbon emissions, as described above, so the results are subject to a certain degree of inaccuracy in the measurements. This is primarily because customer-specific data has to be inferred from models or average values if no data is available. The assumption here is that the customer generates sector-specific or country-specific greenhouse gas emissions, meaning that a corresponding average value can be assumed for the customer. Based on current knowledge, this approach does not result in any significant inaccuracies in measurements.

Calculating the financed emissions creates challenges, especially in terms of data accuracy. DZ BANK aims to continually improve its methods and processes in order to deal with these challenges. This includes regularly reviewing and updating the models and assumptions used, to ensure that the greenhouse gas emissions reporting data is as accurate and up to date as possible.

In the DZ BANK Group, a central group risk management unit at DZ BANK calculates the financed emissions from banking book and trading book activities, with the exception of certain units and emissions classes that are calculated on a decentralized basis within the group. Specifically, R+V is responsible for recording all financed emissions of R+V and its material subsidiaries, while DZ HYP and BSH calculate the financed real estate emissions. By contrast, greenhouse gas emissions from financing activities that are attributable to DZ HYP and BSH but are not directly related to real estate are calculated centrally.

The following figure summarizes the DZ BANK Group's Scope 1 to Scope 3 greenhouse gas emissions and total greenhouse gas emissions.

FIG. VII.19: THE DZ BANK GROUP'S GREENHOUSE GAS EMISSIONS

	Retrospective				Milestone and target years			
in t CO_2eq	Base year	Comparative	N (2024)	% N / N-1	2025	2030	-2050	Annual % target / Base year
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (tCO_2eq)			40,167					
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)								
Scope 2 GHG emissions								
Location-based gross Scope 2 GHG emissions (tCO_2eq)			90,421					
Market-based gross Scope 2 GHG emissions (t CO_2eq)			58,711					
Significant Scope 3 GHG emissions								
Total gross indirect (Scope 3) GHG emissions (t CO_2eq)			123,285,590					
1 Purchased goods and services			59,325					
2 Capital goods			13,752					
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)			45,384		see chapter VII.2.2.1 and VII.2.3.1			
4 Upstream transportation and distribution								
5 Waste generated in operations			1,870					
6 Business travel			15,132					
7 Employee commuting			29,408					
8 Upstream leased assets								
9 Downstream transportation								
10 Processing of sold products								
11 Use of sold products								
12 End-of-life treatment of sold products								
13 Downstream leased assets			33,230					
14 Franchises								
15 Investments			123,087,489					
Total GHG emissions								
Total GHG emissions (location-based) (t CO_2eq)			**123,416,178**					
Total GHG emissions (market-based) (t CO_2eq)			**123,384,468**					

Fig. VII.19 includes the greenhouse gas emissions generated by subsidiaries of R+V that are not among the entities that are fully consolidated for the purposes of the consolidated financial statements. For greater transparency, the Scope 1 and Scope 2 GHG emissions are disclosed again separately below. The Scope 1 GHG emissions for these entities amounted to 9,790.6 tCO_2eq, while market-based Scope 2 GHG emissions amounted to 2,242.8 tCO_2eq and location-based Scope 2 GHG emissions to 3,063.8 tCO_2eq. For the entities within the scope of consolidation of the IFRS consolidated financial statements, the Scope 1 GHG emissions amounted to 30,376.4 tCO_2eq, while market-based Scope 2 GHG emissions amounted to 56,468.2 tCO_2eq and location-based Scope 2 GHG emissions to 87,357.2 tCO_2eq.

Contractual instruments in the context of market-based Scope 2 GHG emissions include a number of mechanisms and agreements that companies can use to reduce their indirect GHG emissions from purchased energy. Bundled contractual instruments are traded alongside the generated energy to provide proof of specific characteristics (e.g. renewable energy sources). Of the market-based Scope 2 GHG emissions disclosed in Fig. VII.19, 26 percent were attributable to bundled contractual instruments in the DZ BANK Group in 2024. The DZ BANK Group does not use unbundled contractual instruments.

In total, 39 percent of the Scope 3 GHG emissions at the level of own operations (categories 1 to 14) were calculated using primary data. The drivers behind the 61 percent share of emissions calculated from secondary data are building renovations and tenanted real estate, both of which make a material contribution to total operational GHG emissions. No primary data about tenants' electricity consumption was collected as there is no legal basis for doing so. Estimates were used for building renovations of tenanted real estate, as the effort involved in collecting the primary data is disproportionate to the benefit.

The following figure presents the intensity of the total GHG emissions in tCO_2eq in relation to the DZ BANK Group's net revenue. The net revenue used to calculate GHG intensity is based on the interest income and the fee and commission income in the income statement.

FIG. VII.20: INTENSITY OF GREENHOUSE GAS EMISSIONS IN RELATION TO NET REVENUE

	2024
Total GHG emissions (location-based) per net revenue (tCO2eq / €)	0.0057
Total GHG emissions (market-based) per net revenue (tCO2eq / €)	0.0057

GHG removals, projects aimed at reducing GHG emissions, and internal carbon pricing systems

The DZ BANK Group has no specific projects aimed at removing or storing greenhouse gas emissions relating to its own activities or to the upstream or downstream value chain. With the exception of BSH, the DZ BANK Group did not purchase any emission allowances in 2024. BSH purchased a very small volume of emission allowances in 2024, which it used for internal events with more than 100 attendees. This only applied to 5 events in 2024. The allowances are not factored into the GHG emissions calculation as carbon credits.

The DZ BANK Group does not use internal carbon pricing systems.

2.5 Mandatory disclosures for the DZ BANK banking group under the EU Taxonomy

2.5.1 Qualitative mandatory disclosures for the DZ BANK banking group under the EU Taxonomy

2.5.1.1 Notes on the methodology

EU Taxonomy Regulation – current situation
The goal of the EU action plan for financing sustainable growth, published in March 2018, is to channel capital flows toward activities that are environmentally sustainable.

A common understanding of what counts as an environmentally sustainable activity is an essential part of this. Verifiable criteria that enable an activity to be classified as environmentally sustainable are also needed.

The EU Taxonomy Regulation, which came into force on January 1, 2022, sets out to achieve this by defining criteria to determine which economic activities qualify as environmentally sustainable and by specifying relevant disclosure requirements (in article 8).

The EU Taxonomy Regulation is centered around 6 environmental objectives, namely:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

Each of the total of 6 environmental objectives is set out in more detail pursuant to articles 10 (3), 11 (3), 12 (2), 13 (2), 14 (2), and 15 (2) of the EU Taxonomy Regulation through technical screening criteria, which are dealt with in delegated acts. Since November 2023, technical screening criteria have been available for all 6 environmental objectives.

Rules specifying the table format must be followed for the mandatory quantitative disclosures relating to the green asset ratio. These rules are set out in detail in the EU Taxonomy Regulation and the related additional clarifications (in the form of frequently asked questions, FAQs).

The scope of this quantitative information is being progressively increased over a period of several years as part of a phase-in process set out by the EU. As at December 31, 2024, for example, disclosures on inflows compared with the previous year are required for the first time. The scope of the tables has also been significantly increased, with additional disclosures on economic activities in the areas of nuclear energy and gas required as at December 31, 2024.

Scope of mandatory and voluntary disclosures under the EU Taxonomy
DZ BANK's mandatory disclosures pursuant to the EU Taxonomy Regulation must be reported at the highest level of the scope of consolidation for regulatory purposes. For DZ BANK, this is the DZ BANK banking group, in which the R+V subgroup is accounted for under the equity method rather than as an insurance subsidiary. The information on the insurance and reinsurance activities performed by R+V, as defined by annexes IX and X of Delegated Regulation (EU) 2021/2178, are presented in R+V's group sustainability report.

The EU Taxonomy Regulation does not permit voluntary disclosures to be presented within the mandatory disclosures and, so far as they are made elsewhere, the two categories must be kept clearly separate. In the DZ BANK Group's sustainability report, the DZ BANK banking group only publishes mandatory disclosures under the EU Taxonomy, i.e. disclosures prepared within the narrowly defined methodology specified by the EU Taxonomy Regulation for entities subject to a reporting requirement.

The DZ BANK banking group must also publish disclosures under the EU Taxonomy in its regulatory risk report. Those disclosures may differ from the DZ BANK banking group's EU Taxonomy disclosures made here where there are differences in the stipulated methods.

Explanatory notes on the structure of the assets in the mandatory disclosures relating to the green asset ratio (GAR)

The balance sheet structure for the results tables required by the EU Taxonomy Regulation is operationalized in accordance with the structure of the financial reporting requirements (FINREP) implemented in the DZ BANK banking group. Assets are shown at their gross carrying amounts. In line with the template rules, additionally required disclosures are presented in additional rows or columns. In some cases, additional disclosures are required in the form of 'of which' line items. The sum of these line items does not necessarily add up to the amount of the overall line item. This is the case for the disclosures relating to retail customers.

Within this balance sheet structure, the European Commission has introduced the term 'total GAR assets', which form the denominator in the GAR calculation.

Only some of the total GAR assets can be included in the numerator of the GAR, and only if they finance activities defined in the EU Taxonomy Regulation and the corresponding specific technical screening criteria are met. This predominantly comprises financing in respect of financial undertakings subject to the CSRD, non-financial undertakings subject to the CSRD, households, and local housing companies.

In contrast, assets such as central bank balances, the trading book, and exposures to central governments and supranationals are excluded entirely from the GAR calculation.

The rules in the EU Taxonomy Regulation on operationalizing the CSRD requirement stipulate that, in certain circumstances, counterparties that are not subject to the CSRD must be treated as if they are subject to the CSRD (i.e. they should be included in the numerator of the GAR) if they are part of a group structure in which the parent company is subject to the CSRD. There are similar rules in the context of special purpose vehicle (SPV) structures and certain bonds.

The CSRD requirement was operationalized through the NFRD requirement in 2024. This will change as counterparties' reporting switches from NFRD to CSRD.

Explanatory notes on the EU Taxonomy classification

Assets that can be included in the numerator of the GAR are classified in terms of their EU Taxonomy eligibility and alignment using the key performance indicator method (KPI method) or the individual transaction method.

In the KPI method, the use of funds for the asset is not specified in the agreement with the customer. Under this classification method, the asset is therefore classified pro rata in line with the customer's published EU Taxonomy eligibility and alignment KPIs.

The individual transaction method is used when the use of funds for the asset is specified. In this case, financed economic activities are assessed to ascertain whether they satisfy the EU Taxonomy Regulation's technical screening criteria for EU Taxonomy eligibility and/or alignment. If the criteria are satisfied in full and the minimum safeguards are adhered to, the asset is considered fully taxonomy-aligned. Adherence to the minimum safeguards does not have to be checked for retail real estate and is deemed to be a given.

In the case of finance for households where the use of funds is not specified (e.g. consumer finance), the finance is neither taxonomy-eligible nor taxonomy-aligned under the rules of the EU Taxonomy Regulation.

Notes on the reporting of inflows

According to the current interpretation of the EU Taxonomy Regulation, inflows from assets in the reporting year must be determined and disclosed in respect of new business.

The European Commission's FAQs dated November 8, 2024 eliminated the interpretation that inflows were calculated by deducting the volume as at the reporting date from the volume as at the prior-year reporting date.

2.5.1.2 Explanatory notes on data sources and limitations

Explanatory notes on procuring business customers' EU Taxonomy KPIs

The DZ BANK banking group predominantly obtained business customers' EU Taxonomy KPIs from external data providers specializing in the procurement of such information. In some cases, the banking group supplemented the KPIs with data obtained by carrying out its own research.

EU Taxonomy KPIs were available only for non-financial undertakings in 2023, whereas EU Taxonomy KPIs are also available for financial undertakings subject to the CSRD from 2024 as their requirement to report the GAR came into effect on December 31, 2023.

The DZ BANK banking group did not use any estimates for business customers' EU Taxonomy KPIs.

Explanatory notes on the availability of energy performance certificates and similar documentation in real estate finance

Information taken from energy performance certificates and similar documentation is to be used to check the satisfaction of the technical screening criteria for EU Taxonomy eligibility and alignment in the real estate business.

Data coverage for energy performance certificates and similar documentation is being expanded in two ways: firstly, organically as a result of inflows and new business and, secondly, through targeted purchases for existing business. In the consumer business, purchases are made as part of a project coordinated within the Cooperative Financial Network.

2.5.1.3 Explanatory notes on the nature and objectives of EU Taxonomy-aligned economic activities in the DZ BANK banking group

FIG. VII.21: SUMMARY OF KPIS TO BE DISCLOSED BY CREDIT INSTITUTIONS UNDER ARTICLE 8 OF THE TAXONOMY REGULATION

		Total environ-mentally sustainable assets	KPI[4]	KPI[5]	% coverage (over total assets)[3]	% of assets excluded from the numerator of the GAR (article 7 (2) and (3), and section 1.1.2 of annex V)	% of assets excluded from the denominator of the GAR (article 7 (1) and section 1.2.4 of annex V)
Main KPI	**Green asset ratio (GAR) stock**		0.50%	0.66%	32.17%	46.48%	21.35%

		Total environ-mentally sustainable assets	KPI[4]	KPI[5]	% coverage (over total assets)[3]	% of assets excluded from the numerator of the GAR (article 7 (2) and (3), and section 1.1.2 of annex V)	% of assets excluded from the denominator of the GAR (article 7 (1) and section 1.2.4 of annex V)
Additional KPIs	GAR (flow)		2.03%	2.93%	6.14%	72.51%	21.35%
	Trading book[1]		-	-			
	Financial guarantees		5.90%	9.47%			
	Assets under management		3.45%	5.89%			
	Fee and commission income[2]		-	-			

[1] For credit institutions that do not meet the requirements of article 94 (1) or article 325a (1) of the Capital Requirements Regulation (CRR).
[2] Fee and commission income from services other than lending and AuM. Institutions shall disclose forward-looking information for this KPI, including information in terms of targets, together with relevant explanations on the methodology applied.
[3] Percentage of assets covered by the KPI over banks' total assets.
[4] Based on the revenue KPI of the counterparty.
[5] Based on the CapEx KPI of the counterparty, except for lending activities; the revenue KPI is used for general lending.

On balance sheet

The total assets of the DZ BANK banking group amounted to €543,008 million as at December 31, 2024.

The total GAR assets of the DZ BANK banking group amounted to €427,070 million as at December 31, 2024 (78.65 percent of total assets). Assets of €115,939 million (21.35 percent of total assets) are excluded from the GAR calculation entirely.

Assets of €252,403 million (46.48 percent of total assets) can only be included in the denominator of the GAR.

As at December 31, 2024, the GAR of the DZ BANK banking group stood at 0.66 percent (CapEx-based; December 31, 2023: 0.24 percent) and 0.50 percent (revenue-based; December 31, 2023: 0.15 percent).

The following 3 customer portfolios are contributors to the numerator of the DZ BANK banking group's GAR:

- Financial undertakings subject to the CSRD
- Non-financial undertakings subject to the CSRD
- Households

Off balance sheet

Under the rules of the EU Taxonomy Regulation, the volume of assets that the DZ BANK banking group had under management as at December 31, 2024 amounted to €102,032 million (December 31, 2023: €74,281 million).

As a rule, the EU Taxonomy assessment for assets under management is based on the KPI method. The GAR relating to these assets under management stood at 5.89 percent (CapEx-based; December 31, 2023: 5.98 percent) and 3.45 percent (revenue-based; December 31, 2023: 2.87 percent).

Under the rules of the EU Taxonomy Regulation, the financial guarantees that the DZ BANK banking group had issued as at December 31, 2024 amounted to €2,654 million (December 31, 2023: €2,028 million).

As a rule, the EU Taxonomy assessment for financial guarantees is based on the KPI method. The GAR relating to these financial guarantees stood at 9.47 percent (CapEx-based; December 31, 2023: 6.80 percent) and 5.90 percent (revenue-based; December 31, 2023: 2.54 percent).

Explanation of the methodology for the main KPI

- '% coverage (over total assets)': The numerator of this disclosure comprises 'GAR – Covered assets in both numerator and denominator' in the table in chapter VII.5.1.1 (assets eligible for the numerator).

- '% of assets excluded from the numerator of the GAR (article 7 (2) and (3), and section 1.2.2 of annex V)': The numerator of this disclosure comprises the difference between 'Total GAR assets' and 'GAR – Covered assets in both numerator and denominator' in the table in chapter VII. 5.1.1 (Denominator of the GAR – assets eligible for the numerator).

- '% of assets excluded from the denominator of the GAR (article 7 (1) and section 1.2.4 of annex V)': The numerator of this disclosure comprises 'Assets not included in the calculation of GAR' in the table in chapter VII. 5.1.1 (Assets without impact on the GAR).

Explanation of the methodology for the KPI, GAR (inflows)

- '% coverage (over total assets)': The numerator of this disclosure comprises the inflows in the reporting year within 'GAR – Covered assets in both numerator and denominator' in the table in chapter VII. 5.1.1 (Inflows of assets eligible for the numerator).

- '% of assets excluded from the numerator of the GAR (article 7 (2) and (3), and section 1.2.2 of annex V)': The numerator of this disclosure comprises the difference between 'Total GAR assets' and the inflows in the reporting year within 'GAR – Covered assets in both numerator and denominator' in the table in chapter VII. 5.1.1 (Denominator of the GAR – inflows of assets eligible for the numerator).

- '% of assets excluded from the denominator of the GAR (article 7 (1) and section 1.2.4 of annex V)': The numerator of this disclosure comprises 'Assets not included in the calculation of GAR' in the table in chapter VII.5.1.1 (Assets without impact on the GAR).

2.5.1.4 Compliance with Regulation (EU) 2020/852 in the financial undertaking's business strategy, product design processes, and engagement with customers and counterparties

DZ BANK sees itself as a supporter of the transformation of the real economy, helping with the transition to a more sustainable business model. In doing so, it wishes to seize additional business opportunities arising from high demand for financing and investment solutions (for example, to finance the transition to EU Taxonomy-aligned business). An increase in EU Taxonomy-aligned business would help to achieve various ESG goals that DZ BANK has set itself in its business strategy (such as its growth target for renewable energies financing).

Furthermore, DZ BANK is currently developing a classification approach for sustainability products in the form of a sustainability product framework. A business partner's compliance with statutory standards – for example the EU Taxonomy requirements, but also globally recognized criteria of the International Capital Market Association (ICMA) and the Loan Market Association (LMA) for green, social, and ESG-linked products – is likely to be one of the criteria for assessing a product's sustainability.

The exploratory phase of the classification approach for sustainability products in the lending business is currently under way. It is due to be finalized and integrated with sales processes in 2025.

2.5.1.5 Significance of the financing of taxonomy-aligned economic activities within the DZ BANK banking group's overall activity

The EU taxonomy is one of a total of 5 relevant sources of requirements that form the basis of the target vision for the sustainability classification at the level of DZ BANK.

Technical implementation of the target vision began with the 'SDG classification' source of requirements. Carbon accounting and climate alignment were introduced for relevant sectors in 2023.

With regard to the 'EU Taxonomy classification' source of requirements, the DZ BANK banking group started by implementing the requirements of the EU Taxonomy Regulation and the processes for determining the relevant metrics. As stipulated, a green asset ratio based on a granular analysis of individual financed activities has been calculated annually since December 31, 2023; the ratio is disclosed in the sustainability reporting for 2024. An internal analysis of the extent to which economic activities that are aligned with the requirements of the EU Taxonomy are to be financed by the DZ BANK banking group in the future, potentially in a targeted manner, will not be conducted until a later date.

2.5.2 Quantitative mandatory disclosures for the DZ BANK banking group under the EU Taxonomy

The detailed mandatory quantitative disclosures for the DZ BANK banking group under the EU Taxonomy can be found in chapter VII.5 Annex.

3 Social matters

The success of the DZ BANK Group depends on its employees being dedicated and well qualified for their jobs. The DZ BANK Group therefore puts a great deal of emphasis on doing everything it can to develop its employees and support them in their work. It also considers the interests of workers in the value chain, of affected communities, and of customers as consumers and end-users to be a priority. As an employer and financial services provider, it also recognizes its responsibility to society and has implemented numerous policies, actions, and targets in order to fulfill this role.

3.1 Management of material impacts, risks, and opportunities in the social sphere (SBM-3)

The **workers** in the DZ BANK Group affected by material impacts, risks, and opportunities comprise employees and external workers. The DZ BANK Group defines employees as anyone with an active employment contract, including at all management levels. This includes those who are in the active phase of semi-retirement (Altersteilzeit) as well as young people undergoing training, such as trainees, students pursuing combined work and degree courses, and apprentices. Governing bodies, such as the Board of Managing Directors and director-generals, are not included. External workers consist of self-employed people and people provided by third-party companies primarily engaged in employment activities.

Against the backdrop of competition for specialist and managerial staff, the DZ BANK Group offers working conditions designed to attract and retain well-qualified specialists and young people (see chapter VII.3.2.1). Fair and transparent remuneration systems, measures to improve work-life balance, and preventive health programs are designed to have a positive impact on employees' motivation and, at the same time, provide an incentive for potential applicants.

The DZ BANK Group aims to minimize negative impacts, such as increased sick leave and absenteeism due to unsuitable working conditions. It has put suitable processes and channels in place to counter these, such as complaints management, employee surveys, and physical and mental health risk assessments (see chapter VII.3.2.3). At the same time, it wants to boost motivation and performance by continuously improving working conditions. The entities in the DZ BANK Group offer a wide range of health management services that help to maintain their employees' performance levels (see chapter VII.3.2.5).

The reputational risk of damage to stakeholder trust may arise due to insufficient standards for safeguarding employees' human rights in the context of inadequate occupational health and safety and changes to the work culture, and due to unequal treatment. BSH, DZ BANK, R+V, and TeamBank carry out regular risk analyses within the scope of LkSG and examine the risks and any potential violations of their employees' human rights. These include treating employees differently, not paying an adequate wage, and disregarding occupational health and safety (see chapter VII.3.2.6). The DZ BANK Group has signed the Diversity Charter and takes action such as providing training on the German General Equal Treatment Act (AGG) and similar national protective provisions in order to champion the equal treatment of employees and foster an inclusive work environment. For certain groups of people who could be particularly affected by, or at risk of, differential treatment, a separate group inclusion agreement has been put in place in order to counter discrimination (see chapter VII.3.2.3). This has a positive impact on commitment, staff turnover, and the number of applicants.

The entities in the DZ BANK Group prevent the existence of and support for discrimination or material negative impacts within its own workforce by taking their own action: Various channels are used to raise workers' awareness of diversity and inclusion, such as holding events and training courses, supporting employee networks, encouraging cultural exchange by arranging secondments, and actively seeking out workers' perspectives on diversity and inclusion by running employee surveys and topic-based internal communications campaigns.

At DZ BANK, workers do not carry out any tasks where there is a significant risk of incidents of forced labor, human trafficking, or child labor in terms of the type of work or geographical area.

As explained in chapter VII.2.2.1, there is no transition plan for own operations. Therefore, there are no material impacts on the DZ BANK Group's workforce that could arise from transition plans.

The entities in the DZ BANK Group each provide the financial resources – in the form of dedicated budgets – for managing and implementing the individual actions related to the workforce.

With regard to **workers in the downstream value chain**, the DZ BANK Group hopes that it has positive impacts on affected communities because the loans that it provides facilitate investments that can create jobs and reduce unemployment. Suitable exclusion criteria in the lending process help to counter possible reputational risk in the business portfolio, for example resulting from violations of human rights. DZ BANK estimates the remaining social risks by deploying selected instruments (see chapter VII.3.3).

In accordance with the guiding principle of fulfilling the role of a network-oriented central institution and financial services group, the business activities of the DZ BANK Group are concentrated in its core market of Germany. Clearly defined and monitored groupwide country limits apply to activities outside this business territory. Investments in countries with a heightened risk of child labor or forced labor are therefore not of relevance to the DZ BANK Group. The use of exclusion criteria in investment decisions is designed to ensure that the DZ BANK Group does not invest in companies that have a heightened risk of child labor or forced labor.

The entities in the DZ BANK Group each provide the financial resources – in the form of dedicated budgets – for managing and implementing the individual actions related to the workers in the value chain.

With regard to **affected communities**, the DZ BANK Group helps local communities by supporting charitable projects and social initiatives, and by providing jobs and training for the regional population (see chapter VII.3.4). Negative impacts linked to the DZ BANK Group's activities may arise, for example, from the financing of projects that affect the living conditions and/or circumstances of local communities. Reputational risks may arise from questionable dealings with other ethnic groups, from business relationships or business partners that fail to protect cultural assets and traditions, or from questionable dealings with local communities. The DZ BANK Group addresses these risks by taking standards into account in its lending decisions (see chapter VII.3.4).

The entities in the DZ BANK Group each provide the financial resources – in the form of dedicated budgets and donations to social and cultural causes – for managing and implementing the individual actions related to affected communities.

The DZ BANK Group believes that **satisfied customers** are key to establishing and maintaining long-term business relationships and thus to the future viability of the DZ BANK Group. Focusing on the needs of customers is therefore the responsibility of all employees, with progress regularly measured on the basis of customer satisfaction.

The financial services providers make a distinction between securities investors, policyholders, consumer finance borrowers, real estate finance borrowers, and home savings customers with the aim of ensuring that consumers and end-users across all customer segments are guaranteed equal access to financial products and insurance. The entities in the DZ BANK Group use a variety of concepts to ensure service quality and to record and process customer complaints. How these concepts are designed in detail depends on the specific business models and activities of the individual entities and their sometimes different target groups (see chapter VII.3.5).

The aim is for consumers and end-users to benefit from the provision and communication of information. Tapping into new markets and customer groups, and offering financial products tailored to customer requirements, presents opportunities for customers. Compliance with general privacy laws is a priority in order to protect customers. Data protection and information security are governed by groupwide policies (see chapter VII.3.5).

Reputational risk may arise from the way that customer relationships are managed and in connection with the DZ BANK Group's own products. From the perspective of the DZ BANK Group, stakeholders' trust may be damaged if public perception shifts due to the way that product liability is handled, where product safety assurances are considered insufficient, or as a result of uncertainty regarding consumer protection (including data protection). To avoid this, the DZ BANK Group has formulated requirements for product governance and thus sets fundamental quality standards for business involving financial instruments (see chapter VII.3.5).

The entities in the DZ BANK Group each provide the financial resources – in the form of dedicated budgets – for managing and implementing the individual actions related to consumers and end-users.

As part of the business environment analyses, socially relevant risk factors were analyzed and their impacts on the business model of each management unit were assessed. The business environment analyses showed that there are mainly short-term operational risks with regard to the social sphere. These risks may arise due to inadequate health and safety regulations, and a lack of data security in relation to the workforce. The analysis of the DZ BANK Group's business model showed that it is only marginally affected over a short time horizon, as the statutory provisions in this area are, to the best of the DZ BANK Group's knowledge, fulfilled. With regard to the DZ BANK Group's customer groups, the analyses found that product liability and product safety, including consumer protection, are assured through polices and are only marginally affected over a short time horizon. In addition, short-term reputational risks were that could potentially have a negative impact (moderate effect) on, the DZ BANK Group's business model. The ongoing improvement of working conditions presents opportunities to boost employee motivation and performance, with positive impacts on health and absenteeism, and thus on the DZ BANK Group's business model.

As part of the DZ BANK Group's materiality assessment (see chapter VII.1.5), the impacts, risks, and opportunities (IROs) were identified in the social sphere that are material for the DZ BANK Group in relation to its own workforce, workers in the value chain (in the business portfolio), affected communities (in own operations and the business portfolio), and consumers and end-users (in the business portfolio).

FIG. VII.22: OVERVIEW OF THE IMPACTS, RISKS, AND OPPORTUNITIES IN THE SOCIAL SPHERE

Topics of the materiality assessment	Standard	Dimension	IRO type	Impacts, risks, and opportunities	Chapter in the report
Working conditions	S1	Own operations	Positive impact	Motivating employees with fair and transparent remuneration systems	Chapter VII.3.2.4 Remuneration, social protection, and codetermination
			Positive impact	Ensuring employee satisfaction, e.g. with work-life balance and preventive health programs	Chapter VII.3.2.3 Diversity, equal opportunities, and work-life balance Chapter VII.3.2.5 Occupational health and safety
			Negative impact	Increased sick leave and absenteeism due to unsuitable working conditions	Chapter VII.3.2.5 Occupational health and safety
			Opportunity	Stronger employer branding and competitive edge thanks to attractive working conditions in a market with a growing skills shortage	Chapter VII.3.2.1 HR strategy Chapter VII.3.2.2 Employee development Chapter VII.3.2.3 Diversity, equal opportunities, and work-life balance

Topics of the materiality assessment	Standard	Dimension	IRO type	Impacts, risks, and opportunities	Chapter in the report
			Opportunity	Higher employee motivation and performance thanks to constant improvements to working conditions, with a potential positive impact on health and sick leave	Chapter VII.3.2.1 HR strategy Chapter VII.3.2.3 Diversity, equal opportunities, and work-life balance Chapter VII.3.2.5 Occupational health and safety
			Risk	Own operations-related reputational risk: Damage to stakeholders' trust in DZ BANK Group entities and employees resulting from violations of human rights, a disregard for occupational health and safety, and in the context of changes to the work culture	Chapter VII.3.2.1 HR strategy Chapter VII.3.2.5 Occupational health and safety Chapter VII.3.2.6 Human rights relating to the DZ BANK Group's own workforce
Equal treatment/non-discrimination	S1	Own operations	Positive impact	Ensuring equal treatment and non-discrimination in order to create an inclusive work environment	Chapter VII.3.2.3 Diversity, equal opportunities, and work-life balance Chapter VII.3.2.6 Human rights relating to the DZ BANK Group's own workforce
			Positive impact	Supporting the equal treatment of employees	Chapter VII.3.2.3 Diversity, equal opportunities, and work-life balance
			Opportunity	Training and skills development for employees can boost the group's competitiveness	Chapter VII.3.2.2 Employee development
			Opportunity	Reputation as a fair employer with a zero-discrimination approach can boost employer branding, both internally and externally, and thus positively influence commitment, staff turnover, and numbers of job applicants	Chapter VII.3.2.3 Diversity, equal opportunities, and work-life balance Chapter VII.3.2.6 Human rights relating to the DZ BANK Group's own workforce
			Risk	Own operations-related reputational risk: Damage to stakeholders' trust in DZ BANK Group entities due to differential treatment (in particular of certain social groups within the workforce), a failure to protect cultural assets and traditions, or questionable dealings with local communities	Chapter VII.3.2.3 Diversity, equal opportunities, and work-life balance Chapter VII.3.2.6 Human rights relating to the DZ BANK Group's own workforce
Other labor rights	S1	Own operations	Negative impact	Losing trust in the employer due to insufficient protection of employees' personal data	Chapter VII.3.2.1 HR strategy
			Opportunity	Compliance with work-related rights directly influences employee satisfaction and employer branding, upon which the success of the business depends to a large degree	Chapter VII.3.2.3 Diversity, equal opportunities, and work-life balance
			Risk	Own operations-related reputational risk: Damage to stakeholders' trust in DZ BANK Group entities in relation to their employees due to insufficient protection of employee data and violations of human rights	Chapter VII.3.2.6 Human rights relating to the DZ BANK Group's own workforce
Workers in the value chain	S2	Business portfolio	Positive impact	Granting loans that can be used for investments that create jobs and reduce unemployment in affected communities	Chapter VII.3.3 Workers in the value chain
			Opportunity	Higher demand, for example, for social bonds / shift in long-term demand and customer behavior toward the fulfillment of social criteria	

Topics of the materiality assessment	Standard	Dimension	IRO type	Impacts, risks, and opportunities	Chapter in the report
			Risk	Reputational risk in the business portfolio: Damage to stakeholders' trust in DZ BANK Group entities due to links to business partners with poor stakeholder management, or whose treatment of workers in the value chain in the supplier portfolio is of concern (i) due to a disregard for health and safety, (ii) due to questionable working conditions or insufficient protection of employee data, (iii) due to violations of human rights, or (iv) in connection with changes in the work culture. For example, the public, the media, and/or employees could criticize violations of human rights – whether subjective or not – by the institution. Stakeholders could criticize the non-implementation, or incorrect implementation, of external requirements relating to labor law or human rights, notably breaches of work standards or inadequate health and safety provisions for employees.	
Affected communities	S3	Own operations	Positive impact	Helping local communities by supporting community-based projects and initiatives	Chapter VII.3.4 Affected communities
			Positive impact	Providing jobs and training (mainly through trade taxes) for the regional population	
			Risk	Own operations-related reputational risk: Damage to stakeholders' trust in DZ BANK Group entities due to poor stakeholder management	
			Risk	Own operations-related reputational risk: Damage to stakeholders' trust in DZ BANK Group entities due to differential treatment (in particular of certain social groups within the workforce), a failure to protect cultural assets and traditions, or questionable dealings with local communities	
			Risk	Own operations-related reputational risk: Damage to stakeholders' trust in DZ BANK Group entities as a result of the movement of refugees and migrants, demographic trends in the group's own workforce, political instability, social/political conflicts resulting from resource scarcity, growing nationalism, rising poverty, and digitalization	
		Business portfolio	Positive impact	Supporting public infrastructure through sustainable investments that benefit society	Chapter VII.3.4 Affected communities
			Positive impact	Financing and supporting owner-occupied housing, thus creating living space for communities	
			Positive impact	Considering and improving the living conditions of affected communities as part of financing/insurance	
			Risk	Reputational risk in the business portfolio: Damage to stakeholders' trust in DZ BANK Group entities due to business relationships or business partners' questionable dealings with other ethnic groups or local communities, or their failure to protect cultural assets and traditions	

Topics of the materiality assessment	Standard	Dimension	IRO type	Impacts, risks, and opportunities	Chapter in the report
			Risk	Reputational risk in the business portfolio: Damage to stakeholders' trust in DZ BANK Group entities, directly due to either business relationships or business partners' behavior, in relation to the movement of refugees and migrants, demographic trends, political instability, social/political conflicts resulting from resource scarcity, growing nationalism, rising poverty, and digitalization	
Consumers and end-users	S4	Business portfolio	Positive impact	Facilitating the general public's access to financial products and insurance across all customer segments	Chapter VII.3.5 Customer focus
			Positive impact	Helping to protect customers by defending the individual's right to privacy (e.g. data protection)	
			Positive impact	Keeping customers informed by offering high-quality advice and fulfilling the duty to inform, explain, and clarify	
			Opportunity	Long-term success through customer-centricity and the resulting customer satisfaction (expressed in the Net Promoter Score, where applicable)	
			Opportunity	Tapping into new markets and customer groups, and expanding existing business segments by offering financial/insurance products tailored to customer requirements	
			Risk	Own operations-related reputational risk: Damage to stakeholders' trust in DZ BANK Group entities due to the way that customer relationships are managed and in connection with the group's products, if public perception shifts due to the way that product liability is handled, where product safety assurances are considered insufficient, or as a result of uncertainty regarding consumer protection (including data protection). For example, the general public, the media, and/or sales partners could express concerns about products that are not sustainable, or sales partners and/or retail customers could criticize hard selling by local agents during advisory consultations or on conclusion of contracts.	
			Risk	Own operations-related reputational risk: Damage to stakeholders' trust in DZ BANK Group entities due to poor stakeholder management	

3.2 Employees

Brief summary

- Reporting of targets, policies, actions, processes, and metrics relating to employees
- Explanation of HR-strategy-related activities in connection with employees
- Support for employees' professional skills and career opportunities through training and continuing professional development (CPD)
- Information on the integration of diversity and inclusivity, fostering of equal opportunities, and work-life balance support
- Description of the processes and structures for employee remuneration, promotion of financial security and wellbeing through employee benefits, and employees' active involvement in decision-making processes and corporate development
- Integration of physical and mental healthcare and of occupational health and safety in the workplace
- Reporting on respect for and compliance with human rights of the DZ BANK Group's own workforce

The entities in the DZ BANK Group strive to be a responsible employer and to offer their employees a safe workplace and attractive prospects for individual development. This section outlines the structure of the workforce, including the age distribution, and explains how adequate remuneration contributes to satisfaction and motivation. It also presents the actions taken to promote diversity and an inclusive working environment. The DZ BANK Group entities place a high value on training and continuing professional development to ensure their employees have the skills they need. Occupational health and safety is key to supporting a sense of well-being in the workplace. At the end of each chapter, the metrics for employees showcase the progress made and the challenges in these areas.

3.2.1 HR strategy (S1-1, S1-2, S1-3, S1-4, S1-5, S1-6)

Targets relating to the HR strategy

No common, measurable, and outcome-oriented target value, such as an Organizational Commitment Index (OCI) score, is currently in use for the whole DZ BANK Group.

On the basis of a resolution of the Board of Managing Directors, DZ BANK and VR Smart Finanz have each set themselves an ongoing target of permanently maintaining their **Organizational Commitment Index (OCI)** score – used to measure employee satisfaction – at 70 or above. BSH aims to keep its OCI score at 75.

As part of the individual employee surveys, the OCI score for BSH, DZ BANK, DZ HYP, DZ PRIVATBANK, TeamBank, Reisebank, UMH, VR Smart Finanz, and VR Factoring GmbH is determined using 5 standardized questions on the following aspects: overall satisfaction, likelihood of recommending the entity as an employer, re-entering work, personal commitment, and competitiveness. Depending on the entity, the surveys are conducted every one to 3 years. A survey on employee satisfaction was carried out at VR Equitypartner for the first time in 2023. The aim is to introduce a standardized measure of satisfaction using an OCI in future surveys.

In 2024, the OCI score for DZ BANK and BSH was 82, and for DZ PRIVATBANK 77. VR Factoring GmbH had an OCI score of 70, Reisebank of 76, TeamBank of 81, and VR Smart Finanz of 78. DZ HYP and UMH last determined their scores in 2023. One sign of employees’ strong commitment is the number of them who would recommend their company as an employer. At DZ BANK, for example, 25 percent of hires in 2024 originated from employees’ personal recommendations.

Recording the OCI contributes to the HR strategy of each DZ BANK Group entity of positioning itself as a responsible employer that offers a healthy and safe working environment and attractive opportunities for continuing professional development. At DZ BANK and UMH, this goal is monitored by Group Human Resources in the context of Board of Managing Directors meetings. VR Smart Finanz manages the OCI as a metric through its HR and Compliance department.

In the context of implementing the DZ BANK Group’s HR strategy, TeamBank aims to foster employee satisfaction and measure it using its own **engagement index** as part of the annual employee survey. The target score for 2024 was 73 and the actual score was 71.

These targets are directly linked to the material topics of working conditions, equal treatment / non-discrimination, and other labor rights, plus the related IROs. These metrics are not validated by an external body.

Policies relating to the HR strategy

All HR-strategy-related activities are based on the business and HR strategies of the Cooperative Financial Network and the DZ BANK Group, and their aim is to further develop the group as a financial services provider. The existing groupwide policies, actions, and targets relating to employees apply to the entities in the Group HR Committee (GHRC), which comprises the main management units of the DZ BANK Group.

At the German sites of the DZ BANK Group's management units, and in accordance with the German Works Constitution Act (BetrVG), **company agreements** of varying scope cover the key matters where workers have participation rights, such as CPD (see chapter VII.3.2.2), working hours and work location (see chapter VII.3.2.3), remuneration (see chapter VII.3.2.4), and health (chapter VII. 3.2.5). The company agreements and similar internal regulations in the management units lay down guidelines that meet the commercial and technical requirements of the business and the professional requirements of employees in equal measure. They apply either to all group entities (groupwide agreements) or all operations of one entity (company-wide agreements), or only to individual sites (local company agreements). To facilitate the implementation of HR-strategy-related decisions in the DZ BANK Group, a common remuneration strategy (see chapter VII.3.2.4) and, across most of the DZ BANK Group, an employer branding strategy and an HR strategy have been put in place. The latter applies to employees and potential applicants. These were signed off by the highest decision-making and coordinating committee.

The **HR strategy** is built on 10 pillars: recruitment and employee retention, modern working and flexibility, leadership, digitalization, social responsibility, strategic HR planning, talent and succession management, cost and resource management, HR-relevant regulatory and statutory requirements, and collaboration with workers' representatives. Decisions regarding HR strategy in the DZ BANK Group's management units are made by the members of the Boards of Managing Directors responsible for HR on the GHRC (see chapter VII.1.3). The HR managers of the management units meet four to six times a year in the HR managers' committee to share their experiences.

An **employer branding strategy** has been adopted to ensure that the group remains an attractive and competitive employer. Its purpose is to position the DZ BANK Group's main management units as employers, recruit and retain the right employees over the long term, and safeguard the group's future viability. The strategy's content and action plan are regularly monitored by the GHRC, which meets twice a year.

The DZ BANK Group must protect its data in accordance with the statutory requirements. The **data protection standards** of the DZ BANK Group apply to all group entities and reflect the data protection principles enshrined in article 5 of the General Data Protection Regulation (GDPR): lawfulness, fairness, and transparency; purpose limitation; data minimization; accuracy; storage limitation; integrity and confidentiality. Where mandatory under data protection requirements, all group entities have appointed data protection officers who are responsible for the organizational aspects of data protection. These data protection officers are not bound by instructions regarding the exercise of their tasks, in line with the requirements of the GDPR. They are a point of contact for employees when needed.

These policies are directly linked to the material topics of working conditions, equal treatment and non-discrimination, and other labor rights, plus the related IROs.

Actions relating to the HR strategy

HR marketing actions include ongoing **communication measures** and campaigns in the form of advertising that are used to implement the HR strategy and position the employer brand in the external labor market. For example, an advertising campaign on social media platform TikTok was launched in 2023 in order to reach Generation Z and attract young talent. It is also used for recruitment purposes. The **careers website** (www.karriere.dzbankgruppe.de) offers applicants the latest information about the individual entities and access to their respective job boards. The jobs on offer cover all areas of banking and financial services, are listed by entity, and are targeted at school leavers, students, career starters, and experienced professionals. The careers website supports the implementation of the employer branding strategy and aims to attract young talent and professionals as potential applicants.

The implementation of the employer branding strategy and the actions for attracting employees are supported by the intragroup initiative **'Employees recruit employees and young talent'.** DZ BANK Group employees can help the DZ BANK Group entities with recruitment by recommending potential candidates from their personal networks for vacant positions in the group. If a new recruit is hired based on such a referral, the employee who made the recommendation is awarded a cash bonus of €1,000 gross. The DZ BANK Group's management units participate in this program on an ongoing basis to attract young talent and professionals.

Also part of the HR strategy are **career scouts**, who advise employees on career opportunities in the DZ BANK Group's management units. The annual, groupwide virtual **career scout talk** was offered again in 2024. Like the annual **career scout day**, the career scout talks promote an understanding among all group employees of the particular features of other group entities, encourage a greater depth of professional dialogue, and aim to strengthen employee loyalty. This action supports the implementation of the HR strategy.

The employees in all group entities receive regular mandatory training on current data protection law, with the aim of enshrining the principles of data protection and ensuring compliance with statutory data protection requirements. This also applies to people who have access to employees' personal data owing to their role (e.g. in HR departments) and to managers. DZ PRIVATBANK, Reisebank, TeamBank, VR Smart Finanz, and VR Payment all provide **mandatory data protection training** for all employees annually. These mandatory training sessions are provided every 2 years at BSH, DZ BANK, UMH, R+V, VR Equitypartner, and VR Factoring GmbH. DZ HYP requires its employees to take part in an online data protection training course when they join the company, and every 2 years thereafter.

Processes and channels relating to employees

The DZ BANK Group entities use a wide range of channels to canvass the views of their workforce and factor them into decisions and activities. **Employee surveys** are generally carried out every one to 3 years and use standardized questions to establish employee satisfaction and loyalty, among other things.

DZ BANK carries out the **PulsCheck employee survey** ('pulse check') every year. It includes questions on strategy, culture, and satisfaction, plus additional focus topics. Sustainability and diversity, for example, were added as topics in 2021 and 2022 respectively with the aim of monitoring awareness, approaches, and activities. The survey results are published on the intranet in aggregated form and communicated by managers to their departments. Furthermore, a survey on leadership is carried out every two years that allows employees to give their line manager feedback via an anonymous, standardized questionnaire.

DZ PRIVATBANK conducts an employee survey every two years and also obtains feedback on managers. It is collected every 3 months in the context of information from the Board of Managing Directors and during events for new employees. At TeamBank, feedback on managers is collected as part of the annual pulse check. In addition to the regular employee survey, R+V and VR Equitypartner obtain further employee feedback via ad hoc pulse checks. VR Payment also carries out its own internal employee surveys, plus additional pulse checks that are conducted every six weeks and look at respect, stress levels, and motivation. Individual departments also carry out pulse checks at three-month intervals regarding agile values, agile principles, and agile working methods. VR Smart Finanz conducts an annual employee survey and carries out pulse checks throughout the year to monitor employee satisfaction and motivation levels and ascertain how employees view the workload. UMH also carries out ad hoc surveys on specific topics, as well as regular surveys of all employees on managerial style and corporate culture.

Metrics relating to the HR strategy

The entities in the DZ BANK Group employed a total of 38,199 employees as at the reporting date (see Fig. VII.23).

Fig. VII.23 shows the number of employees in the DZ BANK Group in the reporting year as at the reporting date. The data was presented as a headcount. The average number of employees during the reporting year was determined by adding up the number of people at the end of each month and dividing the total by 12.

The average number of employees can be found in note 105 (employees) in the consolidated financial statements.

FIG. VII.23: NUMBER OF EMPLOYEES IN THE DZ BANK GROUP, BY GENDER (AS AT DECEMBER 31)

Gender	Number of employees
Male	21,028
Female	17,171
Non-binary	-
Total	**38,199**

Fig. VII.24 lists the DZ BANK Group sites with 50 or more employees and representing at least 10 percent of the total number of employees. This data is based on the country in which an employee is employed. The number of employees by site was determined as at the reporting date and reported as a headcount.

FIG. VII.24: NUMBER OF EMPLOYEES IN THE DZ BANK GROUP, BY COUNTRY (AS AT DECEMBER 31)

Country	2024
Germany	35,729

Of the total of 38,199 employees in the reporting year, 94.3 percent had a permanent employment contract and 5.7 percent had a temporary employment contract. One employee available on-demand worked in the DZ BANK Group entities in 2024. Full-time employment equates to 100 percent of the agreed (collectively negotiated) number of full-time working hours (regardless of whether a 35-hour, 37-hour, or 42-hour work has been agreed, for example). If the number of hours worked is different from the agreed (collectively negotiated) number of full-time working hours, this constitutes part-time employment.

Fig. VII.25 shows the number of employees by contract type and gender as at the reporting date and reported as a headcount. The contract types are split into temporary employees, permanent employees, and employees available on demand. The headcount is also split into full-time and part-time employees.

FIG. VII.25: NUMBER OF EMPLOYEES IN THE DZ BANK GROUP, BY CONTRACT TYPE AND GENDER (AS AT DECEMBER 31)

	Female	Male	Non-binary	Total
Employees	17,171	21,028	-	38,199
Permanent employees	16,156	19,858	-	36,014
Temporary employees	1,015	1,169	-	2,184
Employees available on demand	-	1	-	1
Full-time employees	10,646	19,692	-	30,338
Part-time employees	6,525	1,336	-	7,861

Fig. VII.26 shows the number of employees in the DZ BANK Group by contract type and country. The DZ BANK Group sites with 50 or more employees, and representing at least 10 percent of the total number of employees, are located in Germany.

FIG. VII.26: NUMBER OF EMPLOYEES IN THE DZ BANK GROUP, BY CONTRACT TYPE AND COUNTRY (AS AT DECEMBER 31)

	Germany
Employees	35,729
Permanent employees	33,640
Temporary employees	2,088
Employees available on demand	1
Full-time employees	28,391
Part-time employees	7,338

Staff turnover in the DZ BANK Group was 7.0 percent in 2024. To calculate this, the total number of leavers due to dismissal by the employer, termination by the employee, termination by mutual consent, end of contract, age (retirement, early retirement), permanent or temporary incapacity to work, or death was determined for the reporting year and divided by the average number of employees during the reporting year.

Metrics relating to employees

No cases of non-respect of the UN Guiding Principles on Business and Human Rights, the Declaration of the International Labour Organization (ILO) on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises that involve employees were reported during the reporting period.

3.2.2 Employee development (S1-1, S1-4, S1-5, S1-13)

Targets relating to employee development

To date, no measurable, outcome-oriented targets have been implemented in the DZ BANK Group for tracking the effectiveness of policies and actions related to training and CPD for employees.

Policies relating to employee development

CPD enables employees to regularly and systematically maintain, adapt, and expand their skills in a changing working environment. It also helps to safeguard and develop employees’ career prospects, integrate employees after career breaks (e.g. parental leave, volunteering), and manage technical and organizational changes in the group entities. All group entities have put in place defined processes and **policies for employee development and training.** The individual entities have set out the related parameters either in company agreements or similar internal regulations, which all employees are familiar with and have access to.

Company agreements on continuing professional development are in place at DZ BANK and TeamBank. These safeguard and develop the career prospects of employees, and support the integration of employees after career breaks and the technical and organizational transformation of the respective group entity. The company agreements on continuing professional development aim to ensure that training meets the commercial and technical needs of the entity and the professional interests of the employees. BSH and UMH also have **management guidelines** in place that promote CPD and individual skills training for employees. The implementation of the company agreements is the responsibility of the Board of Managing Directors of each group entity, and is monitored by the respective HR divisions and workers' representatives.

These policies are directly linked to the material topic of equal treatment / non-discrimination, plus the related IROs.

Actions relating to employee development

In the course of implementing the company agreements or similar regulations on continuing professional development, most of the entities in the DZ BANK Group support high-potential employees and managers with a range of development measures on an ongoing basis. Systematic talent management is designed to prepare employees for taking on demanding tasks. Key activities for implementing the actions within the group entities involve regular reminders of the formats in order to boost take-up.

The **Corporate Campus** brings together the latest material training and professional development offerings for managers in the DZ BANK Group. Since 2021, the two target groups – the 200 or so senior managers of the DZ BANK Group and the 600 or so managers at DZ BANK – have been able to access a variety of learning and discussion events under the banner 'leading, connecting, developing'.

Irrespective of their gender or job profile, all employees and managers at the German sites in most of the DZ BANK Group entities are entitled to structured feedback and/or a development meeting with their direct line manager every year. The assessment criteria for **performance and career development reviews**, including relevant guidelines, are known to all participants and managed by the respective HR departments. The reviews, which should be documented by employees and line managers together, boost motivation by setting attainable targets, for example, and provide a platform for meaningful dialogue between employees and line managers.

Under the annual **reverse mentoring program** of DZ BANK and R+V, managers pair up with young employees to learn more about Generation Z and about using social media, digital platforms, and collaborative tools.

DZ BANK's annual **development program for high-potential employees (PFP+)** facilitates both vertical and horizontal development paths, encourages participants to spend time in different parts of the business, and establishes alternatives to the conventional management career path. BSH generally offers annual **staff development programs** for young professionals, future managers, newly promoted managers, and heads of department.

In the reporting year, VR Smart Finanz implemented two **career programs** 'Führungspotenzial' (management potential) and 'Fachkarriere' (specialist career) designed to nurture employees' potential. The career programs are offered as ongoing CPD options.

In 2024, TeamBank began supporting its employees' personal development using a **feedback format in which employees can review the year.** The annual review is a tool for assessing the skills of employees and managers. The assessment covers professional and personal aspects. Work-related feedback between line manager and employee, as well as between employees, can also be given at any time in a face-to-face meeting.

TeamBank also runs an ongoing **workshop format** for its employees' personal and professional development entitled 'Spotlight Du' (putting you in the spotlight). The format focuses on examining employees' strengths and values in order to support their career development and is offered as a two-day workshop or as an ongoing course of two-hour development dialogues.

TeamBank established a **reflections box** in 2022. It allows employees to reflect independently (or with the support of a mentor) on their development or on challenges at work on an ongoing basis, and is open to all employees.

In 2023, BSH adopted a new **HR management strategy**, which also contributes to employee development. Among other things, it specifically shines a light on opportunities for development. Existing CPD programs were revised and refined, for example through best-practice development paths, which were communicated via the intranet in 2024.

In addition to the offerings of the Corporate Campus, R+V launched regular **Leadership Camps** in 2022 that every manager at R+V – from the Board of Managing Directors to the heads of group in the inhouse and field sales forces – attends in order to support R+V's transformation and further entrench a progressive culture of leadership and collaboration. The Leadership Camps support the implementation of leadership and collaboration principles at R+V.

In addition to the Corporate Campus, DZ PRIVATBANK supports the development of future managers through the annual **manager development program**. Under this program, young managers and high-potential employees acquire the knowledge that they will need to meet the requirements that will be faced by the managers of the future.

To ensure compliance with policies, actions in the context of CPD include the **internal training and development opportunities** that all entities in the DZ BANK Group offer to their employees. CPD activities are offered on an ongoing basis. To ensure that all individual training targets defined in accordance with the needs of the entities and the focus of their HR strategies can be achieved, all group entities offer CPD to all employee groups and keep a record of the number of CPD days for all their employees. In most cases, the training courses are routinely selected according to departmental requirements and evaluated, which includes looking at participants' feedback. In most of the group entities, the findings are communicated via the HR departments to the relevant Boards of Managing Directors and disclosed as an aggregated metric (number of employees who would recommend taking part) in HR reports and the human resources report.

The **video-based learning platform Masterplan** helps employees to keep on improving their digital skills. The platform is used by most of the banking group and, from the perspective of the aforementioned group entities, caters to the general trend for needs-based learning. DZ BANK employees in Germany and internationally can choose between voluntary courses offered as part of the inhouse CPD program, division-specific training, and individual external courses. In addition, DZ BANK Group employees can take part in classroom-based training from DZ BANK's internal CPD program (open program).

DZ BANK uses an **online survey to gather feedbac**k on internal training. The number of employees who would recommend taking part is very high at over 90 percent.

All management units also support employees' **continuing professional development outside of working hours.**

Metrics relating to employee development

In the reporting year, 69.0 percent of employees in the DZ BANK Group's management units took part in an annual performance and career development review. To calculate the percentage, the number of employees who took part in a regular performance and career review during the reporting year was divided by the average number of employees during the reporting year.

The average number of training hours per employee was 28.4 in 2024. This figure was calculated by dividing the employees' total training hours by the average number of employees during the year. The training data relevant to the training hours statistics includes the proportion of internal training that supports the continuing professional development of the DZ BANK Group's workforce to ensure the future viability of the group. This refers to training through which employees are reskilled and/or acquire new knowledge and abilities so that they can perform a different job in the company. It also refers to training through which knowledge and abilities in specific areas are upgraded using new technologies and approaches (upskilling). The training delivered as part of the company's skills retention activities (such as language training, leadership and management development) was also factored in. Furthermore, both time-specific training (e.g. internal or external classroom-based training) and non-time-specific training (e.g. learning platform content, e-learning) were included. The number of minutes documented in the system is used to measure training time, though this may differ from the actual time spent on training. All training completed in 2024 up to the reporting date was included in the calculation, with the exception of mandatory training courses, which were excluded. Furthermore, vocational education and training and similar full-time programs were not included as continuing professional development. We make use of the phase-in option with regard to the requirement to provide a gender breakdown.

3.2.3 Diversity, equal opportunities, and work-life balance (S1-1, S1-4, S1-5, S1-9, S1-12, S1-15)

Targets relating to diversity

The diversity target for most of the entities in the DZ BANK Group is to increase the **proportion of women at Board of Managing Directors level** to 30 percent by 2030 and maintain it at that level. This target supports the implementation of the DZ BANK Group's HR strategy.

In addition, the **German Act on the Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors (FüPoG)[26]** requires companies with more than 500 employees to set binding targets for the supervisory board, the board of managing directors, and the first and second levels of management (heads of division and heads of department) and to publish these targets in the management report. The act applies to most of the management units. In this context, increasing the proportion of women at the management levels and on the Boards of Managing Directors and Supervisory Boards has been defined as a target in connection with the implementation of the Second Act on the Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors (FüPoG II)[27].

Fig. VII.27 below shows the **target values** by entity for the **Supervisory Board and the Board of Managing Directors** in accordance with the requirements of FüPoG II. VR Equitypartner, VR Factoring GmbH, and VR Payment are not included as they do not fall within the scope of FüPoG II.

[26] In the version of the official announcement on April 30, 2015 (BGBl. I p. 642), effective date May 1, 2015.
[27] In the version of the official announcement on August 11, 2021 (BGBl. I p. 3311), effective date August 12, 2021.

FIG. VII.27: TARGET VALUES BY ENTITY FOR THE PROPORTION OF WOMEN ON THE SUPERVISORY BOARD AND THE BOARD OF MANAGING DIRECTORS IN ACCORDANCE WITH FÜPOG II

Group entity	Supervisory Board Target	Board of Managing Directors Target
DZ BANK	25,0% (31.12.2027)	25,0% (31.12.2027)
BSH	30,0% (31.10.2026)	25,0% (31.10.2026)
DZ HYP	22,0% (30.06.2028)	33,0% (30.06.2028)
DZ PRIVATBANK[1]	-	25,0% (01.01.2029)
Reisebank	16,7% (31.12.2026)	30,0% (31.12.2026)
R+V Versicherung AG	25,0% (30.06.2027)	25,0% (30.06.2027)
R+V Allgemeine Versicherung AG	18,8% (30.06.2027)	20,0% (30.06.2027)
R+V Lebensversicherung AG	25,0% (30.06.2027)	40,0% (30.06.2027)
TeamBank	16,0% (30.06.2025)	25,0% (30.06.2025)
Union Asset Management Holding AG[2]	26,7% (31.12.2026)	20,0% (31.12.2026)
Union Investment Privatfonds GmbH	16,6% (31.12.2026)	0,0% (31.12.2026)[3]
VR Smart Finanz[1]	20,0% (31.12.2024)	50,0% (31.12.2024)

[1] Does not fall within the scope of FüPoG I and II, but voluntary target values defined.
[2] Going beyond FüPoG, UMH included a target in its diversity & inclusion strategy to increase the proportion of women in leadership positions across all hierarchy levels (excluding Quoniam Asset Management GmbH and Zentral Boden Immobilien Group) to 30.0 percent by 2030.
[3] With regard to the composition of the Board of Managing Directors at the time the target was set, it was assumed that a higher proportion of women on the Board of Managing Directors could not be achieved by the target date due to a lack of relevant vacancies; the actual figure was 25.0 percent as at December 31, 2024.

The **targets** for **heads of division (1st management level below Board of Managing Directors) and heads of department (2nd management level below Board of Managing Directors)** for the entities that fall within the scope of FüPoG II are listed below in Fig. VII.28. The **targets** and **actual values** for heads of division and heads of department, and for **team leaders / group leaders (3rd management level below Board of Managing Directors)**, are also listed for selected group entities on a voluntary basis.

FIG. VII.28: PROPORTION OF WOMEN IN THE DZ BANK GROUP BY ENTITY AND MANAGEMENT LEVEL BASED ON FÜPOG I/II (DECEMBER 31)

Group entity	Head of division (1st management level below Board of Managing Directors) Target	Head of division (1st management level below Board of Managing Directors) Actual value	Head of department (2nd management level below Board of Managing Directors) Target	Head of department (2nd management level below Board of Managing Directors) Actual value	Team leader / group leader (3rd management level below Board of Managing Directors) Target	Team leader / group leader (3rd management level below Board of Managing Directors) Actual value
DZ BANK	15,0% (31.12.2026)	17.6%	21,0% (31.12.2026)	16.7%	-	28.8%
BSH	15,0% (31.12.2027)	16.0%	20,0% (31.12.2027)	13.6%	-	32.5%
DZ HYP	25,0% (31.10.2026)	12.5%	25,0% (31.10.2026)	20.6%	-	15.0%
DZ PRIVATBANK[1]	-	18.5%	-	9.3%	-	22.4%
Reisebank[2]	30,0% (31.12.2026)	20.0%	30,0% (31.12.2026)	32.7%	-	-

	Head of division (1st management level below Board of Managing Directors)	Head of division (1st management level below Board of Managing Directors)	Head of department (2nd management level below Board of Managing Directors)	Head of department (2nd management level below Board of Managing Directors)	Team leader / group leader (3rd management level below Board of Managing Directors)	Team leader / group leader (3rd management level below Board of Managing Directors)
R+V	20,0% (30.06.2027)	18.8%	25,0% (30.06.2027)	24.3%	30,0% (30.06.2027)	28.9%
TeamBank	20,0% (30.06.2026)	10.5%	30,0% (30.06.2026)	33.8%	45,0% (30.06.2026)	57.1%
Union Asset Management Holding AG[3]	25,0% (31.12.2026)	33,3%	7,1% (31.12.2026)	0.0%	-	30.6%
Union Investment Privatfonds GmbH[4]	11,8% (31.12.2026)	18.2%	12,1% (31.12.2026)	9.7%	-	-
VR Equitypartner[1,5]	-	14.3%	-	-	-	-
VR Factoring GmbH[1]	-	-	-	-	-	-
VR Payment[1]	-	20.0%	-	30.0%	-	40.0%
VR Smart Finanz[1,6]	30,0% (31.12.2024)	28.3%	30,0% (31.12.2024)	28.3%	-	-

[1] Not within the scope of FüPoG I and II.
[2] Reisebank: 1st management level below Board of Managing Directors equivalent to head of division and head of central services; 2nd management level below Board of Managing Directors equivalent to head of department/region and team leader; no target for 3rd management level below Board of Managing Directors.
[3] Going beyond FüPoG, UMH included a target in its diversity & inclusion strategy to increase the proportion of women in leadership positions across all hierarchy levels (excluding Quoniam Asset Management GmbH and Zentral Boden Immobilien Group) to 30.0 percent by 2030.
[4] Union Investment Privatfonds GmbH: 1st management level below Board of Managing Directors equivalent to head of department; 2nd management level below Board of Managing Directors equivalent to group leader; no target for 3rd management level below Board of Managing Directors.
[5] Based on a proportion of 20 percent in accordance with the EU Level 20 initiative.
[6] VR Smart Finanz: cumulative values for 1st and 2nd management levels; no target for 3rd management level below Board of Managing Directors.

All of these targets are directly linked to the material topics of working conditions and equal treatment / non-discrimination, plus the related IROs. These metrics are not validated by an external body.

Policies relating to diversity

Independently of statutory provisions such as FüPoG[28], the management units' Boards of Managing Directors signed a **letter of intent** in 2011 in which they committed to actively support women in their career development, to give them the same pay and conditions as men in comparable positions, and to treat them equally when selecting managers with the aim of achieving a gender balance. The letter of intent is the basis for the management units' diversity policies and actions. It was approved by the GHRC and is regularly monitored by the committee in the context of the aforementioned policies and actions. The management units' most senior management level is responsible for its implementation.

The management units, including Reisebank, also signed Germany's **Diversity Charter** between September 2010 and September 2013. The Diversity Charter is a voluntary commitment published in 2006 and a non-profit organization that encourages organizations to create a working environment that is free from prejudice. DZ PRIVATBANK signed Luxembourg's equivalent, the Charte de la Diversité, in May 2024 and the Women in Finance Charter in February 2023.

DZ BANK, DZ HYP, DZ PRIVATBANK, TeamBank, and R+V have each introduced **diversity policies**. The Board of Managing Directors of each entity is responsible for implementation. These policies are aimed at creating a working culture in each entity in which all employees are treated equally, strengthening gender diversity at all management levels, and establishing a balanced and inclusive working environment. The employee structure and demographics at DZ BANK are determined every quarter and form an integral part of the HR division's

[28] In the version of the official announcement on April 30, 2015 (BGBl. I p. 642), effective date May 1, 2015.

management report. This data is used to monitor progress with gender diversity in relation to the proportion of women in leadership positions.

In 2023, UMH signed off its comprehensive diversity & inclusion strategy, which was developed by the Diversity Council. All segments, divisions, and support functions are represented on this council in order to reflect a wide range of perspectives.

Not discriminating against people on the basis of their age, gender, ethnic origin, nationality, religion, political opinion, ideology, race, disability, or sexual identity is a core principle in the DZ BANK Group and part of its human rights-related due diligence obligations. Furthermore, the entities of the DZ BANK Group do not tolerate any form of verbal, physical, or sexual harassment of employees or third parties. The DZ BANK Group's management units are committed to the principles of equal treatment and equal opportunities in their **human rights guideline**.

With regard to temporary workers, all group entities in Germany take the provisions of **collective pay agreements** into account. They also comply with the principle of equal treatment in the German Labor Leasing Act (AÜG, section 8). The implementation into national law of Directive 2008/104/EC on temporary agency work applies in those EU member states and European Economic Area (EEA) countries in which the DZ BANK Group entities are located. Among other things, the Directive defines the principle of non-discrimination between temporary workers and employees within a company.

These policies are directly linked to the material topics of working conditions and equal treatment / non-discrimination, plus the related IROs.

Actions relating to diversity

To implement the policies, most entities in the DZ BANK Group offer annual **training on the German General Equal Treatment Act (AGG),** or similar national protective provisions within the EEA, to all employees and managers. Training is mandatory for managers at DZ BANK. In all group entities, breaches of AGG can be reported anonymously using the relevant whistleblowing system or to an ombudsperson.

DZ BANK offers its employees the **'Unconscious bias' e-learning program** and a classroom-based course entitled **'Female leadership – ready for the next step'** on an ongoing basis. The list of internal CPD courses allows DZ BANK employees to select courses from a range of focus topics, such as 'Diversity and critical communications', 'Cultural diversity', and 'Queerness at DZ BANK AG' in the DZ BANK channel on the Masterplan platform (see chapter VII.3.2.2). DZ BANK's CPD offering is also open to VR Equitypartner employees. Equal opportunities are enshrined in DZ BANK's corporate culture (see chapter VII.1.3). The dialogues arranged by DZ BANK in the different areas of board responsibility during the year boost equal opportunities by supporting transparency about the personnel and demographic structure. They also facilitate the identification of talented individuals and the transparent sharing of information about them.

DZ PRIVATBANK took further action inhouse in order to implement its diversity policy and boost diversity. It has also established a **roundtable** aimed at increasing the proportion of female managers. The roundtable enables female managers and high-potential female employees to network and discuss the latest topics, such as career development for women and work-life balance. The roundtable is held several times a year.

In order to implement its diversity strategy, R+V encourages discussion and awareness of diversity in its workforce through its **diversity network**. The purpose of the diversity network is to operationalize the diversity strategy in order to increase understanding of diversity matters, promote a more inclusive corporate culture, and expand opportunities for career development. The diversity network was established in 2021 and has been meeting every quarter since.

At TeamBank, the implementation of the diversity policy includes actions relating to recruitment, pay, training and CPD, and **equal opportunities** for different genders at management level. Furthermore, employee activities are held as part of the annual **Diversity Day**. As a signatory to the Diversity Charter, TeamBank organized activities such as offering a selection of dishes from around the world in the cafeteria and running a diversity quiz to mark the 12th German Diversity Day in 2024. Every year, the bank takes part in Girls' Day in order to get girls and young women interested in IT, science, and technology. The aim is to awaken their curiosity, break down barriers, boost their confidence in their skills, and enable them to test their abilities in practice by bringing them face to face with technology.

In the course of implementing its diversity & inclusion strategy, and to raise awareness of diversity, UMH takes targeted, ongoing action such as running **workshops on unconscious bias**, posting **inclusive job advertisements**, and maintaining **diversity networks**.

VR Equitypartner avoids any gender forms in its German-language documents and only uses the generic masculine form when referring to people generally and for gendered nouns in its German-language communications. In doing so, it follows the recommendations of the Rat für deutsche Rechtschreibung (RdR) [Council for German Orthography] of the Kultusministerkonferenz [Standing Conference of the Ministers of Education and Cultural Affairs]. The marketing division produces and carries out quality checks on VR Equitypartner's fundamental procedural instructions and communications to ensure that the inhouse requirements are satisfied.

Metrics relating to diversity

The number of employees at the top management level of the DZ BANK Group is broken down by gender in Fig. VII.29. To calculate the percentage share, the number of employees of each gender at the top management level as at the reporting date was divided by the total number of employees of each gender as at the reporting date. The top management level is the first management level below governing bodies such as the Board of Managing Directors, so heads of division and director-generals would, for example, belong to the top management level, unless they are themselves deemed a governing body. The second management level includes heads of department, for example, and is not part of the top management level. The figures are presented as a headcount and as a percentage. The proportion of women at the top management level was 17.4 percent in 2024.

FIG. VII.29: GENDER DISTRIBUTION AT THE TOP MANAGEMENT LEVEL IN THE DZ BANK GROUP (AS AT DECEMBER 31)

	Headcount	Percentage
Men	204	82.6%
Women	43	17.4%
Non-binary	-	0.0%

Fig. VII.30 shows the percentage shares for the age structure of the DZ BANK Group's workforce, broken down by employees under the age of 30, between 30 and 50, and over 50. The figures are presented as a percentage. To calculate this, the number of employees in each age group as at the reporting date was divided by the total number of employees as at the reporting date.

FIG. VII.30: AGE STRUCTURE OF THE DZ BANK GROUP (AS AT DECEMBER 31)

	Percentage
Age group: under 30	13.9%
Age group: 30–50	50.3%
Age group: over 50	35.8%

Targets relating to equal opportunities

To date, no measurable, outcome-oriented targets have been implemented for tracking the effectiveness of policies and actions related to the permanent integration of people with disabilities. All group entities located in Germany aim to meet the minimum statutory level of 5 percent.

Policies relating to equal opportunities

The permanent integration of people with disabilities in all divisions and at all offices of the DZ BANK Group is an aim of the various entities' corporate policies. Most management units enshrined this in a **groupwide inclusion agreement** at the end of 2022. The participating entities undertake to ensure that, given the ongoing changes in the world of work, people with severe disabilities are offered opportunities to fulfill and develop their potential and do not view impairments resulting from severe disability as a limitation. The inclusion agreement is designed to eliminate discrimination and foster equal opportunities, diversity, and inclusion. Its aims include meeting the statutory employment quota, offering skills training, and ensuring accessibility in offices, particularly when constructing or renovating premises.

DZ BANK and BSH have an **integration agreement** in place that, like the DZ BANK Group's inclusion agreement, aims to eliminate discrimination and foster equal opportunities, diversity, and inclusion. The integration agreement is intended to support the integration, within what is operationally feasible, of people with severe disabilities. It is the vehicle through which the rights and obligations of the employer, the representative committee for employees with severe disabilities, the works council, and the employees with severe disabilities, as defined by the German Severely Disabled Persons Act, are enforced. The implementation of the integration agreements is the responsibility of the Board of Managing Directors of the individual group entity, and is monitored by the respective HR divisions.

Both policies are directly linked to the material topics of working conditions and equal treatment / non-discrimination, plus the related IROs.

Actions relating to equal opportunities

Representative committees for employees with severe disabilities have been established within most of the DZ BANK Group at local, company-wide, and groupwide level. Their task is to look after the interests of people with severe disabilities at the time of recruitment, for the duration of the employment relationship and, where applicable, when the employment contract ends. For example, they advise on workplace set-up, making sure that any required special equipment is provided. If disciplinary action is taken, the representative committee for employees with severe disabilities and the workers' representatives have a special protective function, for example during consultations on dismissals.

The role of group inclusion officer was established in the course of implementing the groupwide inclusion agreement. This action is ongoing in most management units.

Metrics relating to equal opportunities

The ratio of people with disabilities in the DZ BANK Group was 3.7. To calculate this ratio, the number of employees with a certified degree of disability of 50 or above and people with a certified degree of disability of 20 or above whose disability is officially recognized as being equal to a severe disability as at the reporting date was divided by the total number of employees as at the reporting date. The definition of people with disabilities set out in section 2 (1) of the German Social Code (SGB IX) is binding in Germany. Sites outside Germany with 20 or more employees used local statutory definitions for people with disabilities.

Targets relating to work-life balance

To date, no measurable, outcome-oriented targets have been implemented for tracking the effectiveness of policies and actions related to improving work-life balance.

Policies relating to work-life balance

Most of the entities in the DZ BANK Group support a better work-life balance by offering flexible working hours, part-time models, remote working, semi-retirement, and sabbatical leave. These options are governed by **internal agreements** in most of the group entities. Rules for remote working have been established in the management units and in some cases include new workspace and leadership concepts.

Numerous local company agreements are in place in the DZ BANK Group to support a better work-life balance. These allow employees to decide, in consultation with colleagues and managers, and in accordance with the interests of the respective group entity, when and how to work their hours. **Company agreements on working time** that regulate flexible working hours and life planning are in place at DZ BANK, UMH, BSH, and VR Smart Finanz. The company agreements cover topics such as flexible working hours, part-time models, semi-retirement, sabbatical leave, and additional leave that enable employees to take time off when they need to. **Remote working** is regulated in **company agreements** at DZ BANK, BSH, VR Smart Finanz, and TeamBank. The company agreements provide the general parameters for remote working, such as availability, working hours, workplace design, and insurance cover. The implementation of the company agreements is the responsibility of the Board of Managing Directors of each group entity, and is monitored by the respective HR divisions and workers' representatives.

The law gives all DZ BANK Group employees at German sites the **right to take parental leave**. Each parent is entitled to take 3 years off work per child until the child reaches the age of eight. Employees in the collectively-negotiated (CN) wage sector who have been with certain DZ BANK Group entities for 5 years or more (regardless of their type of employment) are entitled to extend the statutory parental leave by 6 months, again until the child reaches the age of eight.

These policies are directly linked to the material topic of working conditions, plus the related IROs.

Actions relating to work-life balance

Voluntary additional benefits aimed at improving work-life balance form a permanent part of HR policy in the DZ BANK Group and support employees with the demands of everyday life. Most of the DZ BANK Group offers **employee benefits** such as childcare, emergency assistance, and special leave. In addition to **flexible working hours**, employees in most of the DZ BANK Group entities benefit from **flexible forms of work, semi-retirement, and sabbaticals.** These are an ongoing feature of the company agreements on working time.

DZ BANK employees, for example, **can arrange their working hours and breaks flexibly and can accumulate overtime.** Compensation for overtime is guaranteed by means of flexitime and can be converted into time off in lieu, for example. The actions under the company agreements on working time at VR Smart Finanz include **time balances, the reduction of time credits, and pay supplements.**

In accordance with the entity-specific rules on working time, employees and managers at DZ BANK, DZ PRIVATBANK, VR Smart Finanz, and TeamBank can also **gain additional annual leave through salary sacrifice**, for example. This option is offered on an ongoing basis. The possibility of switching from full-time to part-time is offered in all group entities on an ongoing basis, taking into account the entity-specific rules on working time.

As the reasons for taking longer breaks from work depend on the employee's specific circumstances, DZ BANK offers a **sabbatical** as a way of taking up to a year off work. BSH employees also have the option of taking a sabbatical, which is offered in implementation of the company agreement on working time. It comprises a leave phase and a work phase, for which the employee is paid a reduced salary throughout. Employees can also request to work part-time. This option is offered on an ongoing basis.

Under the respective company agreements on remote working, employees at DZ BANK, BSH, VR Smart Finanz, and TeamBank can meet the **obligations in their employment contract away from company premises**, giving them greater flexibility regarding work location and a better work-life balance.

Most of the group entities have agreed to undergo the **'berufundfamilie' (job and family) audit** at the specified intervals in implementation of the entity-specific agreements on working time. The participating entities also undertake to implement any action steps agreed during the audit by berufundfamilie Service GmbH. The process has multiple stages: After the initial audit, 2 further re-audits are scheduled every three years and are followed by the dialogue procedure. The aim of the process is to enable entities to become self-monitoring. There are 8 areas of action on which the targets and action steps are based: working hours, organization of work, work location, information and communication, leadership, professional development, remuneration elements and benefits in kind, and services for families.

All employees at DZ BANK, DZ HYP, DZ PRIVATBANK, R+V, TeamBank and UMH can access the nationwide **pme Familienservice** services. This is offered on an ongoing basis in implementation of the entity-specific agreements on working time and forms part of a broad selection of free support and advisory services. These can be short-term and temporary or permanent and regular, and include homecare/eldercare, advice for parents, childcare, and a concierge service that can help with running errands, etc. This flexibility helps to achieve a good work-life balance.

In 2022, BSH established a **women's network** and, in 2024, facilitated dialogue with employees who are parents by arranging breakfast sessions with the Board of Managing Directors. The women's networks are offered as ongoing platforms for dialogue aimed at promoting equal opportunities. Furthermore, BSH offers its employees the chance to take a break from work in order to bring up their children, a benefit that goes beyond the statutory and collectively negotiated arrangements. The terms and conditions are governed by the company agreement on working time. BSH allows employees who are carers to take 24 months of unpaid leave, and runs its own retirement home for former employees and their family members.

Metrics relating to work-life balance

In 2024, 100.0 percent of employees were entitled to take leave from work for family reasons. To calculate this, the number of employees that were entitled to take leave from work for family reasons under national law as at the reporting date was divided by the total number of employees as at the reporting date. Maternity leave and parental leave are examples of leave from work for family reasons. Fig. VII.31 provides a breakdown by gender of entitled employees who took leave from work for family reasons. To calculate this, the number of entitled employees who took leave from work for family reasons during the reporting year, broken down by gender, was divided by the number of entitled employees during the reporting year, broken down by gender.

FIG. VII.31: GENDER DISTRIBUTION OF EMPLOYEES TAKING LEAVE FROM WORK FOR FAMILY REASONS (FIGURE FOR THE YEAR)

	Percentage of entitled employees who took leave from work for family reasons
Male	3.8%
Female	7.9%
Non-binary	-

3.2.4 Remuneration, social protection, and workers' participation rights (S1-1, S1-4, S1-5, S1-8, S1-10, S1-11, S1-16)

Targets relating to remuneration

To date, no measurable, outcome-oriented targets have been implemented in the DZ BANK Group for tracking the effectiveness of policies and actions related to the remuneration process.

Policies relating to remuneration

The DZ BANK Group entities pride themselves on having good employer-employee relationships. This is expressed in fair, performance-based remuneration that is enshrined in guidelines at all entities. Most of the group entities apply the German Remuneration Regulation for Institutions (InstitutsVergV). Section 27 InstitutsVergV requires the senior management of the parent company to define a groupwide **remuneration strategy.** The Board of Managing Directors of DZ BANK must define a remuneration strategy both for DZ BANK and for the entities in the DZ BANK Group that implements the requirements of InstitutsVergV for the institutions in the DZ BANK Group. If a subordinated entity located outside Germany is subject to stricter statutory requirements than those that apply in Germany, the stricter requirements must be met. The DZ BANK Group's remuneration strategy sets out uniform rules for the groupwide management of remuneration that apply to the remuneration systems of the entities in the DZ BANK Group. This remuneration strategy does not apply to the R+V insurance group, as R+V is not covered by the group definition of the scope of consolidation for regulatory purposes as defined in InstitutsVergV. On the basis of this framework, each subordinated entity is obliged to document its subgroup's compliance with the agreed principles and to present this for inspection by DZ BANK. Decentralized decision-making powers are one of the features of the management approach taken within the DZ BANK Group. Systematic coordination between all entities in the DZ BANK Group is necessary to ensure compliance with InstitutsVergV and other remuneration-related regulatory requirements. Company-law provisions and local rules – especially in relation to the independence of the subsidiaries – are also taken into account. The remuneration strategy is reviewed and, if necessary, amended at least once a year.

The entities in the DZ BANK Group that are based in Germany comply with the **German Remuneration Transparency Act (EntgTranspG),** which was enacted to ensure equal pay for women and men doing equal or equivalent work. As the law requires companies to report every five years from 2018, the most recent report for DZ BANK was published with the 2022 management report.

In accordance with the remuneration strategy, remuneration is a material HR management tool for the DZ BANK Group. The aims of the DZ BANK Group's remuneration structure are to

– give each employee an incentive to contribute personally to the sustainable implementation of the strategic objectives of the DZ BANK Group and the individual divisions;
– award equal pay to all employees who are doing the same job, are of equal merit, and have the same level of experience, irrespective of gender, age, origin, or other characteristics;
– reward performance without encouraging employees to take unwanted risks;
– attract talented employees, motivate them, and encourage them to remain in the DZ BANK Group.

The remuneration policy is published on a consolidated basis each year in accordance with InstitutsVergV and the **EU Capital Requirements Regulation (CRR).** It is published for the entities to which the remuneration strategy applies. In accordance with the remuneration strategy, the remuneration of employees of the DZ BANK Group generally consists of a fixed element and a variable element. The level of fixed remuneration is determined by market conditions, the importance of the employee's role, and the employee's personal qualities. Depending on the remuneration system of the group entity, the level of variable remuneration reflects the employee's personal performance, the entity's success, and the success of the division in which the employee works. At the institutions in the DZ BANK Group, measures are in place to ensure that variable remuneration does not exceed fixed remuneration. A departure from this rule is permitted only in justified exceptional cases and requires a resolution to be adopted in accordance with section 25a (5) KWG. For employees in control units as defined in InstitutsVergV (such as Group Risk Controlling or Group Audit), the focus is on the fixed part of the remuneration.

These policies are directly linked to the material topic of working conditions, plus the related IROs.

Actions relating to remuneration

The actions taken to implement the remuneration strategy include not only adequate remuneration but also voluntary benefits that the entities in the DZ BANK Group offer in order to make them an attractive place to work and to promote a good work-life balance. In most of the DZ BANK Group entities, unpaid leave and flexible working hours with the option of flexitime or part-time models help employees to find the right work-life balance (see chapter VII.3.2.3). These are offered on an ongoing basis.

Employer-specific benefits such as long-service awards, subsidized travel cards, and travel subsidies are commonly offered by the group entities in implementation of the company agreements. The purpose of these actions is to enhance the attractiveness of the workplace.

In implementation of the remuneration strategy, the remuneration systems in most group entities require **annual target agreement and attainment reviews** to be held for all employees and managers in the NCN wage sector. Some group entities also carry out internal analysis every year as part of the salary processes in order to uncover and counter any discrimination at an early stage. The analysis looks at criteria such as age and period of service, as well as gender.

The workers' representatives at DZ BANK and TeamBank are informed of all pay rises in advance and are given the opportunity to **comment** if they suspect arbitrary decisions or discrimination. All DZ BANK employees have the right, on the basis of the information provided to them in accordance with EntgTranspG, to be given the reasons for their level of salary if they feel that, due to gender discrimination, their pay is unfair compared with that of employees of the opposite gender in an equal or equivalent role. They also have the right to a discussion with their manager on the adequacy of their salary and on the opportunities for salary increases.

Metrics relating to remuneration

The unadjusted gender pay gap is the difference between the average pay levels (gross hourly pay levels) of female and male employees, expressed as a percentage of the average gross hourly pay level of male employees. The gender pay gap thus reflects the difference between the average remuneration of men and women. The unadjusted gender pay gap in the DZ BANK Group is 20.8 percent.

Factors explaining salary differences are not included in the calculation of the unadjusted gender pay gap. For example, the unadjusted gender pay gap does not distinguish between employees in different roles or between employees with and without management responsibility. Such factors need to be included in order to ascertain whether men and women doing equal or equivalent work receive equal pay.

The calculation of the gender pay gap included all female and male employees except members of governing bodies, i.e. no members of the Supervisory Board or Board of Managing Directors, at all DZ BANK Group entities as at December 31, 2024. In addition to the basic salary and any variable remuneration, pay elements such as occupational pensions were taken into account. The average salary is calculated by dividing the annual total remuneration of male employees and of female employees by the number of hours worked by male and female employees respectively. The annual total remuneration and the number of hours worked are extrapolated for full-time employment.

The annual total remuneration ratio for the DZ BANK Group is 30.9. It is the ratio of the annual total remuneration of the highest paid person in the DZ BANK Group to the median income of the employees in the DZ BANK Group, in both cases on a full-time basis. The same group of people was used to calculate the total remuneration ratio as for the calculation of the gender pay gap. Both employees and members of the governing bodies of DZ BANK and other group entities were taken into account in defining the highest-paid person in the numerator of the total remuneration ratio. The median income in the denominator of the total remuneration ratio is the median annual total remuneration for all employees, excluding the highest paid person and excluding members of the governing bodies. The total remuneration ratio is calculated using the individual total remuneration data provided by the group entities.

DZ BANK and a number of other group entities operate in various countries. Rules on minimum wages are adhered to in countries with relevant legal provisions. In other countries, DZ BANK pays adequate wages in line with local customs.

If a country does not have a statutory or collectively negotiated minimum wage, DZ BANK sets an appropriate guide figure for wages in the DZ BANK Group. Trainees and interns were not included in the calculation.

Targets relating to social protection

No measurable, outcome-oriented targets have been implemented in the DZ BANK Group for tracking the effectiveness of policies and actions related to social protection.

Policies relating to social protection

With regard to temporary workers, all group entities in Germany take the provisions of collective pay agreements into account. They also comply with the principle of equal treatment in the German Labor Leasing Act (AÜG), which governs the supply of temporary workers by their employer/agency to third parties / temporary employers. Under the act, temporary workers are entitled to certain benefits, such as remuneration, vacation pay, Christmas bonuses, communal facilities, and company-owned childcare centers, even if the agency is their actual employer. This does not include occupational pension provision or discounts for employees. Where an entity is based in the EEA, the applicable national provisions on labor leasing apply.

This policy is directly linked to the material topic of equal treatment / non-discrimination, plus the related IROs.

Actions relating to social protection

As well as the **basic provision for old age and sickness enshrined in law** in Germany, the majority of the entities in the DZ BANK Group provide other **employee benefits** (see chapter VII.3.2.3), some of which are available at the sites abroad. In addition, all entities in the DZ BANK Group offer group accident insurance and an occupational pension scheme to their employees at their German sites. DZ BANK, for example, provides contingency benefits and a subsidy for childcare costs for employees in Germany who find themselves in an emergency through no fault of their own. Contingency benefits are granted in the event of extraordinary burdens due to illness or other misfortune, or where there is extreme pressure on an employee's financial circumstances.

Metrics relating to social protection

All employees at the DZ BANK Group's sites in Germany enjoy social protection in line with German legislation, along with additional benefits offered by the individual entities. Coverage at the German sites stands at 100.0 percent. There are no employees who do not enjoy social protection in respect of major life events, such as illness, unemployment, employment injuries and acquired disabilities, parental leave, and retirement, or in respect of disability.

Targets relating to workers' participation rights

No measurable, outcome-oriented targets have been implemented in the DZ BANK Group for tracking the effectiveness of policies and actions related to workers' participation rights.

Policies relating to workers' participation rights

For the DZ BANK Group's sites in Germany, **freedom of association, the right to collective bargaining, and the right to strike are enshrined in Germany's constitution** (German Constitution, article 9 (3)). Forming, joining, or being a member of a labor union must never be a reason for unjustified discrimination or retaliation. Most management units are also covered by the **German Works Council Constitution Act.** This act governs matters such as the collaboration between the employer and the works council. The DZ BANK Group believes that there is no risk to the right to freedom of association or collective bargaining at any of the DZ BANK Group's permanent establishments in the EEA.

As a minimum, the entities apply the **ILO fundamental conventions** at their sites outside Germany if the local statutory requirements are less strict or do not exist at all (see chapter VII.3.2.5). The fundamental conventions of the ILO apply in full to all employees in the DZ BANK Group. Accordingly, the DZ BANK Group recognizes the right of all employees to form labor unions and employee representative bodies on a democratic basis within the framework of national legislation.

The remuneration of employees covered by collective bargaining at DZ BANK is based on the prevailing version of the **framework collective agreement (MTV)** and the **collective pay agreement (VTV)** for the local cooperative banks and the cooperative central institution. The employees are banded into the pay groups defined in the collective pay agreement in accordance with the nature of their work and number of years in the role. This process considers the following criteria: skills and expertise, ability to communicate, and responsibility. Other collective pay agreements apply in most other group entities, such as the collective pay agreement for the private banking industry, the collective pay agreement for the insurance industry, the framework collective agreement for banks and building societies, a collective agreement for a specific bank, and the Luxembourg collective pay agreement for bank employees.

These agreements are directly linked to the material topics of working conditions and equal treatment / non-discrimination, plus the related IROs.

Actions relating to workers' participation rights

For the management units, the spectrum of workers' participation ranges from **works councils and central works councils** at local level through to the group works council and workers' participation within the Supervisory Board (see chapter VII.1.3). Due to the governance structure, it is not possible for employees to be involved directly; instead, they participate through the employee representative body. Employees can always contact the Board of Managing Directors directly via the employee representative body or express their opinion in employee surveys.

Most entities in the DZ BANK Group notify employees about current **collective pay bargaining** and **wage settlements** via the intranet, which is freely accessible to every employee, and implement the agreements reached. At the sites in Germany, the individual employee representative bodies also ensure that employees receive information about collective pay agreements.

Metrics relating to workers' participation rights

Within the EEA, 62.4 percent of employees in the DZ BANK Group were covered by collective agreements in 2024. Outside the EEA, 15.5 percent of employees in the DZ BANK Group were covered by collective agreements in 2024. To calculate this, the number of employees covered by collective agreements within and outside the EEA as at the reporting date, broken down by country, was divided by the total number of employees in each country as at the reporting date.

Within the EEA, 92.1 percent of employees in the DZ BANK Group were covered by employee representative bodies in 2024. To calculate this, the number of employees covered by employee representative bodies in the EEA as at the reporting date, broken down by country, was divided by the total number of employees in each country as at the reporting date. Fig. VII.32 shows the rate of coverage by employee representative bodies within and outside the EEA. No agreement exists in the DZ BANK Group for representation by a European Works Council, a Societas Europaea (SE) Works Council, or a Societas Cooperativa Europaea (SCE) Works Council.

FIG. VII.32: EMPLOYEE REPRESENTATION IN THE DZ BANK GROUP (AS AT DECEMBER 31)

	Collective bargaining coverage	Social dialogue
Coverage rate	**Employees – EEA**	**Workplace representation (EEA only)**
0 - 19 percent		
20 - 39 percent		
40 - 59 percent		
60 - 79 percent	Germany	
80 - 100 percent		Germany

3.2.5 Occupational health and safety (S1-1, S1-4, S1-5, S1-14)

Targets relating to occupational health and safety

No measurable, outcome-oriented targets have been implemented in the DZ BANK Group for tracking the effectiveness of policies and actions related to occupational health and safety. Employees of DZ BANK do not have jobs that put them at higher risk of illness or accident.

Policies relating to occupational health and safety

The entities in the DZ BANK Group provide safe workplaces for their employees to prevent accidents, damage to health, and illness. In Germany, occupational health and safety is governed by the **Health and Safety at Work Act (ArbSchG),** which is designed to protect employees from dangers and damage to health. Increasingly, occupational health and safety aims to prevent damage to mental as well as physical health. ArbSchG is binding for all employers and requires them to assess workplaces with regard to factors that represent a hazard. Furthermore, ArbSchG requires employers to take precautionary measures in hazardous work areas and provide health and safety training for employees.

As a minimum, the DZ BANK Group applies the **ILO fundamental conventions** regarding occupational health and safety if statutory requirements are less strict or do not exist at all.

BSH, DZ BANK, and VR Smart Finanz have implemented their own **guidelines or company agreements** aimed at **dealing with and preventing addiction.** Specifically, they set out to strengthen efforts to prevent addiction, offer help to addicts and those at risk of addiction as early as possible, and to counter substance abuse within the organization and thereby indirectly increase workplace safety. The respective member of the Board of Managing Directors with responsibility for Human Resources, the national or local works council, and the representative committee for employees with severe disabilities are responsible for implementing company agreements. Since guidelines are generally signed off and communicated to the workforce by the Board of Managing Directors, which is therefore also implicitly responsible for their implementation and monitoring.

Company agreements on **carrying our risk assessments** are in place at DZ BANK, BSH, R+V, UMH, and VR Smart Finanz. The respective member of the Board of Managing Directors, the local works council, and the representative committee for employees with severe disabilities are responsible for implementing company agreements. TeamBank carries out a risk assessment every 3 years using formal processes that are not additionally governed by a company agreement.

In accordance with the company agreements, assessments of physical and mental health risks are carried at all DZ BANK sites in Germany. The agreements define the process and how often they are carried out. Mental health risk assessments are aimed at identifying and evaluating possible health risks in the form of stressful working conditions and defining action to improve these working conditions. DZ BANK's mental health risk assessment is an ongoing process based on scientific research and guidelines and supported by an external service provider.

Company agreements on workplace design are in place at BSH, DZ BANK, DZ HYP, DZ PRIVATBANK, R+V, and VR Smart Finanz. The aim is to design office space in a way that meets requirements, encourages collaboration between employees, creates an attractive workplace, and maintains the health of employees. The works councils, the respective heads of department, and the Board of Managing Directors monitor compliance with company agreements and are responsible for their implementation.

These agreements are directly linked to the material topics of working conditions and equal treatment / non-discrimination, plus the related IROs.

Actions relating to occupational health and safety

As an action implementing the company agreements, the majority of the group entities have appointed **company doctors** and occupational safety specialists at their sites in Germany. They advise employees on health and safety in the workplace and check individual workstations regularly and on an ad hoc basis. They also carry out workplace inspections as part of formal processes, for example to identify poor ergonomics.

All employees, including heads of department, are represented on the official **employer-employee committee** for health and safety at work that exists in the main management units. The committee is made up of the occupational safety specialist, the company doctor, the social counseling service, and the representative committee for employees with severe disabilities, plus someone from the HR division to represent the employer. It meets once a quarter or four times a year, as stipulated in section 11 of the German Act on Occupational Physicians, Safety Engineers and Other Occupational Safety Specialists (ASiG). Reisebank, VR Equitypartner, and VR Payment have similar committees in accordance with section 11 ASiG. The committee discusses matters relating to health and safety and the prevention of accidents in order to rectify any failings or take preventive action.

The majority of entities have also established **independent social counseling services** that provide ongoing support and help employees and managers to deal with psychological stress, for example by providing training on how to prevent such stress in the workplace. All employees returning to work after a lengthy period of illness receive assistance via the company return-to-work and disability management program at all sites in Germany. Implementing such a program has been a legal requirement for employers in Germany since May 1,

2004. It helps employees who have been unable to work for a period longer than 6 weeks, or are repeatedly unable to work, to re-enter working life as quickly as possible (section 167 SGB IX).

The DZ BANK Group entities offer a wide range of **workplace health services** aimed at maintaining their employees' performance levels. These range from company sports groups to flu vaccinations and special preventive healthcare offerings. In most of the entities, the HR divisions are generally responsible for the ongoing provision of health services; there are no groupwide guidelines on this.

At DZ BANK, mental health is a topic on some **management training courses,** which are provided on an ongoing basis. These courses are also offered by DZ PRIVATBANK, R+V, Reisebank, VR Equitypartner, and VR Payment. Most of the entities in the DZ BANK Group provide ongoing preventive mental health courses as part of their CPD programs. DZ BANK, for example, offers training sessions on active management of stress. These actions to promote the health and wellbeing of employees form part of the implementation of local occupational health and safety requirements and of each group entity's company agreements on risk assessments.

Most of the management units offer **bicycle leasing** on an ongoing basis.

Processes relating to occupational health and safety

Most of the management units take the views of employees into account through **online surveys conducted as part of the mental health risk assessment.** The survey process guarantees anonymity and confidentiality at all times. The first analysis stage at DZ BANK, for example, is an anonymous online questionnaire for employees. This is followed by department-specific interviews in which the sources of stress are defined and actions steps to reduce them are developed. Once these action steps have been implemented, effectiveness checks are carried out to assess whether the steps achieved their aims and resulted in marked improvements. Checks carried out to assess the effectiveness of the actions taken so far show that they are targeted and have resulted in marked improvements.

At DZ BANK, a separate company agreement on conducting mental health risk assessments, including a data protection policy, is in place for every site in Germany. Dialogue and the provision of information are ensured through training and technical support in accordance with the company agreement, and through complementary workshops before and after the survey.

Metrics relating to occupational health and safety

Continuous improvement of occupational health and safety, compliance with applicable laws on health and safety at work and other comparable national legislation and groupwide standards, and the achievement of health and safety targets are all part of the DZ BANK Group's occupational health and safety management system. Compliance with national statutory provisions can be used to achieve full coverage. Coverage of 100.0 percent is therefore assured from the perspective of the DZ BANK Group.

In the reporting year, the entities in the DZ BANK Group recorded no fatalities in their own workforces and no fatalities among other workers at their sites as a result of work-related injuries or illnesses. The calculation was based on the number of fatalities during the reporting year.

There were 231 reportable workplace accidents at the German sites in 2024. The rate of reportable work-related accidents was calculated by multiplying the number of reportable work-related accidents during the reporting year by the average number of hours worked and then dividing it by 1,000,000. This gives a **rate** of 4.3.

There were no known breaches of health and safety regulations.

3.2.6 Human rights relating to the DZ BANK Group's own workforce (S1-1, S1-2, S1-3, S1-4, S1-5, S1-17)

Targets relating to the workforce's human rights

No measurable, outcome-oriented targets have been implemented for tracking the effectiveness of policies and actions related to human rights.

Policies relating to the workforce's human rights

For the DZ BANK Group, the upholding of human rights provides the foundations for sustainable development. For the entities of the DZ BANK Group, sustainable development is the benchmark for business conduct that takes a long view and meets commercial, environmental, and social challenges head on. Any violation in its own operations or in those of its business partners would result in reputational damage and a loss of confidence. That is one of the reasons why the DZ BANK Group recognizes the **Universal Declaration of Human Rights proclaimed by the United Nations General Assembly** and the **European Convention on Human Rights.** It is also committed to the 10 principles of the 10 UN Global Compact, covering the areas of human rights, labor standards, the environment, and anti-corruption, at all of its German and international sites. The DZ BANK Group entities also follow the **ILO's fundamental conventions** regarding freedom of association, the right to form a labor union, the right to equal pay for equal work for women and men, the elimination of discrimination at work, and the ban on forced labor and child labor. Together with the DZ BANK Group's code of conduct and human rights guideline, these principles form the binding frame of reference for the practices of the group entities (see chapter VII.0).

In its **code of conduct,** the DZ BANK Group makes a commitment to democratic values, tolerance, equality of opportunity, and the protection of human rights, and provides its employees with principles and rules on how to behave properly and responsibly, particularly in their dealings with customers, business partners, and colleagues. The entities of the DZ BANK Group do not tolerate any discrimination against employees or third parties on the basis of age, gender, origin, nationality, religion, political opinion, ideology, disability, or sexual identity. The DZ BANK Group also strictly rejects any form of forced labor or child labor and recognizes the right of all employees to form labor unions and employee representative bodies on a democratic basis within the framework of national legislation. The principle of protecting labor rights as defined by the ILO and its fundamental conventions applies in full to all employees in the DZ BANK Group. Human rights aspects are also taken into account in the business activities of the group entities, for example in the procurement processes of the DZ BANK Group, the lending process at DZ BANK, and business portfolio management at UMH. The code of conduct requires all managers and employees of the DZ BANK Group to respect human rights and act in compliance with the law and ethical standards.

The DZ BANK Group's **human rights guideline** adds more detail to the human rights principles set out in the code of conduct and was adopted by the GSC. In particular, the guideline covers the Universal Declaration of Human Rights (UDHR) proclaimed by the United Nations General Assembly and the European Convention on Human Rights (ECHR). In its human rights guideline, the DZ BANK Group makes a commitment to democratic values, tolerance, equality of opportunity, and the protection of human rights. The individual entities are conscious of their particular responsibility toward customers, business partners, shareholders, employees, and society. The human rights-related principles contained in the guideline are followed by the DZ BANK Group entities and continuously refined.

The **German Supply Chain Due Diligence Act (LkSG)** requires companies to respect human rights and certain environmental aspects in their own operations and in relation to their supply chain. The main areas covered are the prevention of child labor, slavery, and forced labor, disregard for occupational health and safety regulations, non-payment of adequate wages, disregard for the right to form labor unions and employee representative bodies, refusal of access to food and water, and the illegal seizure of land and withdrawal of livelihoods.

These agreements are directly linked to the material topics of working conditions and equal treatment / non-discrimination, plus the related IROs.

Actions relating to the workforce's human rights

The DZ BANK Group entities to which LkSG apply (DZ BANK, BSH, R+V Allgemeine Versicherung, R+V Lebensversicherung AG, R+V Service Center GmbH, and TeamBank) have adopted a **risk management system** for dealing with human rights-related and environmental obligations that the DZ BANK Group believes is appropriate and effective. It has been integrated into all relevant company procedures and the responsibilities have been defined.

These entities have appointed **human rights officers** to monitor risk management with regard to human rights-related and environmental due diligence obligations. The officers are required to report internally to the Board of Managing Directors and externally to the German Federal Office for Economic Affairs and Export Control.

DZ BANK, BSH, R+V, and TeamBank carried out a **risk analysis** for 2024. The purpose of the analysis pursuant to LkSG is to identify, give a weighting to, and set the priorities for human rights-related and environmental risks in the entity's own operations. The first step was to examine country-specific and sector-specific risks in an abstract risk analysis. Building on this, a more targeted risk analysis looked at these abstract risks and assessed them using the following criteria: likelihood of occurrence, severity, causal contribution, and scope of influence. The LkSG risk analysis examines the impact of each group entity's business activities on employees and the environment. It thus provides the basis for the validation of preventive measures and the definition of suitable remedial action. The risk analysis is carried out annually for each financial year.

DZ BANK, BSH, R+V, and TeamBank used the risk analysis of their own operations and their supply chain as the basis for their **human rights strategy** and published it as part of a **policy statement on respect for human rights.** It includes a commitment to international human rights standards and the expectation that employees and suppliers respect human rights, and details the structure and responsibilities for fulfilling due diligence obligations. Each policy statement on respect for human rights signed off by the relevant Board of Managing Directors and addresses the human rights strategies and related expectations and actions in relation to employees and suppliers. The policy statements on respect for human rights are updated every year based on the risk analysis. They are published on the corporate websites and communicated separately to employees and suppliers. The group entities also regularly train their employees on complying with and implementing the LkSG requirements.

Processes relating to the workforce's human rights

The DZ BANK Group's employees and stakeholders, such as customers, suppliers, and external staff, can report suspected violations of, or risks relating to, human rights or environmental regulations in confidence using the relevant **whistleblowing system** or **LkSG complaints process** (see chapter VII.4.3).

BSH, DZ BANK, R+V, and TeamBank have formulated an **LkSG complaints process** that allows employees, suppliers, and other stakeholders to pass on information or report violations of human rights or environmental regulations to the company in confidence. Anyone who is potentially affected can use the LkSG complaints process to highlight human rights-related or environmental risks, or to report breaches of relevant obligations resulting from the company's commercial activities or those of affiliated companies, direct suppliers, and indirect suppliers. The other provisions of section 8 LkSG were also implemented.

The need to protect complainants and handle complaints confidentially was factored into the design of the complaints process. The factual content of information received is examined in detail by a small, select group of specially trained employees, with the involvement of the organizational unit(s) affected by the complaint, and assessed with regard to human rights-related and environmental risks. Any necessary preventive and/or remedial action is taken as required. If complaints about the business practices of an entity falling within the scope of LkSG prove to be justified, the entity is ordered to take appropriate remedial action.

Employees have been informed of these complaints channels in communications, and information about the complaints process (including process steps and responsibilities) has been made publicly available. In 2024, the effectiveness of DZ BANK's complaints processes was reviewed as part of the human rights officer's monitoring activities.

LkSG grievance mechanisms have an important role to play in uncovering and avoiding human rights-related risks. The objective is to identify deficiencies and violations in this area as soon as possible. To prevent potential violations, all insights gleaned from complaints are incorporated into annual risk analyses, human rights-related and environmental actions, and training and business processes.

In all group entities, breaches of AGG and similar national protective provisions at other sites can be reported using the whistleblowing system, via the applicable LkSG complaints process, or to an ombudsperson.

Metrics relating to the workforce's human rights

In 2024, 3 incidents of discrimination or legal action regarding AGG were registered across the group. This figure included legal action and justified complaints received by entities in the DZ BANK Group or competent authorities through a formal process where there was an accusation of a violation of human rights or breaches of the prohibitions listed in section 2 (2) LkSG that were identified by the entities through established processes. The established processes for identifying violations are management system audits, formal monitoring programs, and grievance mechanisms. Only justified incidents reported using formal and established channels were included. Incidents comprise all cases of violations of human rights that were documented centrally in the LkSG complaints process and in which employees of the DZ BANK Group are directly involved.

In 2024, 5 formal complaints regarding violations of human rights were made via the whistleblowing system or the LkSG complaints process. No complaints were submitted to the national contact points for OECD multinational enterprises. The complaints process enables people to report indications of human rights-related and environmental risks and of incidents of human rights violations. The reports are submitted through official channels of the entities in the DZ BANK Group or national contact points in relation to the entities' own workforces. Only justified complaints reported through formal and established grievance offices were included.

The total amount of material fines, penalties, and compensation for damages as a result of incidents and complaints was €0.00. The total amount of fines, penalties, and compensation for damages in the DZ BANK Group is reflected in section C under 'Other net operating income' in the consolidated financial statements. A fine is an amount of money paid after a violation of human rights. Penalties are punitive measures that may be imposed in the event of non-compliance with standards or a breach of legal requirements. Compensation for damages is an amount of money paid as redress to the affected person after a violation of human rights.

The number of severe human rights violations and incidents involving employees was 0.

The number of severe human rights violations and incidents involving employees in which the UN Guiding Principles and OECD Guidelines were not complied with was 0.

The total amount of fines, penalties, and compensation for damages as a result of severe human rights-related incidents was €0.00. The total amount of fines, penalties, and compensation for damages in the DZ BANK Group is reflected in section C under 'Other net operating income' in the consolidated financial statements. To record the aforementioned data, the total numbers of complaints and incidents and the total monetary amounts during the reporting year in the DZ BANK Group were counted.

3.3 Workers in the value chain (S2-1, S2-2, S2-3, S2-4, S2-5)

Brief summary
– Targets, policies, actions, and processes relating to workers in the business portfolio
– Overview of the various instruments for carrying out checks in the lending process, such as exclusion criteria and the group credit standard

The materiality assessment for the DZ BANK Group deemed both the group's own employees (see chapter VII.3.2) and the workers in the supply chain immediately downstream to be material (see chapter VII.3.1).

The DZ BANK Group entities employ a range of instruments aimed at mitigating potentially adverse impacts on people and the environment and limiting potential risks for the group. In the context of the immediately downstream value chain, these instruments primarily include exclusion criteria and the group credit standard on the consideration of risks associated with ESG factors (see chapter VII.2.3.1).

Targets relating to workers in the value chain

Due to its business models in the financial sector, the DZ BANK Group has not implemented any measurable, outcome-oriented targets for tracking the effectiveness of policies and actions related to workers in the value chain. A new strategy may be considered in the future. There are no financial resources for managing material impacts.

Policies relating to workers in the value chain

In its **group credit standard** on the consideration of risks associated with ESG factors in its management units, the DZ BANK Group has defined **exclusion criteria** that must be applied to every loan application before the loan is approved.

The DZ BANK Group's **exclusion criteria** include violations of human rights and labor rights. Under the group credit standard, companies are excluded that demonstrably contravene internationally recognized standards of human rights and labor rights. Internationally recognized standards are the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the ILO's fundamental conventions (see chapter VII.2.3.1). The exclusion criterion for trade in conflict materials relates to funding for trade activities involving materials extracted in conflict regions by a conflict party in a way that violates human rights, and which may be used to finance the conflict, for example.

DZ BANK (in accordance with the credit policy for factoring in ESG risks) also applies further sector-specific requirements – **sector criteria** – for certain industries that are particularly vulnerable from a sustainability perspective. These criteria specify the details to be reviewed with reference to international industry-specific conventions, recognized standards and certification, and optimum production processes. There is a clear recognition when dealing with customers/business with a connection to palm oil or in the commodities sector that special care and precautions are required to avoid negative impacts on human rights (see chapter VII.2.3.1).

In the **credit check process,** all large-scale project finance transactions that are subject to the Equator Principles are checked in a standardized manner with regard to topics such as working conditions and complaints processes (see chapter VII.3.4).

In addition to applying the exclusion criteria and sector criteria, DZ BANK uses instruments for measuring customers' ESG-induced credit risk **(ESG credit risk scorecard)** and the ESG-induced reputational risk for DZ BANK **(RepRisk ESG checklist)** in the credit check process. The rules on taking account of ESG aspects in credit check processes encompass processes for the extension of loans, the monitoring of loans, and the valuation of collateral.

DZ BANK's **ESG credit risk score** supplements the credit rating for corporate customers used in lending and loan monitoring by providing an additional relative statement on creditworthiness with respect to ESG risks (see chapter VII.2.3.1). The subscore for the social dimension evaluates factors such as human rights violations, marginal employment, occupational health and safety, corporate volunteering, diversity, and integration. Currently, the evaluation is sector-specific and based on the counterparty's risk sector and risk country.

The **RepRisk DZ BANK ESG checklist** used by DZ BANK contains up to 16 questions that examine the environmental (see chapter VII.2.3.1), social, and corporate governance dimensions in equal measure and analyze customers' general engagement with these dimensions. In connection with the social dimension, specific questions are asked about respect for human rights within the company and about risks relating to social aspects in customers' supply chains (violations of human rights and labor rights by subcontractors or suppliers). The RepRisk ESG checklist's findings are depicted on a four-level scale that ranges from neutral/green (neutral impact on the DZ BANK's reputation) to high/red (strong negative impact on DZ BANK's reputation). Loan applications with an elevated or strong ESG-related negative reputational impact must be documented accordingly and forwarded to a higher authorization level for approval.

At DZ BANK, the findings from application of all of the ESG tools (check against exclusion criteria and sector criteria, RepRisk DZ BANK ESG checklist, ESG credit risk score) are factored to varying degrees into the separate **ESG vote within the loan application process.** The aim is to provide decision-makers with a clear overview of customers' ESG aspects so that they can be taken into account in the lending decision. Especially where elevated risk is identified, whether from a reputational risk or a credit risk perspective, customers' specific problems must be investigated in order to analyze potential mitigation measures (see chapter VII.2.3.1). In the event of a breach of exclusion criteria, for example a human rights breach that can be linked to the customer, the loan application is not pursued any further. Currently, no loans are rejected based solely on ESG factors.

DZ HYP has its own checklist that it uses to find out about ESG reputational risk in respect of its funding projects.

Furthermore, DZ BANK's **sustainability research** uses a scoring model with integrated screening to assess countries, companies, and banks against ESG criteria for any controversies or reasons for exclusion. This ESG analysis model classifies the analyzed issuers as either sustainable or not sustainable. The analysis takes account of exclusion criteria and any severe ESG controversies. The presence of any hard exclusion criteria, such as a violation of fundamental human rights, automatically results in a classification as not sustainable. Issuers that have been classified as sustainable are awarded the DZ BANK seal of approval for sustainability and are identified as sustainable issuers in research publications.

These policies are directly linked to the material topic of workers in the value chain, plus the related IROs. Through the aforementioned policies, the DZ BANK Group has implemented suitable rules with the aim of avoiding negative impacts on workers in the value chain. At the same time, the financing activities based on these rules can have positive impacts on workers in the value chain, for example by safeguarding jobs.

In order to maximize the opportunities presented by higher demand for ESG products, suitable **programs and bonds** have been created in the DZ BANK Group that, among other things, also take social aspects into account and support them (see chapter VII.3.4).

Actions relating to workers in the value chain

Beyond **implementing and adhering to the aforementioned policies and instruments,** no further actions have been taken for workers in the downstream value chain.

Adhering to and checking the exclusion criteria when entering into transactions is generally intended to avoid the occurrence of negative impacts regarding human rights. If negative impacts on human rights are identified in the business portfolio in the context of ongoing business relationships, DZ BANK evaluates the options at its disposal to exert influence on the customer and, depending on the case at hand, decides on remedial action.

Processes and channels relating to workers in the value chain

The DZ BANK Group does not have any separate processes in place for engaging with workers in the downstream value chain with regard to impacts. Those affected can submit their concerns and requirements regarding impacts that affect them to the DZ BANK Group's general contact address (see chapter VII.3.2.6 and chapter VII.4.3).

3.4 Affected communities (S3-1, S3-2, S3-3, S3-4, S3-5)

Brief summary

- Targets, policies, and actions relating to affected communities in own operations and the business portfolio, such as the sector criteria for lending and investments in social bond transactions, and other social and cultural activities
- Processes and channels for engaging with affected communities, such as the LkSG complaints process

With regard to its activities, the DZ BANK Group takes its own workforce, workers in the value chain, and affected communities into account. In particular, this includes communities in locations where loans have been granted (business portfolio) and where the DZ BANK Group has offices (own operations). DZ BANK can have an impact on the habitat in which these communities live. These communities include, for example, local residents or indigenous populations that are deemed to be a vulnerable group because they are affected. Material opportunities arise from positive effects on residents as a result of training and jobs being provided (see chapter VII.3.2.1). Material risks affecting vulnerable groups occur, for example, in connection with lending in the agriculture, palm oil, and dam project sectors where there is an increased likelihood of negative impacts on indigenous populations. Information about management of the DZ BANK Group's impact on affected communities is provided below, firstly in respect of the business portfolio and then in respect of own operations.

Targets relating to affected communities

Due to its business models in the financial sector, the DZ BANK Group has not implemented any measurable, outcome-oriented targets for tracking the effectiveness of policies and actions related to affected communities. A new strategy may be considered in the future.

Policies relating to affected communities

In its business portfolio, DZ BANK is guided by its **sector criteria for lending activities.** For example, DZ BANK acknowledges the **recommendations of the World Commission on Dams (WCD)** and therefore does not provide funding to any dam projects that do not apply the WCD's recommendations as fully as possible. Among other things, customers must prove that they recognize the rights of people affected by the dam and ensure that the benefits are shared equitably (see chapter VII.2.3.1). The **ESG checklist** is also applied in the credit check process, which involves evaluating the impact of financed business activities on indigenous population groups, local residents, etc. (see chapter VII.3.3).

DZ BANK also recognizes that special care and precautions need to be taken in the commodities sector because of political, environmental, and social sensibilities. Particularly in the oil & gas and metals & mining sectors, it is guided by **international conventions** and makes reference to best practice (see chapter VII.2.3.1). The World Bank and industry associations provide examples of best practice at regional level. Financing decisions specifically take account of respect for human rights and give particular consideration to the interests of indigenous people and local communities (see chapter VII.3.2.6).

When dealing with customers or conducting business where there is a connection to palm oil, DZ BANK recognizes that special care and precautions are required to avoid negative impacts on human rights, for example. For this reason, it links the financing of companies in the palm oil value chain to minimum requirements such as adherence to the principles of free prior and informed consent (FPIC) for the purchase of land in regions with an indigenous population. These requirements are set out in the **sector criteria** (see chapter VII.2.3.1).

These policies are directly linked to the material topic of affected communities, plus the related IROs.

Actions relating to affected communities

DZ BANK invests in **social bond transactions** on an ongoing basis, in some cases to encourage lending, for example in social housing, and to support other social projects. In this context, attention is paid to compliance with recognized standards such as the World Bank Sustainable Development Framework and the sustainable development goals.

To implement the International Finance Corporation (IFC) Performance Standards, the **Equator Principles** are applied in eligible project finance transactions, as they are a mandatory standard in this context. DZ BANK has subjected project finance with a total investment volume of more than USD 10 million and project-specific corporate finance with an investment volume of more than USD 50 million to an assessment in accordance with the Equator Principles since it signed up to the principles in 2013. Depending on their level of environmental and social sustainability, DZ BANK assigns funding projects to one of the following categories: A (potentially significant adverse environmental and social impact), B (potentially limited adverse environmental and social impact), or C (low or no adverse environmental and social impact).

In its corporate customer business, DZ HYP supports affordable housing by providing **finance**, such as for **housing sector projects.** The home-building companies include cooperative, municipal, and church housing companies, along with other members of the Bundesverband deutscher Wohnungs- und Immobilienunternehmen e.V. (GdW) [German Housing and Property Companies Association]. DZ HYP provides advice on funding products from Germany's KfW development bank and acts as its house bank.

The aforementioned actions are aimed at the ex ante prevention of risks and negative impacts on affected communities.

In the view of the DZ BANK Group, cooperatives operate in a sustainable and responsible manner. They help to put innovative ideas into practice, support their members, and are firmly rooted in their region. The Cooperative Financial Network's sustainability guidelines highlight the positive impact of cooperative practices on society in the context of the current challenges of sustainable development, while the entities of the DZ BANK Group are committed to the common good. They support a wide range of corporate citizenship activities in their communities by providing resources, such as donations, for managing material impacts on affected communities, and through foundations and employee initiatives.

For example, trainees at DZ BANK set up the **corporate volunteering initiative LokalSozial** in May 2019 to support local communities and charitable projects. They regularly help out at the Frankfurt food bank and organize food donations. DZ BANK shows its appreciation of the trainees' commitment by allowing them to volunteer during working hours. Financial assistance was provided to children in need and their families through donations to a variety of charitable organizations that support children, namely Frankfurter Kinderbüro, Düsseldorfer Kindertafel, Stiftung Kinderhilfezentrum Düsseldorf, and the Düsseldorf branch of Deutscher Kinderschutzbund.

DZ BANK also supports a range of **cultural charitable foundations,** including local initiatives such as the MMK foundation – Museum für Moderne Kunst and Städelscher Museum-Verein e.V. In September 2020, the Board of Managing Directors of DZ BANK established the DZ BANK Art Foundation as a charitable body with the aim of opening up access to the bank's art collection (founded in 1993) to a wider public. The Art Foundation is one of the ways in which DZ BANK demonstrates its social responsibility. At the same time, it is making the foundation an element of its corporate culture by providing support for works of art, providing accompanying learning programs, and displaying the art for the public to see free of charge. The Art Foundation grew out of DZ BANK's extensive collection, which focuses on photographic art from 1945 until the present day. Every other year, the Art Foundation offers a support grant for which artists of any age can apply who are working on photographic forms of expression that break the boundaries of the medium.

DZ BANK, R+V, and UMH provide ongoing support to the **non-profit initiative Joblinge e.V.,** which aims to help disadvantaged teenagers and young adults to enter the labor market. Employees volunteer on site as mentors for the young people, helping them to find places on training schemes, complete their applications, and prepare for their new jobs.

DZ BANK and other entities in the DZ BANK Group have been supporting the work of the **Aktive Bürgerschaft** [active citizenship] charitable foundation for decades. DZ BANK is represented on the **foundation's governing board and advisory board.** The Aktive Bürgerschaft foundation has been the center of excellence for civic engagement in the Cooperative Financial Network for more than 25 years. It is the support organization for more than 420 citizens' foundations in Germany. Across the country, it helps their voluntary committees to secure benefactors and assets, put a committee succession plan into place, adopt digital technologies, and carry out other strategic management tasks. One of its special projects is the 'sozialgenial – schoolchildren get involved' initiative, and more than 130,000 young people at 1,000 schools have heeded the call to get involved so far. The schoolchildren use sozialgenial during lessons to develop their own volunteering ideas. The project aims to reach children of all backgrounds, help them to develop their individual skills, and strengthen democratic attitudes and values.

The **Schwäbisch Hall foundation** 'bauen – wohnen – leben' promotes initiatives relating to homes and home-building and provides fresh ideas on subjects such as infill development and intergenerational cohesion. The R+V foundation focuses on civic engagement, young people, and education. Deutschland im Plus, the charitable foundation established by TeamBank, has been championing financial literacy and helping to prevent people from getting into too much debt since 2007, while the UMH Foundation concentrates on education, community, climate action, and sustainability. The Vordertaunus citizens' foundation, an initiative of VR Smart Finanz, has been supporting disadvantaged young people in the region since 2013. Furthermore, VR Payment supports the local women's soccer team of Eintracht Frankfurt and the Skywheelers Frankfurt.

Processes and channels relating to affected communities

The DZ BANK Group does not have any processes for engaging with affected communities with regard to impacts.

DZ BANK, BSH, TeamBank, and R+V have developed **LkSG complaints processes** that allow affected people and representatives of local communities to report human rights-related and environmental risks and violations of human rights-related and environmental obligations (see chapter VII.3.2.6 and chapter VII.4.3).

There is no direct collaboration with affected communities or their legitimate representatives, but the perspectives of affected communities are taken into account. They can communicate their concerns to DZ BANK using **complaints channels** and other mechanisms. When adapting its exclusion criteria and sector criteria in the lending business and the Treasury division's own-account investments, DZ BANK considers the perspectives and recommendations of NGOs that are representing the interests of materially affected communities. An interdepartmental working group is responsible for adapting the exclusion criteria and sector criteria. The working group develops proposals for updates based, for example, on comments from NGOs, complaints, and existing risks and then presents them to the Credit Committee for a decision. In the case of particularly vulnerable sectors, care is taken to ensure that the affected communities can present their concerns in accordance with the FPIC principle. Besides these individual actions in respect of particularly vulnerable sectors, however, there is no overarching process for ensuring that the affected communities are aware of, and trust, the structures and processes.

Metrics relating to affected communities

The DZ BANK Group believes that its strategies for respecting human rights meet international standards (see chapter VII.3.2.6). These strategies also apply in relation to affected communities, including indigenous populations.

No cases of non-respect of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises that involve affected communities were reported during the reporting period.

3.5 Customer focus (S4-1, S4-2, S4-3, S4-4, S4-5)

Brief summary

- Reporting on targets, policies, actions, and processes relating to consumers and end-users in the business portfolio
- Disclosure of information on the following customer groups: investors, policyholders, borrowers (consumer finance and real estate finance), and home savings customers

The DZ BANK Group regards it as its duty to support the cooperative banks in their business with consumers and end-users so that cooperative banks, irrespective of their size, can offer consumers and end-users access to the full spectrum of financial services providers. The DZ BANK Group thereby wishes to play its part in ensuring the availability of a wide range of financial products and services, including in rural areas. To this end, it makes products available that the cooperative banks sell to their customers. In some cases, group entities maintain direct business relationships with consumers and end-users. From the perspective of financial services providers, consumers and end-users include securities investors, policyholders, consumer finance borrowers, real estate finance borrowers, and home savings customers. In its marketing activities, the DZ BANK Group also considers accessibility in relation to vulnerable groups. Insights into the perspectives of particularly vulnerable consumers and end-users can be gained by using specific processes and channels (see chapter VII.3.5.1, chapter VII.3.5.2, chapter VII.3.5.3, and chapter VII.3.5.4). Besides these individual actions, however, there is no overarching process for ensuring that consumers and end-users are aware of, and trust, the structures and processes.

The entities of the DZ BANK Group are interested in building long-term relationships with their customers based on a spirit of partnership. That is why they not only communicate transparently but also carry out credit checks to prevent customers from becoming overindebted and offer flexible loans that can be adapted if necessary.

In its group credit standard on the consideration of risks associated with ESG factors in the DZ BANK Group, the DZ BANK Group has defined sector-specific exclusion criteria that must be applied to every loan application before the loan is approved (see chapter VII.2.3). This is aimed at prohibiting transactions that do not meet the minimum criteria in relation to environmental, social, and corporate governance (ESG) aspects or that are associated with an increased risk of reputational damage to the DZ BANK Group. Among the excluded industries are arms trading, arms production, business connected with pornography or prostitution, and controversial gambling. In addition, it is prohibited to maintain business relationships with customers if significant violations of human rights or breaches of environmental standards cannot be ruled out.

The entities in the DZ BANK Group use a variety of concepts to ensure service quality and to record and process customer complaints. How these concepts are designed in detail depends on the specific business models and activities of the individual entities and their sometimes different target groups. The DZ BANK Group has not issued any centralized guidance on quality assurance and complaints management.

3.5.1 Investors

Targets relating to investors

No measurable, outcome-oriented targets have been implemented for tracking the effectiveness of policies and actions related to investors.

Policies relating to investors

DZ BANK must meet the **statutory requirements regarding product governance** by ensuring that securities products are developed in the best interests of consumers and end-users. DZ BANK aligns the product offering (especially advisory products with a subscription period) with the market-related expectations of its Research division in the interest of its customers. By doing so, DZ BANK ensures that the product margins are appropriate and the complexity of the products is limited. DZ BANK and DZ PRIVATBANK prepare key information documents (KIDs) to make the products more understandable for consumers and end-users and to allow them to be compared with other products. DZ BANK defines target markets to make it easier for salespeople to offer the products to the consumers and end-users for whom they were developed. The fundamental quality standards for product development and sales are defined in the **product guidelines** adopted by the entities of the DZ BANK Group.

All group entities also have **data protection policies** in place. These include guidelines, procedural instructions, and other written provisions relating to data protection. The purpose of these policies is to protect personal data and the privacy of individuals. They set out rules and requirements designed to avoid the misuse of data and safeguard the rights of data subjects. In accordance with GDPR requirements, information about the processing of consumers' and end-users' personal data is also provided in a privacy notice on websites and on the corporate intranet. Mandatory training and other control mechanisms are in place with the aim of ensuring compliance with the policies (see chapter VII.4.3). The policies are the responsibility of the relevant Boards of Managing Directors, while the data protection officers are tasked with implementation and enforcement.

Besides the statutory requirements, UMH follows the voluntary principles set out in the **rules of conduct of the Bundesverband Investment und Asset Management (BVI) [German Investment Funds Association].**

DZ PRIVATBANK integrates the **analysis of sustainability aspects** as a key element of **investment strategies** in independent asset management. Among other things, a best-select approach combined with exclusion criteria is used across all asset classes. Financial risks linked to sustainability are taken into account in the risk-controlled investment process and are factored into the value-at-risk (VaR). Sustainability is considered from the outset along the entire value chain of independent asset management, including transparency in pre-contractual information, a comprehensive set of rules regarding sustainability criteria in investment decisions, and periodic ESG reporting and a final assessment of the potential returns by portfolio managers.

DZ PRIVATBANK's **business strategy** draws on many years of experience in looking after customers who attach importance to adhering to ESG criteria. Having begun with church investors that were involved in designing ethical and sustainable investment solutions, DZ PRIVATBANK offers investment options for sustainability-minded customers with a wide variety of preferences. DZ PRIVATBANK has steadily expanded the capacity of its IT systems and of its workforce in order to optimize the way in which ESG factors are taken into account in the sustainable investment process and broaden its portfolio of asset management products. DZ PRIVATBANK signed up to the **Principles for Responsible Investment (PRI)** in autumn 2021.

These policies are directly linked to the material topic of consumers and end-users, plus the related IROs.

Actions relating to investors

The inadequate provision and communication of high-quality information to customers and to consumers and end-users can lead to missed business opportunities, loss of customers, and potential reputational risk. Extensive action is taken and appropriate instruments deployed to counter this.

The **officer for the protection of customers' financial instruments** is responsible for ensuring that DZ BANK and its service providers meet the regulatory obligations with regard to the protection of DZ BANK customers' financial instruments and ring-fenced funds.

The DZ BANK Group has a **compliance function.** Its main task is to identify, manage, and mitigate compliance risk in order to protect consumers and end-users against breaches of legal provisions and requirements (see chapter VII.4.3).

DZ PRIVATBANK offers customers 5 strategy families in the sustainable investment sphere on an ongoing basis, resulting in more than 10 sets of investment guidelines that fall into the 'sustainable pursuant to article 8' category. The product range includes fund solutions as well as securities account solutions. Detailed information on the strategy families is available on DZ PRIVATBANK's website under 'Nachhaltig Investieren' (sustainable investment). The sustainable investment process is used in all asset management strategies, including ones that are not designated as sustainable. The calculated sustainability ratios are used when ascertaining sustainability preferences.

Processes and channels relating to investors

The majority of the DZ BANK Group entities are bound by the statutory requirements for **complaints management.** Any expression of dissatisfaction by a consumer or end-user is considered a complaint. The aim is for the consumer or end-user to receive a response within a reasonable period of time in which the options for making a complaint are explained. If a consumer's or end-user's request is not met, they are informed of the dispute resolution options (not applicable to R+V). Like complaints from other stakeholders, shareholder complaints are processed too (see chapter VII.3.2.6). The websites of the DZ BANK Group entities provide relevant information for customers. To provide protection from retaliation, the declaration of principles sets out policies that aim to ensure that consumers and end-users do not suffer any negative consequences as a result of their complaint, except where it is proven that they have intentionally misused the complaints management system. Again, the same principles apply to shareholders as to other complainants. Beyond this, no standardized process has been established as a way of assessing whether customers are aware of and sufficiently trust the structures and processes for expressing their concerns and needs.

DZ BANK's **customer dialogue center** is the point of contact for customers' securities business. From the perspective of DZ BANK, the experts working in the center create a sense of trust and partnership with the aim of ensuring a lasting positive customer experience. The focus is therefore on transparent and honest communication, so that customers always receive all relevant information. A range of services tailored to customers' individual needs is designed to offer maximum flexibility and is available over the phone or through the chat function. Customer satisfaction is to be increased by continually improving the service channels and ensuring excellent availability.

UMH and DZ BANK primarily sell their products to consumers and end-users through cooperative sales partners in Germany and Austria. The representatives are asked about their satisfaction during regular **surveys by the sales banks.** UMH carries out a survey every year, DZ BANK every 3 years. The management level immediately below the Board of Managing Directors is responsible for the satisfaction surveys.

Metrics relating to investors

There were no cases of non-respect of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises that involved investors that were consumers and end-users during the reporting period.

3.5.2 Policyholders

Targets relating to policyholders

The quality of advice policy at R+V provides the basis for **R+V's quality of advice target in respect of individuals and companies.** The aim is to improve the quality of advice provided to retail customers by giving advisors clear targets. By fulfilling these targets, the advisors help to satisfy the customer-related duty to inform, explain, and clarify.

In respect of the quality target, advisors are expected to reach a defined target value regarding advice quality points and to conduct a certain number of annual reviews within a calendar year. Each advice quality point (no more than 2 per customer meeting during a year) is documented in the R+V Connect tool and each annual review is documented in the Quality of Advice for Companies tool, with all mandatory fields completed in full.

The targets are based on empirical values and, in respect of individuals, are based on reaching 80 advice quality points per year. The targets for the annual reviews depend on the specific advisor group: small business customer advisors: 25 annual reviews per year; target customer advisors: 30 annual reviews per year; corporate customer advisors: 35 annual reviews per year; large corporate customer advisors: 25 annual reviews per year.

The results are factored into the bonuses, with the aim of ensuring adherence to quality standards. Monthly reporting in R+V Connect and on the basis of the business and bonus system evaluations ensures that target achievement is tracked and monitored. The targets are set on an ongoing basis in collaboration with the relevant sales departments and reviewed annually. While customers are not directly taken into account when setting targets, their feedback is factored into the evaluation and adaptation of advisory processes via anonymized requests for feedback.

These targets are directly linked to the material topic of consumers and end-users, plus the related IROs. This metric is not validated by an external body.

Policies relating to policyholders

The **R+V quality of advice** (BQ) policy ensures that R+V attaches a high priority to its customers and their needs. R+V quality of advice provides customers with a clear picture of their individual risks and action areas by preparing a bespoke situational analysis, including product recommendations, on the basis of the details provided by the customer. Keeping customers informed by offering high-quality advice and fulfilling the duty to inform, explain, and clarify can have a positive impact on customers and their satisfaction levels. The Sales Development department in the Customers & Sales division is responsible for the R+V quality of advice policy.

From the perspective of the DZ BANK Group, the **guidelines for sustainable product standards** at R+V are an important element of the product management process. The guidelines are intended to provide a framework for developing and adapting products, thereby ensuring that they meet the regulatory requirements and sustainability-related requirements. They offer guidance on introducing new products and, where possible, making changes to existing products. They also help with systematically integrating sustainability targets into the product management process and implementing them across the company. The applicability of the guidelines is checked when products are being developed. In view of climate change, the key points in the guidelines are 'safety through prevention' and 'rewarding risk-mitigating behavior'. Responsibility for the guidelines for sustainable product standards lies at Board of Managing Directors and head of division level in the non-life insurance business.

The **omnichannel strategy** is aimed at all customers and constitutes R+V's customer and marketing strategy. The core aim of the strategy is being able to address and support the right customers at the right time, via the right channel, and with the right insurance products. The omnichannel product guidelines are a core element of the omnichannel strategy and cover the pre-packaging of the product offering – both cross-channel and channel-specific – and optional modules for customizing offerings. A wide range of product modules can be pre-packaged using product lines (classic, comfort, and premium). Implementation of the omnichannel strategy is managed using internal departmental reporting. Customer Management and Marketing within the Customers & Sales division is responsible for this strategy.

These policies are directly linked to the material topic of consumers and end-users, plus the related IROs.

Actions relating to policyholders

R+V developed its **Quality of Advice for Individuals (BQ Individuals) and Quality of Advice for Companies (BQ Companies)** software applications in order to facilitate precise and comprehensive advice. The aim of this action is to help advisors to prepare end-to-end and ad hoc advisory concepts in order to reduce the risk of error and raise the quality of advice. Using the BQ Individuals (since 2024) and BQ Companies (since 2022) applications, R+V strives to provide new and existing customers with clear information about their insurance situation and to determine their insurance and pension requirements.

The effectiveness of the action is tracked and evaluated using the technical **measurement logic in the BQ Individuals application.** This measurement logic checks whether the advisory documentation regarding one or more topics was emailed to the customer. If they have given their prior consent, customers also receive an integrated, anonymized feedback form. R+V's aim is to use the feedback to draw general conclusions about the quality of advice and customer satisfaction and to continually improve the advisory processes.

When using the **BQ Companies** application, it is important to R+V to review the customer's situation so that any necessary adjustments to the insurance cover can be made in good time. That is why up-to-date data on the customer's own operations is collected during a technology-supported annual review. The conducting of this annual review is documented by means of a technical, fully automated measurement.

The customer-focused approach taken in the R+V advisory process and the use of digital advisory tools are designed to ensure that no incorrect or contradictory information is conveyed as part of the advice provided. Remedial action is recorded through detailed documentation of advisory meetings and the option of electronic archiving and review.

In its occupational health insurance business (bKV), R+V introduced the **R+V HealthBenefits service program.** The aim is to offer customers free supplementary services (healthcare telephone hotline, interactive service platform, R+V Family Coach, R+V BestSpecialist) that go beyond the scope of the insurance benefits. R+V HealthBenefits support customers in their day-to-day working and home life and can contribute to their health. The healthcare services offered in connection with R+V HealthBenefits cover a range of areas, including medical advice, a search function for finding hospitals and specialist doctors, and preventive health initiatives. This action includes information events for brokers to ensure that, from the perspective of R+V, their knowledge is up to date so that they can provide the best possible advice. The effectiveness of this action is ensured by providing and updating the healthcare services in accordance with the situation in the healthcare market and R+V's line of business. Use of the services is checked at least once per year.

To implement the requirements of the German Accessibility Improvement Act (BFSG), R+V set up a BFSG task force in 2024 that focuses on making the company's digital systems accessible. The actions being taken in relation to digital accessibility comprise the accessible design of all **online customer processes for taking out insurance,** the adaptation of digital content, the accessible design of end-customer portals, and the provision of accessible PDF documents. To implement the accessibility requirements, the BFSG task force is working with representatives of the various departments and the business owners of R+V's Agile Release Trains to achieve the common goal through long-term interdisciplinary collaboration. The product management team makes sure that the BFSG information sheet is produced/revised when products are developed or updated. The plan going forward is to track the effectiveness of the actions using checks, feedback from stakeholders, and the analysis of usage data.

R+V has implemented data protection procedural instructions in its Sales division and in its non-life insurance, inward reinsurance, and personal insurance business. **Data protection procedural instructions** have been developed for the Sales division in order to ensure compliance with GDPR and the relevant rules in the code of conduct of the Gesamtverband der Deutschen Versicherungswirtschaft e.V. (GDV) [German Insurance Association], and thus protect the personal data of R+V's customers. The aim is to standardize, and provide transparent information about, the internal data protection process in order to contribute to customers' security and safety and to strengthen data subjects' and the public's confidence in the integrity of the data processing processes. The departments in the non-life insurance, personal insurance, and inward reinsurance business have each developed procedural instructions that vary in terms of, for example, retention rules, erasure deadlines, and adjustments to contracts with regard to anonymization and the transfer of the duty to inform.

Processes and channels relating to policyholders

The **net promoter system** measures customer satisfaction. After relevant contact with R+V, customers are asked for their feedback. It is used to critically examine and improve actions, products, and processes. The effectiveness of the actions taken in response to end-user feedback is reflected in the upwards trend in the Net Promoter Score. The feedback is obtained in one of 2 ways, depending on whether the contact is inbound or outbound. In the case of outbound contact, for selected contacts (including online), customers are asked to complete an online questionnaire directly, e.g. by means of a pop-up window or a QR code on a letter. In the case of relevant inbound contact, customers are asked for their feedback afterwards, e.g. after a claim has been settled, a policy has been amended, or a new policy has been taken out. Customers are asked to participate during a telephone call or in an email or text message containing a link to an online questionnaire. The Brand, Product, and Customer Management department in the Customers & Sales division is responsible for the net promoter system.

User experience (UX) / user interface (UI) is a holistic approach that encompasses everything that users experience when using a product or service. The focus is on understanding users' behavior, needs, and motivation, which is gauged from interviews, surveys, usability evaluations, and other user research methods that involve the users. The goal is to improve how users experience products, services, and processes by incorporating experimental and observational research methods that guide the design, development, and refinement of a product. Actions are derived from this that are aimed at improving products for customers and developing them in line with customer requirements. The findings feed into the relevant decision-making processes in the departments. Finally, user interfaces are designed with the aim of ensuring compliance with the UX/UI standards. This is done by directly involving customers, for example through interviews and user tests. The type and frequency depend on the particular topic and are decided upon by the relevant UX professionals who carry out the UX methods. Responsibility lies both with the digital.workshop department in the Digitalization and Operational Processes division and with the User Experience Design group in the Digital Customer Applications department. Vulnerable people are always taken into account when delivering accessibility, for example by observing them, and suitable user interfaces are developed accordingly.

R+V has set up a **direct complaints management** function. This is a formalized process that customers can use to express their concerns and make complaints. The aim is to identify and counter any negative impacts that customers experience.

R+V provides customers with relevant information on its website. Customers can submit their complaints by telephone, email, mail, or fax or by contacting the field sales force directly. The website also has a list of external points of contact for customers, such as insurance ombudspersons and BaFin.

A 'praise and complain' section of the **Meine R+V portal** [my R+V portal] gives customers the opportunity to express criticism anonymously or contact the technical service department. Complaints can be submitted digitally on the R+V portal or by calling the **service hotline** of R+V Service Center GmbH. After receiving a message, R+V Service Center GmbH examines whether it needs to be forwarded to the responsible department. No standardized remedial action is taken; instead, the action to be taken is decided upon based on the matter at hand. R+V provides customers with all relevant information (service hotline numbers and contact details) in the ‘help and contact’ section of the R+V customer portal. Registered customers can access this information at any time.

Customers can use **social media**, such as Facebook, Instagram and TikTok, to submit inquiries and to give praise or criticism. Supported by an external service provider, R+V’s social media team answers all questions received via social media. Furthermore, inquiries about insurance claims are handled by R+V Service Center GmbH in Münster or, in the case of specific questions on matters requiring specialist expertise, by the relevant department. As R+V uses external social media, it does have influence over the creation of R+V profiles but cannot directly influence the availability of the platform (e.g. Facebook).

Every complaint must be documented and, where possible, dealt with within 3 days of receipt. The departments’ direct complaints management functions are checked at least once per year in order to ensure adherence to the principles of complaints handling. There is also an indirect complaints management function whose purpose is to make sure that complaints are handled in accordance with the internal rules and that the lessons learned from complaints are used to optimize business and process quality. To this end, **internal complaints reports** are produced that include an evaluation and analysis of the complaints received. An annual complaints report is also submitted to BaFin. Independently of the internal reviews, BaFin schedules and performs additional supervisory checks on complaints management as part of its insurance supervision obligations.

Metrics relating to policyholders

There were no cases of non-respect of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises that involved policyholders that were consumers and end-users during the reporting period.

3.5.3 Consumer finance borrowers and real estate finance borrowers

Targets relating to consumer finance borrowers

No measurable, outcome-oriented targets have been implemented in the DZ BANK Group for tracking the effectiveness of policies and actions related to consumer finance borrowers.

Policies relating to consumer finance borrowers

TeamBank has implemented policies to make processes and workflows efficient and customer-focused. It reviews their content at least annually to check that they remain up to date.

The **trademark rights policy** defines the processes, workflows, and monitoring system – particularly those for monitoring the extension of protection periods – that are needed for the effective protection of TeamBank’s trademark rights. The main function of a trademark is to indicate the origin of the trademarked goods or services to consumers and end-users by enabling them to clearly distinguish them from goods and services of a different origin. This policy relates to own operations and is focused on TeamBank’s end-customers. Responsibility for the policy lies with the Head of Brand & Customer Experience.

The **design policy** obliges the development teams to follow the design rules from the design system when developing and updating software user interfaces (front ends). This does not apply to applications without a customer and/or partner user interface. The purpose of the design system is to help the development teams to create a consistent user experience on all platforms and devices and thus speed up development as a result of using pre-prepared design elements. Responsibility for the policy lies with the Head of Brand & Customer Experience.

The **complaints management policy** governs the handling and consistent treatment of expressions of dissatisfaction by customers in respect of a product, organization, action, or employee of TeamBank. These include complaints pursuant to LkSG. Complaints management is aimed at ensuring prompt and recipient-oriented responses to customer complaints, thereby helping to improve customer loyalty, the market focus of products, and TeamBank's reputation. The policy is binding on the employees of TeamBank in Germany and Austria. Responsibility for the policy lies with the Head of the Dialogue Center.

These policies are directly linked to the material topic of consumers and end-users, plus the related IROs.

Actions relating to consumer finance borrowers

TeamBank has established actions for continually improving the customer experience and increasing brand appeal.

The organization focuses on customers' needs during the **customer journey.** The customer journey is divided into 5 stages, and employees' expertise relating to the products and services is grouped accordingly. Societal shifts are incorporated when refining products and services by identifying **persona clusters** within the sinus milieu. This helps with the definition of TeamBank's core target groups and development of targeted actions. In addition, regular surveys of **customer needs** are intended to ensure that all products and services are aligned with what customers actually require.

As part of the **experience audit,** regular checks are carried out throughout the customer journey. The audit involves obtaining direct feedback from customers to gain insights into their expectations and identify where to start improving products and services. Within the organization, the **experience coordinators** create transparency in respect of the brand and customer experience. Training and regular meetings help employees to gain an even better understanding of customer needs.

The **eKomi** app is used to collect customer feedback and reviews within the app's order process on an ongoing basis. The feedback and reviews enable adjustments to be made at short notice. In addition to eKomi, the other established formats for obtaining customer feedback are **interviews, user testing, communities, and customer conferences.** The **customer conference** is an event to which customers are invited so that they can discuss products and services in person. This helps TeamBank to gain a better understanding of customers' needs and expectations.

Customers' willingness to recommend TeamBank to others is **measured** using the **Net Promoter Score.** The Net Promoter Score is ascertained over the telephone at 3 points in the customer relationship: after the contract has been signed, after 18 months, and after the contract ends. **Measurement based on the brand performance monitor** is carried out at least once a year as a way of increasing the appeal of the product brands over the long term. The findings are evaluated and the resulting input is used by TeamBank as the basis for optimizing the brand strategy. **Measurement using AdTrek** takes place monthly in order to gauge brand perception and raise brand recognition in the long term.

Accessibility actions in accordance with the European Accessibility Act (EAA) require all digital applications to be made accessible by June 28, 2025. All applications that are relevant to end-customers are checked for compliance with accessibility requirements in collaboration with accessibility experts. Audits are used in this process. Based on these checks, lists of specific requirements are drawn up that must be implemented by the deadline. These requirements are added to the writing guidelines and design system and then made available to all teams to ensure that no customer groups are discriminated against. The new **writing guidelines** provide support for day-to-day communications with end-customers, ensuring that communications are consistent and aligned with the brand. From the perspective of TeamBank, this creates a positive and consistent customer experience.

Processes and channels for engaging with consumer finance borrowers

In addition to the actions for measuring the NPS and the mechanism for the complaints process, TeamBank also involves consumers and end-users in the product development process. As part of this, changes to products and services are tested for aspects such as whether they are a good fit with customers' needs and whether they offer any benefits to customers.

In relation to consumer finance borrowers, the DZ BANK Group does not have any processes in place for engaging with consumers and end-users with regard to impacts. No standardized process has been established as a way of assessing whether customers are aware of and sufficiently trust the structures and processes for expressing their concerns and needs.

Metrics relating to consumer finance borrowers

There were no cases of non-respect of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises that involved consumer finance borrowers that were consumers and end-users during the reporting period.

This chapter looks at interactions with consumers and relates – within the sections about real estate finance borrowers at DZ HYP – to business with retail customers.

Targets relating to real estate finance borrowers

No measurable, outcome-oriented targets have been implemented in the DZ BANK Group for tracking the effectiveness of policies and actions related to real estate finance borrowers.

Policies relating to real estate finance borrowers

From its perspective, DZ HYP ensures that its customers' personal data is protected and only used for the intended purpose. In doing so, it addresses the risk of damaging customers' confidence in DZ HYP that could result from inadequate data protection. The basis for this is provided by the internal data protection policy, which applies to all employees of the bank. Data protection requirements play a material role in DZ HYP's internal projects for digitalizing its customer interfaces. DZ HYP aims to meet its customers' expectations in terms of improved process quality, greater efficiency, and speed with the highest standards of data protection and data security. Implementation of and responsibility for the policy falls within the remit of the Compliance division and the relevant head of division.

This policy is directly linked to the material topic of consumers and end-users, plus the related IROs.

Actions relating to real estate finance borrowers

From its perspective, DZ HYP aims to do everything it can to **prevent its customers from taking on excessive debt.** It does so by taking an appropriate and measured approach to lending. When entering into real estate finance business with retail customers, it focuses on the mortgageable values that can be achieved over the long term for the properties to be financed or used as security and it carefully examines aspects such as the customer's overall assets and liabilities and their long-term capacity to service their debts. It also reviews customers' assets and long-term capacity to service their debt in accordance with the rules in the Mortgage Credit Directive.

While upholding the principle of subsidiarity vis-à-vis the local cooperative banks, DZ HYP endeavors to **open up** new and additional **channels** for reaching retail customers in order to facilitate access to the bank's financing products and steadily increase the volume of lending to customers. In new business, DZ HYP offers a sustainable loan with a lower interest rate for properties in a very good energy efficiency class and/or with low final energy consumption. Development lending programs from Germany's KfW development bank – 'Climate-friendly new construction – residential buildings', 'Efficiency House modernization', 'Home ownership for families', and 'Young buys old' – have been integrated into the sales channels. In doing so, DZ HYP is supporting efforts to create more sustainable housing. In 2024, the bank established a green loan product in this context, developing an eco-loan for retail customers that offers an attractive reduced interest rate for owner-occupied properties with final energy consumption of no more than 50 kWh / m2. Marketing of this product feature from the VR-Baufi home finance product family began in 2024. The resources for implementing these actions were not quantified in the reporting period.

Processes and channels relating to real estate finance borrowers

DZ HYP is a member of many different trade associations. It participates in initiatives to stabilize the financial system, uphold the interests of the Pfandbrief banks, and promote the economic interests and ideals of the real estate industry as a whole.

In retail customer business, the intermediary banks check creditworthiness in accordance with the requirements specified by DZ HYP. By taking an appropriate and measured approach to lending, DZ HYP prevents its customers from taking on excessive debt. It also reviews customers' assets and long-term capacity to service their debt in accordance with the rules in the Mortgage Credit Directive.

So far, no standardized process has been established as a way of assessing whether customers are aware of and sufficiently trust the structures and processes for expressing their concerns and needs.

Where there is cause for complaint, customers can access DZ HYP's complaints management system using the central address for complaints provided on the website. If the Compliance division receives a complaint relating to retail customer business, it forwards the complaint directly to the Retail Customer Sales (PVB) department, which handles the complaint through to closure of the case.

Metrics relating to real estate finance borrowers

There were no cases of non-respect of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises that involved real estate finance borrowers that were consumers and end-users during the reporting period.

3.5.4 Home savings customers

Targets relating to home savings customers

No measurable, outcome-oriented targets have been implemented in the DZ BANK Group for tracking the effectiveness of policies and actions related to home savings customers.

Policies relating to home savings customers

The data protection standards of BSH reflect the data protection principles enshrined in article 5 of the **General Data Protection Regulation** (GDPR): lawfulness, fairness, and transparency; purpose limitation; data minimization; accuracy; storage limitation; integrity and confidentiality.

These policies are directly linked to the material topic of consumers and end-users, plus the related IROs.

Actions relating to home savings customers

A data protection officer pursuant to article 37 GDPR has been appointed in order to implement GDPR.

BSH performs **intelligent data analysis** and links data to information from its customer database and to information provided by customers (e.g. energy performance certificates). The objective is to maintain a firm focus on customer requirements and to offer bespoke information, products, and services. This includes information about advantages and disadvantages that customers may face in connection with statutory requirements, opportunities for government subsidies, energy efficiency measures and renovations resulting in a higher property value, and energy cost savings.

Processes and channels relating to home savings customers

BSH uses continual, process-related **customer experience measurements** at 10 touchpoints in order to obtain feedback. These measurements generated more than 27,000 lots of feedback in 2023. The feedback is used, for example, to calculate the Net Promoter Score, which determines part of employees' performance-based remuneration. Separately from touchpoint-based feedback, customer satisfaction is measured in comparison with that of competitors by carrying out around 2,000 interviews per year. Direct feedback is also obtained during discussions with home experts in the field sales force and with employees in the customer dialogue center. Customer complaints are systematically recorded and processed. Monitoring of comments on social media and the consideration of the indirect views of consumers, as expressed through consumer organizations and consumer portals, enables external input from consumers and end-users to be noted and incorporated into the service process on an ongoing basis. The term 'service process' refers to the process of creating an offering that can be sold on the market and meets customer needs. The offering includes a service as the solution to a customer problem – for example a finance product with specific conditions – as well as advice, other services, or a specific process (e.g. loan application, allocation) that indirectly helps to solve the customer's problem.

BSH maintains a close dialogue with customers in order to understand their needs. As well as **talking to them in person**, it uses **regular surveys,** ad hoc consumer surveys for optimizing specific aspects of its performance and communications, and temporary customer communities and focus groups for this purpose. For example, the involvement of consumers and end-users is a mandatory element of the new product development process. Sales employees, who have direct experience of customers, contribute to the design of processes, products and offers. In addition to the business-to-customer (B2C) customer satisfaction surveys, regular surveys among its sales channels (the field sales force and cooperative partner banks) are conducted. Once a year, a sales climate index (VKI) is compiled for the field sales force to provide an evaluation of material sales-relevant parameters. The most recent collaboration survey among the members of the Boards of Managing Directors and managers at cooperative partner banks was conducted in 2023. As is fitting for a customer-focused company, the Board of Managing Directors is responsible for involving consumers and end-users and receives crucial support from the Market and Sales division.

Complaints are viewed as a critical process that provides an important opportunity to bring about improvements. **Handling complaints** in the right way can help to boost customer satisfaction in the long term. A sensitive approach is taken to complaints as it is not always immediately obviously in an individual case whether it is a complaint. The focus is always on the customer's perspective. Letters from customers must be analyzed carefully and thoughtfully to make sure that the customer's concern is fully understood. From the perspective of the Schwäbisch Hall Group, key details can often be found by reading between the lines, thereby providing background information for the complaint. To gain a full understanding, the Schwäbisch Hall Group studies the factors that motivated the customer to make a complaint. It looks at what actually triggered the complaint and what specific reasons prompted the customer to contact the company. The customer's personal needs are also analyzed as they play a crucial role in finding a suitable solution. Customers' complaints must be investigated. The aim is for all employees to have a consistent understanding of how to recognize complaints.

A complaint can be submitted via any of the usual contact channels, whether orally or in writing, and either directly by the complainant or by a person authorized to represent them.

Beyond this, no standardized process has been established as a way of assessing whether customers are aware of and sufficiently trust the structures and processes for expressing their concerns and needs.

Metrics relating to home savings customers

There were no cases of non-respect of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises that involved home savings customers that were consumers and end-users during the reporting period.

4 Governance

4.1 Management of material impacts, risks, and opportunities in the governance sphere (SBM-3)

The DZ BANK Group believes that it can have a positive impact on governance matters by maintaining long-term, successful business relationships founded on **good corporate governance and a strong corporate culture.** One of the contributing factors is support for the identification of non-compliant conduct, which is achieved by offering protection for whistleblowers. By acting with integrity, the DZ BANK Group can position itself as a reliable and transparent business partner (see chapter VII.0).

In collaboration with business partners, the DZ BANK Group can provide incentives for the **avoidance of corruption and bribery (compliance)** and can tackle general financial criminality. The potential causes of corporate governance risk include governance structures that are inadequate or lack transparency. The DZ BANK Group has put policies in place, such as the group governance policy and the code of conduct, to minimize this risk. It also tackles this risk by having a risk management system that encompasses sustainability risk. A lack of an, or only an inadequate, action plan to tackle money laundering, the financing of terrorism, and all forms of corruption (acceptance of advantages, granting of advantages, active bribery, and passive corruption) can also lead to corporate governance risk. Such risk may damage the DZ BANK Group entities' reputation among employees, customers, and business partners. The DZ BANK Group has therefore taken appropriate action for preventing corruption based on a compliance management system that includes compliance policies and an annual risk analysis (see chapter VII.4.3).

The lending process is designed to ensure that transactions with customers that do not satisfy the minimum corporate governance requirements defined by the DZ BANK Group are prohibited. Checks for critical governance matters, such as in the anti-corruption and competition/tax categories, are conducted and evaluated in a standardized manner.

Regarding **supplier relationships and payment practices,** the DZ BANK Group counters the risk of damage to stakeholders' trust in group entities due to poor stakeholder management. It does this by, for example, imposing groupwide minimum requirements regarding sustainable supplier management. Risks in the supply chain could also have an adverse impact on the environment and society as well as jeopardize supplier relationships. When selecting service providers and suppliers and when purchasing goods and services, the entities in the DZ BANK Group therefore consider not only criteria such as quality and price but also sustainability criteria (see chapter VII.4.4).

While DZ BANK is not directly involved in **political engagement** in the form of lobbying, it is through its memberships in trade associations and federations. DZ BANK's activities in this area and its memberships are declared in an entry in the lobbying register of the Bundestag (first chamber of the German parliament) and can be viewed by employees, the public, and other stakeholders of the bank (see chapter VII.4.5).

As part of the business environment analyses, risk factors relevant to governance were analyzed and their impacts on the business model of each management unit were assessed. This primarily identified potential short- to medium-term operational and reputational risks that could arise from opaque disclosure processes or a lack of internal control mechanisms with an internal control system and an internal audit function. These could potentially have a negative impact (low to medium effect) on the DZ BANK Group's business model. Good corporate governance – based on integrity and resulting in few incidents of corruption and bribery – gives rise to opportunities, for example to position the group as a reliable and transparent business partner. Advocacy within the parameters permitted by law, for example in trade associations, can improve business opportunities.

The material impacts, risks, and opportunities identified in the materiality assessment in relation to corporate governance are presented in the table below.

FIG. VII.33: OVERVIEW OF THE IMPACTS, RISKS, AND OPPORTUNITIES IN THE CORPORATE GOVERNANCE SPHERE

Topics of the materiality assessment	Standard	Dimension	IRO type	Impacts, risks, and opportunities	Chapter in the report
Business practices and corporate culture	G1	Own operations	Positive impact	Improving corporate culture and long-term stability through support for the identification of non-compliant conduct, which is achieved by offering protection for whistleblowers	Chapter VII.4.3 Compliance
			Risk	Own operations-related reputational risk: Damage to stakeholders' trust in DZ BANK Group entities due to a poor remuneration policy, a unilateral ownership structure, questionable corporate values & guidelines, opaque disclosure processes, a deficient internal control & risk management system, and a lack of effective control and oversight activities in the committees. For example, the general public, the media, and/or employees could criticize the inadequacies – whether subjective or not – of the institution's remuneration practices. The general public and the media could also criticize the inaccurate/misleading disclosures of the institution, and the way that it portrays itself, with regard to ESG (greenwashing).	Chapter VII.0 Corporate governance and corporate culture Chapter VII.4.3 Compliance
			Risk	Own operations-related reputational risk: Damage to stakeholders' trust in DZ BANK Group entities due to a poor remuneration policy or stakeholder management	Chapter VII.0 Corporate governance and corporate culture
			Risk	Operational risk: Insufficient systems for control and risk management as a result of a deficient internal control & risk management system or as a result of a lack of effective control and oversight activities in the committees can create conditions conducive to unlawful and/or criminal acts.	Chapter VII.4.3 Compliance
		Business portfolio	Positive impact	Maintaining long-term, successful business relationships founded on good compliance and a strong corporate culture	Chapter VII.0 Corporate governance and corporate culture Chapter VII.4.3 Compliance Chapter VII.4.4 Supplier management
			Chance	Positioning as a reliable and transparent business partner by acting with integrity	Chapter VII.0 Corporate governance and corporate culture Chapter VII.4.3 Compliance Chapter VII.4.4 Supplier management
			Risk	Reputational risk in the business portfolio: Damage to stakeholders' trust in DZ BANK Group entities due to links to business partners with a poor remuneration policy, a unilateral ownership structure, questionable corporate values & guidelines, opaque disclosure processes, a deficient internal control & risk management system, and a lack of effective control and oversight activities in the committees. For example, the general public, the media, and/or sales partners could criticize – whether subjectively or not – corporate governance and control weaknesses (potentially consequences of corruption/bribery).	Chapter VII.0 Corporate governance and corporate culture Chapter VII.4.3 Compliance Chapter VII.4.4 Supplier management

Topics of the materiality assessment	Standard	Dimension	IRO type	Impacts, risks, and opportunities	Chapter in the report
			Risk	Reputational risk in the business portfolio: Damage to stakeholders' trust in DZ BANK Group entities due to links to business partners with questionable corporate values & guidelines or stakeholder management	Chapter VII.0 Corporate governance and corporate culture Chapter VII.4.3 Compliance
Supplier relationships and payment practices	G1	Own operations	Risk	Own operations-related reputational risk: Damage to stakeholders' trust in DZ BANK Group entities due to poor stakeholder management	Chapter VII.0 Corporate governance and corporate culture Chapter VII.4.4 Supplier management
Anti-competitive behavior, political engagement / lobbying	G1	Own operations	Positive impact	Disclosing lobbying satisfies the need for transparency expressed by employees, the general public, and other stakeholders of the bank	Chapter VII.4.5 Political engagement
			Chance	Positioning as a reliable and transparent employer by acting with integrity	Chapter VII.0 Corporate governance and corporate culture Chapter VII.4.3 Compliance
			Risk	Own operations-related reputational risk: Damage to stakeholders' trust in DZ BANK Group entities due to poor stakeholder management	Chapter VII.0 Corporate governance and corporate culture Chapter VII.4.4 Supplier management
		Business portfolio	Positive impact	Contributing indirectly to policy through work on committees	Chapter VII.4.5 Political engagement
			Chance	Lobbying/advocacy within the parameters permitted by law (e.g. in trade associations) can improve business opportunities	Chapter VII.4.5 Political engagement
			Risk	Reputational risk in the business portfolio: Damage to stakeholders' trust in DZ BANK Group entities due to links to business partners with questionable corporate values & guidelines or stakeholder management	Chapter VII.4.4 Supplier management
Corruption and bribery	G1	Own operations	Positive impact	Setting an example and avoiding incidents of corruption by establishing a functioning compliance management system, compliance policies that include rules on corruption, employee training, and an annual risk analysis for preventive purposes	Chapter VII.4.3 Compliance
			Positive impact	Supporting the identification of corruption or fraud, e.g. through an anonymous whistleblowing system and training for employees	Chapter VII.4.3 Compliance
			Risk	Own operations-related reputational risk: Damage to stakeholders' trust in DZ BANK Group entities due to a poor remuneration policy or stakeholder management	Chapter VII.0 Corporate governance and corporate culture Chapter VII.4.3 Compliance
		Business portfolio	Positive impact	Creating incentives for the avoidance of corruption and bribery when collaborating with business partners	Chapter VII.4.3 Compliance
			Positive impact	Tackling financial criminality	Chapter VII.4.3 Compliance
			Chance	Positioning as a reliable and transparent business partner thanks to no or only few/minor incidents of corruption and bribery	Chapter VII.4.3 Compliance
			Risk	Reputational risk in the business portfolio: Damage to stakeholders' trust in DZ BANK Group entities due to links to business partners with questionable corporate values & guidelines or stakeholder management	Chapter VII.4.3 Compliance Chapter VII.4.4 Supplier management

4.2 Corporate governance and corporate culture (G1-1)

Brief summary

- Reporting of targets, policies, and actions relating to corporate governance and culture in own operations and the business portfolio
- Disclosure of governance instruments, such as the group governance policy and the UN Global Compact, and their management using the compliance management system

Targets relating to corporate governance and corporate culture

No measurable, outcome-oriented targets have been implemented in the DZ BANK Group for tracking the effectiveness of policies and actions related to corporate governance.

Policies relating to corporate governance and corporate culture

The fundamental framework for the management and monitoring of the DZ BANK Group's management units is set out in the **group governance policy (GGP),** which contains standards for good and responsible corporate governance and group management. The GGP is implemented by the GRFC (see chapter VII.4.3) and, among other things, ensures legally compliant actions – as described in the DZ BANK Group's code of conduct – and a functioning system of risk management that includes sustainability risks. The policy includes the obligation of the Board of Managing Directors and Supervisory Board to ensure the continued existence of DZ BANK, the DZ BANK Group, and the Cooperative Financial Network as going concerns through long-term value creation in accordance with the provisions of company law and regulatory requirements. The GGP is aimed at ensuring the management and supervision of the DZ BANK Group by the Board of Managing Directors and Supervisory Board.

By signing up to the UN Global Compact, the DZ BANK Group has voluntarily undertaken to respect and comply with the 10 principles of corporate responsibility within its sphere of influence. This includes respecting human rights and taking decisive action against corruption in all its forms, such as extortion, bribery, and passive corruption. The DZ BANK Group's **code of conduct** is based on the principles of the UN Global Compact. It also addresses undesirable business practices and makes reference to various tools for preventing fraud and respecting human rights. The Compliance division ensures and is responsible for the implementation of the code of conduct by all employees. The Board of Managing Directors bears overall responsibility for the policy.

These policies are directly linked to the material topic of business practices and corporate culture, plus the related IROs.

Actions relating to corporate governance and corporate culture

The DZ BANK Group has established a groupwide **compliance management** system and documented it in writing as part of its compliance framework. Compliance management includes, in particular, policies containing anti-corruption rules, training of employees, and annual risk analyses, but also monitoring processes. The aim of this approach is to prevent incidents of corruption and breaches of statutory and regulatory requirements (see chapter VII.4.3).

DZ BANK has set up a **whistleblowing system** with the aim of ensuring that incidents related to its business conduct, including cases of corruption and bribery, are investigated promptly, independently, and objectively. This includes incidents concerning employees and those concerning the Board of Managing Directors or Supervisory Board. All incidents are processed using a standardized procedure (see chapter VII.4.3). The employees who manage the whistleblowing system must attend relevant training every 2 years.

DZ BANK's **Board of Managing Directors** and **Supervisory Board** attend **induction sessions and regular training sessions** on the corporate values and on responsible leadership to ensure that the values embodied by the corporate culture are firmly anchored in the organization. The purpose of the induction and training sessions is to give the members of the Board of Managing Directors and Supervisory Board an understanding of the DZ BANK Group's structure, business model, risk profile, and governance rules. Furthermore, they are designed to give the members a deeper understanding of their roles and the related functions. To this end, DZ BANK provides general and, where required, specific training programs for the relevant members. All of DZ BANK's induction and training sessions aim to help the members of the governing bodies to perform their roles and functions (see chapter VII.3.2.2).

The DZ BANK Group views **social and cultural projects,** such as financial support for local communities, as part of its corporate culture (see chapter VII.3.4).

Processes relating to corporate governance and corporate culture

The DZ BANK Group actively involves its own workforce in corporate governance and in shaping the corporate culture, primarily by conducting employee surveys. **Surveys of employees** help to ascertain their expectations and needs, identify areas of action, and initiate necessary changes (see chapter VII.3.2.4).

4.3 Compliance (G1-3, G1-4)

Brief summary

- Reporting of targets, policies, actions, and metrics relating to compliance in own operations and in the business portfolio
- Disclosure of information on training aimed at preventing and detecting corruption and bribery
- Details of transparency in respect of incidents of corruption and bribery

Ensuring legally compliant conduct is essential to responsible corporate governance in the DZ BANK Group. Effective compliance management is a prerequisite for good business practice. It includes preventing financial criminality (preventing money laundering, corruption, bribery, and the financing of terrorism), preventing market manipulation and insider trading, and ensuring compliance with sanctions and embargoes. Compliance management is therefore crucial to the integrity of the financial system and underpins both economic growth and social stability. The disclosures in this chapter in respect of group entities generally relate to the DZ BANK Group entities that are considered part of the scope of consolidation for compliance purposes. This encompasses the management units of the DZ BANK Group, plus Reisebank, VR Equitypartner, VR Factoring GmbH, VR Payment, and GENO Broker GmbH.

Targets relating to compliance

No measurable, outcome-oriented targets have been implemented in the DZ BANK Group for tracking the effectiveness of policies and actions related to corruption and bribery or to training on preventing and detecting corruption and bribery.

One of TeamBank's ongoing targets is to ensure, as at the reporting date in the calendar year, that 100.0 percent of employees take part in courses on the prevention of other criminal offenses and pass the web-based training (WBT). Target achievement is measured by the number of employees completing the training each year as a proportion of the total workforce. The outstanding WBTs are checked each year to determine whether the target has been reached.

Policies relating to compliance

The **compliance framework** was established as a means of ensuring that the DZ BANK Group satisfies the statutory and regulatory requirements. The compliance framework of the DZ BANK Group comprises a compliance policy and compliance standards. The compliance policy sets out requirements for establishing and organizing the compliance functions and details of their duties. The compliance standards implement these requirements within the group's own operations, along with the guidelines on managing conflicts of interest.

The standards on preventing money laundering and the financing of terrorism, on accepting and granting benefits, and – applicable in the banking group – on preventing other criminal offenses also form part of the compliance framework. The Compliance division ensures and is responsible for the implementation of the compliance framework. The Board of Managing Directors bears overall responsibility for the policy.

Most parts of the DZ BANK Group are obliged to submit a **Foreign Account Tax Compliance Act (FATCA)** report because they are registered with the US tax authority (the Internal Revenue Service, IRS), as financial institutions subject to reporting requirements and have therefore been issued with a Global Intermediary Identification Number (GIIN). DZ BANK and DZ PRIVATBANK are also covered by the US **Qualified Intermediary (QI)** agreement.

At DZ BANK and DZ PRIVATBANK, the rules for **handling conflicts of interest** are set out in a dedicated policy. DZ BANK is required to inform customers of potential unavoidable conflicts of interest and inducements, for example in cases where the supply of financial analyses coincides with the provision of banking services. It is the job of capital market compliance to monitor whether conflicts of interest in connection with investment services and ancillary investment services are being avoided and whether unavoidable conflicts of interest are being adequately addressed. This particularly applies in regard to protecting customers' interests.

These policies are directly linked to the material topic of bribery and corruption, plus the related IROs.

Measures relating to compliance

All entities in the DZ BANK Group that are required by law or regulation to establish a **compliance function** have done so, in accordance with the group's compliance policy. The compliance function is responsible for mitigating risks that could arise from non-compliance with legal provisions and requirements. The role of the compliance function is to ensure the implementation of effective procedures for compliance with the legal provisions and requirements that are material to the entities, along with the relevant controls. The compliance function is also responsible for supporting and advising the senior management on compliance with these legal provisions and requirements. Its primary remit is to identify those material legal provisions and requirements that, if not complied with, might put the entities' assets at risk. This process is carried out on an ongoing basis, taking risk perspectives into consideration.

Under the compliance framework, **corporate compliance** at DZ BANK is responsible for all aspects of compliance governance at the level of the DZ BANK Group. It advises the group entities with regard to the implementation of these requirements and monitors adherence to the compliance framework.

Once per year, and also on an ad hoc basis as required, DZ BANK's **Compliance division submits a report** to the Board of Managing Directors and the Audit Committee on the activities of the compliance functions of DZ BANK and the group entities and describes any material insights they have gained. Furthermore, the safeguards put in place at DZ BANK in accordance with the compliance standards (particularly in relation to the prevention of money laundering, financing of terrorism, and other criminal offenses) and the guidelines on managing conflicts of interest are subject to continual review and refinement.

At DZ BANK, the **Compliance division** ensures that effective procedures for complying with the legal provisions and requirements that are material to the bank are implemented and the relevant controls are carried out. The areas of responsibility of the Compliance division include the prevention of financial criminality (the division is the central point of contact in this regard), capital market compliance and corporate compliance, and the MaRisk compliance function. In accordance with the compliance framework, the ombudsperson (see chapter VII.3.2.3), the data protection officer and her staff, the responsible officer, the officer for the protection of customers' financial instruments, and the human rights officer are also part of the Compliance division. Other monitoring functions are assigned to other areas of the organizational structure, such as information security.

The remit of **capital market compliance** at DZ BANK includes carrying out regular risk-based monitoring to ensure that the principles and processes put in place in connection with investment services are followed. It also ensures that the employees in the divisions performing such services are sufficiently aware of compliance risk. Capital market compliance also monitors and evaluates the principles and processes put in place in the company, along with the action taken to rectify shortcomings, including the processes for handling complaints.

In the context of **preventing financial criminality** at DZ BANK, safeguards are developed and implemented with regard to money laundering, the financing of terrorism, and other criminal offenses. To this end, DZ BANK has set up a central point of contact – part of the Compliance division – for the prevention of money laundering, the financing of terrorism, and other criminal offenses in accordance with section 25h KWG. Regular training for all employees is a key aspect of the safeguards that DZ BANK has put in place. All DZ BANK sites in Germany and abroad and the DZ BANK Group entities are included in the annual risk analysis aimed at preventing money laundering, the financing of terrorism, and other criminal offenses. This risk analysis is required by law.

Within the compliance framework, the **MaRisk compliance function** is responsible for monitoring legal standards on a continual basis in most of the banking group's entities and conducts the MaRisk compliance risk analysis. The Regulatory Workflow Center system is used to monitor legal standards. In the regulatory banking group, the 'Central inventory of laws and regulations' standard constitutes the groupwide rules and an ongoing action in this context and forms part of the compliance framework.

In accordance with the compliance framework, each Head of Division, Head of Area of Board Responsibility, and Head of Business Segment has appointed a fraud prevention coordinator tasked with implementing actions to prevent other criminal offenses at DZ BANK. This person ensures, in collaboration with the Compliance division, that the necessary actions are integrated into work processes effectively and on an ongoing basis, and are being applied. At DZ BANK, the **processes for accepting customers** and updating customer data on an ongoing basis are documented in a written set of procedural rules in accordance with the statutory and regulatory requirements. A risk-based approach ensures that all necessary data and information about the bank's customers is collected. This also includes checks to identify politically exposed persons (PEPs) and checks against sanction and embargo lists.

On an ongoing basis, **training courses** are offered on specific topics such as investment advice to implement the policy for handling conflicts of interest. Compliance also works with a software program that examines relevant trades for market manipulation. Moreover, a multi-level process within DZ BANK is designed to ensure that employees adhere to the statutory requirements aimed at preventing insider trading. As DZ BANK carries out payments processing, it conducts electronic transaction monitoring in order to check transactions for indications of money laundering or the financing of terrorism. It reports any suspicious transactions to Germany's central agency for analyzing financial transactions, the Financial Intelligence Unit (FIU).

Various training courses are also carried out in the DZ BANK Group to ensure implementation of the compliance framework.

Because all employees and the senior management are equally at risk of exposure to corruption and bribery, **compliance training** on the detection and prevention of corruption and bribery are mandatory for these at-risk groups of people in the DZ BANK Group. The training programs on anti-corruption and bribery matters include courses that cover the avoidance of acts of corruption.

DZ BANK provides regular training for its at-risk persons on compliance, the prevention of money laundering and the financing of terrorism, financial sanctions and embargoes, fraud prevention, GDPR, and the prevention of market manipulation. Web-based programs are used for this training and include a mandatory test at the end. Employees must complete these programs soon after joining the organization and subsequently repeat them every 2 years. The Compliance division checks that employees and senior management take the compliance training, issuing reminders where this is not the case. Line managers and the deputy anti-money laundering officer are involved in the reminder process for the particular training courses. The DZ BANK compliance officer also ensures that relevant topics are covered in the training provided to the Supervisory Board.

BSH provides regular training on compliance for at-risk persons. The training includes modules on the principles of compliance, conflicts of interest, gifts and hospitality, fraud, antitrust law, and due diligence in the supply chain. Each module ends with a test. Training is also provided on anti-trust law and money laundering for a defined group of people. The courses must be completed annually.

New employees at DZ HYP must complete certain training programs. They include courses on fraud prevention, the prevention of money laundering and the financing of terrorism, and sanctions and embargoes (only for market-facing functions such as customer service and loan processing). These courses must be completed every 2 years.

DZ PRIVATBANK runs regular training courses on financial sanctions and embargoes, the prevention of money laundering and terrorism financing, fraud prevention, data protection, and the prevention of market abuse. As a minimum, these courses must be completed every 2 years.

Reisebank provides regular training on compliance and money laundering prevention for at-risk persons. Awareness training in connection with financial transactions is mandatory and must be completed every 2 years.

R+V requires at-risk individuals to complete the compliance training program, which also covers anti-corruption and bribery regulations. Employees can also access a web-based compliance training program, and the compliance units provide additional risk-related training modules. All at-risk functions must complete the training documents at intervals of no more than 3 years via an acknowledgment procedure or the web-based training program. This is monitored by the corporate compliance unit.

TeamBank provides training for at-risk individuals on compliance, the prevention of money laundering and terrorism financing, financial sanctions and embargoes, fraud prevention, and GDPR. The courses must be completed annually.

UMH provides training on compliance and integrity and on the prevention of financial criminality for at-risk persons by means of web-based mandatory training. Web-based training is also available on data protection and information security. In addition, a defined group of people receives training on employee transactions, and classroom-based training is offered for specific topics such as portfolio management or the real estate segment. The training is mandatory and must be taken every year, apart from data protection training which has to be completed every 2 years.

At-risk persons at VR Equitypartner must take courses on the prevention of money laundering and the fight against terrorism (including financial sanctions and embargoes), on fraud prevention (including the prevention of corruption), and on compliance with data protection rules every 2 years. They must also undergo cybersecurity training annually.

At VR Factoring GmbH, all at-risk employees and the Managing Directors receive regular training on the prevention of money laundering, terrorism financing, and fraud, as well as on data protection, information security, and workplace health and safety. As a minimum, these courses must be completed every 2 years.

At-risk persons at VR Payment receive regular training on the following compliance-related matters: business continuity management, data protection, and money laundering. The courses must be completed annually.

At VR Smart Finanz, all at-risk individuals receive regular training on anti-corruption, export controls, and the prevention of money laundering and terrorism. The courses must be completed every 2 years.

Procedures relating to compliance

Whistleblowing systems are in place in the DZ BANK Group to allow employees and third parties to report compliance violations confidentially and without fear of reprisals (see chapter VII.3.2.6, chapter VII.3.3, chapter VII.3.4, and chapter VII.3.5). In the DZ BANK Group, the 'Whistleblowing system' standard constitutes the groupwide rules in this context and forms part of the compliance framework. One of the rules is that the group entities must notify DZ BANK of material whistleblowing cases in anonymized form.

The ombudspersons and representatives appointed in the group entities to receive reports of breaches are bound by confidentiality in order to protect the whistleblowers. At DZ BANK, the information received by the ombudsperson is passed on to a whistleblower committee in accordance with data protection requirements. The committee evaluates the information and initiates any required action, including the involvement of investigating authorities where necessary. Information about the whistleblowing system is published on DZ BANK's intranet and website. At DZ BANK, anonymized information on the cases handled in the whistleblowing system are reported to the Board of Managing Directors annually and, if required, on an ad hoc basis.

DZ BANK employees are regularly provided with information on the whistleblowing system as part of the compliance training courses.

Metrics relating to compliance

In 2024, there were no known convictions for breaches of corruption and bribery rules by members of governing bodies and/or employees of group entities in the DZ BANK Group. No fines were paid as a result of breaches of corruption and bribery rules in the reporting year.

Where required by law, the DZ BANK Group regularly runs mandatory compliance training courses for its employees. 96.0 percent of employees in at-risk functions had taken part in and completed training programs as at the reporting date in the reporting year. All employees in the DZ BANK Group in active employment (i.e. not suspended or inactive) can essentially be considered functions-at-risk. At most, those employees can be excluded whose role has nothing to do with the typical tasks and activities associated with the relevant group entity's business.

4.4 Supplier management (G1-2)

Brief summary

- Reporting of targets, policies, and actions relating to supplier management in own operations
- Explanation of the rules on working with suppliers, such as the sustainability in procurement guidelines and the sustainability requirements for suppliers

It is extremely important to consider sustainability in supplier management. The management units in the DZ BANK Group strive to ensure that their supply chains are environmentally and socially responsible as well as efficient and cost-effective. When selecting service providers and suppliers and when purchasing goods and services, the management units in the DZ BANK Group therefore pay careful attention not only to criteria such as quality and price but also to sustainability criteria, including the minimization of environmental and social risk. This includes adhering to environmental standards (e.g. reducing carbon emissions), promoting social responsibility (e.g. recognizing and respecting human rights), and supporting ethical business practices (e.g. preventing corruption). By taking this holistic approach, the management units in the DZ BANK Group can ensure that their supplier management is economically viable, sustainable, and responsible.

Targets relating to supplier management

To date, no measurable, outcome-oriented targets have been implemented in the DZ BANK Group for tracking the effectiveness of policies and actions related to supplier management.

UMH[29] is planning to gradually increase the proportion of suppliers with an **EcoVadis rating to 90 percent** by the end of **2026.** This target is not related to environmental aspects. No stakeholders were involved in setting the target for the sustainability matter. The target is reviewed annually and quarterly in the quarterly purchasing report, and shared with the Executive Committee every six months.

Policies relating to supplier management

The common general guidelines and the processes for the sustainable management of supply chains are defined in the **sustainability in procurement guidelines** for most of the entities in the DZ BANK Group. These guidelines also cover selecting and procuring sustainable products and services as well as helping suppliers to improve in terms of their sustainability-related activities. The sustainability in procurement guidelines were drawn up at group level by the working group for sustainability in procurement. The working group has been tasked with continually refining the sustainability processes and objectives in procurement, and updating the guidelines on an ongoing basis. The procurement departments of the group entities are responsible for implementing the guidelines. Each entity's procurement function is required to follow the guidelines.

Group entity-specific application of the sustainability in procurement guidelines is designed to ensure that the procurement processes in the DZ BANK Group comply with economic, environmental, and social standards, including aspects relating to human rights and fair working practices. The guidelines are embedded and implemented differently in supplier management (non-transaction-specific) and procurement management (transaction-specific).

The defined guidelines take account of legal requirements arising from LkSG and other official publications, chiefly the principles of the UN Global Compact (covering the areas of human rights, labor standards, the environment, and anti-corruption), the pertinent conventions of the International Labour Organization (ILO fundamental conventions), and guidance published by supervisory authorities in order to provide more detail on aspects relevant to sustainability risk, such as the guidance published by the Bundesamt für Wirtschaft und Ausfuhrkontrolle (BAFA) [German Federal Office for Economic Affairs and Export Control] on performing a risk analysis in accordance with the provisions of LkSG (see chapter VII.3.2.5, chapter VII.3.2.6, and chapter VII.3.3).

The group entities require their suppliers to comply with minimum standards as specified in the **contractual sustainability requirements for suppliers** to the DZ BANK Group. These requirements are aligned with sources such as the principles of the UN Global Compact (covering the areas of human rights, labor standards, the environment, and anti-corruption), the code of conduct issued by the Bundesverband Materialwirtschaft, Einkauf und Logistik e.V. (BME) [German Association for Supply Chain Management, Procurement and Logistics], the pertinent ILO fundamental conventions, and the requirements in LkSG. The requirements form part of the business relationship because they take account of the supplier's environmental (e.g. minimizing the impact on the environment), social (e.g. ensuring occupational health and safety), and economic (e.g. complying with legal requirements and maintaining free competition) responsibilities along the supply chain.

The common objective of the management units in the DZ BANK Group in connection with the sustainability requirements for suppliers is to take account of sustainability criteria such as certification when selecting suppliers. The sustainability requirements for suppliers are applied on a group entity-specific basis. The management units of the DZ BANK Group view the requirements as important guidance for the individual business relationship. If a firm is unwilling to sign up to the sustainability requirements for suppliers, an escalation pathway is initiated and a decision is made on whether the requirements are material to the business relationship in the specific case (see chapter VII.3.2.1 and chapter VII 4.3).

The contractual sustainability requirements for suppliers were developed at group level by the sustainability working group. The procurement departments of each group entity are responsible for monitoring compliance

[29] The details concerning UMH in the supplier management chapter do not apply to the special funds or to VisualVest, Quoniam, or the ZBI Group.

with the policy. The line managers within the procurement departments are responsible for implementing the contractual sustainability requirements.

These policies are directly linked to the material topic of supplier relationships and payment practices, plus the related IROs.

Actions relating to supplier management

The **working group for sustainability in procurement** was created to implement the sustainability in procurement guidelines and the contractual sustainability requirements. It comprises the sustainability coordinators of the procurement departments in most entities in the DZ BANK Group. The working group meets each month.

To ensure the management units of the DZ BANK Group take a consistent approach, the working group for sustainability in procurement has developed a **minimum standard** for assessing the sustainability performance of suppliers, which includes a multi-stage escalation process that can ultimately result in a supplier being excluded.

Taking account of the classification of suppliers based on sustainability risk, the following are carried out annually in most entities in the DZ BANK Group:

- A tool-based analysis of the supplier portfolio by country and sector
- A more in-depth tool-based rating for relevant suppliers (examination of the following categories: environmental impacts, labor rights and human rights, ethics, and sustainable procurement)
- A supplier management meeting for addressing sustainability-relevant aspects

The actions agreed with the supplier are based on the score from the **risk analysis** and on the evaluation of the sustainability management status quo, including progress made and any changes planned. If the procured goods/services or any anomalies indicate that a supplier needs to be investigated more thoroughly, various courses of action are possible, such as an audit. The risk analysis in the supply chain is based on LkSG and is an ongoing action that builds on the sustainability in procurement guidelines. The risk analysis is conducted at least once a year and updated accordingly.

DZ BANK, BSH, UMH, and VR Smart Finanz hold **annual development meetings** with suppliers and service providers that have been classified as sustainable. At these meetings, they discuss sustainability-related progress and actions in order to assess whether any targeted steps need to be initiated to promote further development. Other group entities plan to gradually introduce such meetings. The purpose of the ongoing action of development meetings is to implement the sustainability in procurement guidelines and the contractual sustainability requirements.

The self-assessment tool selected for use by suppliers is **EcoVadis**, and it is now used in most DZ BANK Group entities. EcoVadis provides a collaborative platform on which to carry out sustainability assessments. Use of the EcoVadis tool is an ongoing action intended to implement the sustainability in procurement guidelines.

Invitations to undergo the **EcoVadis rating process** should be targeted primarily at suppliers requiring more in-depth analysis. If suppliers do not require an EcoVadis rating according to the minimum requirements matrix, or if a sustainability assessment is required for an invitation to tender but no EcoVadis rating is available, a questionnaire for DZ BANK Group suppliers can be used as an alternative.

All procurement transactions at DZ BANK should be carried out in accordance with the **payment terms and conditions agreed** with the supplier. The payment period is 30 days. The entire invoice processing process is designed so that suppliers are paid on time. The process is specified in process models for accounting and for the functional departments. Invoices must be approved by the departments before they can be entered in the system. The invoice recipients (departments) receive regular reminders, both automated and manually generated by email. Once an invoice has been approved by the department, it is generally posted on the following day. The payment run is started the day after that (every day). This pays all due invoices, which ensures that payment dates are adhered to.

Sustainability-oriented procurement helps to reduce the consumption of materials and energy and to avoid and minimize emissions and waste. The first step in this process is to monitor actual requirements. When selecting products or services, the procurement team and the department work together to minimize resource consumption and environmental impact.

Other sustainability-relevant attributes, such as product design, quality, and energy consumption are also taken into account.

The individual procurement departments have worked together to develop a **training format** aimed at implementing the guidelines in procurement and promoting and ensuring a common understanding of sustainability in procurement. This is used in most entities in the DZ BANK Group and takes place at least once a year. The stated aim of this format is to convey basic knowledge on sustainable procurement and supplier management, which includes explaining the importance of human rights and environmental standards in the supply chain. The training sets out general parameters, practical approaches, and methods for sustainability within supplier management in order to help the target group – purchasers in the DZ BANK Group – to identify and deal with potential risks at an early stage. The requirements of LkSG form a key part of the training format. Participants learn about companies' legal obligations in relation to respecting human rights and protecting the environment in the supply chain and how these obligations can be fulfilled in practice. The focus of the training in this regard is on identifying, evaluating, and minimizing risks, on documentation, on reporting obligations, and on working with the human rights officers in the group entities.

Each group entity began holding the training course in the reporting year, taking their own specific needs into consideration.

4.5 Political engagement (G1-5)

Brief summary

- Reporting of targets, policies, actions, and metrics relating to political engagement in own operations
- Details of the entry in the German lobbying register and membership of associations and advocacy organizations

Targets relating to political engagement

To date, no measurable, outcome-oriented targets have been implemented in the DZ BANK Group for tracking the effectiveness of policies and actions related to political engagement.

Policies relating to political engagement

The **German Lobbying Register Act** (LobbyRG) requires all individuals, companies, and organizations who/that establish contact with the Bundestag (first chamber of the German parliament) or the German federal government in order to influence political processes, or who/that engage others to carry out such activities, to enter themselves in the Bundestag's lobbying register if their activity exceeds the materiality threshold defined in the act and if none of the exemptions in the act apply. The act also permits voluntary entries in the lobbying register.

Under LobbyRG, general disclosures have to be published in the German lobbying register, along with further information on the personnel and financial resources used for lobbying and the topics covered by the lobbying.

In accordance with LobbyRG, DZ BANK (register number R001616), R+V (register number R001814), UMH (register number R001396), DZ HYP (register number R002192), BSH (register number R001691), and TeamBank (register number R001201) are entered in the Bundestag's lobbying register. Each entity updates its own entries on an ongoing basis and by the relevant deadlines. These entries can be viewed in the lobbying register by the public under the relevant register numbers or by using the search function.

LobbyRG requires existing register entries to be reviewed and, if necessary, updated each year. When approving updates as part of the annual review and approving any changes made on an ad hoc basis, a senior manager must check that the lobbying disclosures are complete and accurate and must sign the disclosures along with the consent form for data protection and the code of conduct. The person who performs this task on behalf of DZ BANK is the Chief Executive Officer.

When submitting their entry for the Bundestag's lobbying register, the entities in the DZ BANK Group confirm that no members of their administrative, management and supervisory bodies have held an office, membership, or function in the German federal government, Bundestag, or federal public service in the past 5 years.

The procedural instruction on publications in accordance with LobbyRG at federal and regional level contains an overview of the requirements of LobbyRG and the data DZ BANK is required to enter in the lobbying register. The instruction is intended to ensure that DZ BANK complies with the requirements of LobbyRG. The registration obligation is met by means of an annual bankwide survey carried out using the processes put in place to ensure the entry of all necessary and up-to-date information. These processes are coordinated by DZ BANK's Legal division. The entries and updates are approved by the Board of Managing Directors of DZ BANK in accordance with the processes described in the procedural instruction.

Political contributions are also documented in connection with the collation of information on the financial resources used for lobbying that has to be published in the lobbying register. Most of the group entities do not permit political contributions. This exclusion takes different forms, but in most cases is part of an overarching donations and gifts policy. The aim is to give employees clear guidelines. These guidelines are adopted either by the Board of Managing Directors, the senior management, or downstream entities.

This policy is directly linked to the material topic of anti-competitive behavior and political engagement / lobbying, plus the related IROs.

Actions relating to political engagement

Lobbying in the name of DZ BANK, as defined in LobbyRG, is carried out solely in the context of ad hoc and professional **discussions** between members of the Board of Managing Directors and the persons named in section 1 (1) and (2) LobbyRG on general topics relating to the financial sector. Within the DZ BANK Group, the granularity of the lobbying carried out – particularly in terms of the specific political topic areas and legislative projects – can vary due to the entities' different business models and strategies. UMH, for example, is participating in current discussions about financial policy relating to topics such as financial markets regulation, personal pensions, sustainability, and real estate. Its lobbying activities involve meeting with political stakeholders for bilateral talks and at events, such as party conventions and conferences. It also prepares position papers and submits comments in response to consultations. Some political content is also published online (website, LinkedIn channel). R+V has entered into dialogue with other civil society advocacy organizations and policymakers. Because it is a full-service insurer that operates right across Germany, R+V is a point of contact for political decision-makers in respect of all matters relating to the insurance industry and the cooperative approach. For the purpose of lobbying, BSH holds bilateral talks, participates in and arranges events, and commissions information materials, studies, statements, expert opinions, surveys, and business cases, primarily with a focus on communicating its requests and recommendations in the areas of saving, investment, financing, and personal pensions and in relation to home ownership, housebuilding and homes, modernization, energy efficiency improvements, and the adaptation of buildings for older people. Other key topics include financial market regulation, consumer protection, climate change mitigation, and sustainability. Additional information on each entity's lobbying activities and the political interest areas and projects covered can be found in their individual entries in the lobbying register.

DZ BANK and the majority of the group entities are **members** of various associations and advocacy organizations. Depending on their business models and strategies, individual entities are also members of associations and advocacy organizations in European countries outside Germany and of European and international associations that represent the interests of cooperative banks with regard to legislation and regulation at European and international level or that promote the cooperative principle internationally. The ongoing monitoring of DZ BANK's membership of associations and advocacy organizations and the annual recording of expenditure in this connection serve to implement the requirements of LobbyRG pursuant to the relevant procedural instruction of DZ BANK on publication in accordance with LobbyRG. The full list of memberships that are relevant from a LobbyRG perspective, and the membership contributions paid, can be found in the entities' individual entries in the lobbying register.

Metrics relating to political engagement

In 2024, the DZ BANK Group made political financial contributions amounting to €224,710, of which €224,710 was attributable to contributions to political parties. Contributions to representatives of political parties and to persons seeking political office each accounted for €0. Germany is the main area of the DZ BANK Group's business activities. No political financial contributions outside Germany were made in the reporting period. The data collected on political financial contributions covers only contributions that, individually, exceed €1,000.

In 2024, the DZ BANK Group made in-kind contributions to the value of €0 to political parties, representatives of political parties, or persons seeking political office. The data collected on political contributions in the form of in-kind contributions covers only in-kind contributions that, individually, exceed €1,000.

FIG. VII.34: MONETARY AND IN-KIND DONATIONS OF THE DZ BANK GROUP, BY COUNTRY (€)

Country	Financial contributions to parties	Financial contributions to representatives	Financial contributions to candidates	In-kind donations to parties	In-kind donations to representatives	In-kind donations to candidates
Germany	224,710	-	-	-	-	-
Total	**224,710**	-	-	-	-	-

5 Annex

5.1 Quantitative disclosures for the DZ BANK banking group under the EU taxonomy in accordance with Annex VI of the EU Taxonomy Regulation

5.1.1 Assets for the green asset ratio (CapEx)

1. Assets for the calculation of GAR (CapEx)		a	b	c	d	e	f
			Disclosure reference date T				
			Climate change mitigation (CCM)				
			Of which toward taxonomy-relevant sectors (taxonomy-elegible)				
				Of which environmentally sustainable (taxonomy-aligned)			
No.	€ million	Total [gross] carrying amount			Of which use of proceeds	Of which transitional	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	**-**	-	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**174,667**	**100,976**	**2,736**	**430**	**175**	**928**
2	Financial corporations	56,721	18,746	640	-	35	124
3	Credit institutions	52,503	18,241	570	-	34	108
4	Loans and advances	37,335	14,300	171	-	4	5
5	Debt securities, including UoP	15,140	3,933	398	-	30	103
6	Equity instruments	27	8	-		-	-
7	Other financial corporations	4,218	505	70	-	-	16
8	of which investment firms	4,188	491	69	-	-	16
9	Loans and advances	3,312	196	25	-	-	12
10	Debt securities, including UoP	877	295	45	-	-	4
11	Equity instruments	-	-	-		-	-
12	of which management companies	17	2	1	-	-	-
13	Loans and advances	4	-	-	-	-	-
14	Debt securities, including UoP	13	2	1	-	-	-
15	Equity instruments	-	-	-		-	-
16	of which insurance undertakings	12	12	-	-	-	-
17	Loans and advances	12	12	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-
20	Non-financial corporations	8,360	4,366	1,769	104	140	804
21	Loans and advances	6,118	3,234	1,027	103	109	383
22	Debt securities, including UoP	2,242	1,131	742	-	31	422
23	Equity instruments	-	-	-		-	-
24	Households	93,016	77,863	326	326	-	-
25	of which loans collateralized by residential immovable property	73,055	71,936	326	326	-	-
26	of which building renovation loans	12,223	11,856	24	24	-	-
27	of which motor vehicle loans	-	-	-	-	-	-
28	Local government financing	16,571	1	-	-	-	-
29	Housing financing	-	-	-	-	-	-
30	Other local government financing	16,571	1	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**252,403**	-	-	-	-	-
33	Financial and non-financial corporations	215,274					
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations	191,173					
35	Loans and advances	176,204					
36	of which loans collateralized by commercial immovable property	31,923					
37	of which building renovation loans	1,332					
38	Debt securities, including UoP	11,939					
39	Equity instruments	3,030					

1. Assets for the calculation of GAR (CapEx)		a	b	c	d	e	f
		Disclosure reference date T					
			Climate change mitigation (CCM)				
			Of which toward taxonomy-relevant sectors (taxonomy-elegible)				
				Of which environmentally sustainable (taxonomy-aligned)			
No.	€ million	Total [gross] carrying amount			Of which use of proceeds	Of which transitional	Of which enabling
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations	24,101					
41	Loans and advances	14,155					
42	Debt securities, including UoP	9,941					
43	Equity instruments	5					
44	Derivatives	17,055					
45	On demand interbank loans	5,788					
46	Cash and cash-related assets	446					
47	Other assets (e.g. goodwill, commodities etc.)	13,840					
48	**Total GAR assets**	**427,070**	**100,976**	**2,736**	**430**	**175**	**928**
49	**Assets not included in the calculation of GAR**	**115,939**					
50	Sovereigns and supranational issuers	12,971					
51	Central bank exposures	88,470					
52	Trading book	14,498					
53	**Total assets**	**543,008**	-	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations							
54	Financial guarantees	2,654	1,304	241	-	9	77
55	Assets under management	102,032	12,231	5,863	-	370	2,973
56	of which debt securities	56,754	6,111	3,575	-	229	1,529
57	of which equity instruments	45,277	6,120	2,288	-	141	1,444

1. Assets for the calculation of GAR (CapEx)		g	h	i	j
		Disclosure reference date T			
		Climate change adaptation (CCA)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**188**	**52**	**-**	**15**
2	Financial corporations	102	11	-	-
3	Credit institutions	99	7	-	-
4	Loans and advances	21	1	-	-
5	Debt securities, including UoP	77	7	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	4	4	-	-
8	of which investment firms	4	4	-	-
9	Loans and advances	4	4	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	86	42	-	15
21	Loans and advances	45	4	-	2
22	Debt securities, including UoP	41	38	-	13
23	Equity instruments	-	-		-
24	Households	-	-	-	-
25	of which loans collateralized by residential immovable property	-	-	-	-
26	of which building renovation loans	-	-	-	-
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-
33	Financial and non-financial corporations				
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralized by commercial immovable property				
37	of which building renovation loans				
38	Debt securities, including UoP				
39	Equity instruments				
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities, including UoP				
43	Equity instruments				
44	Derivatives				
45	On demand interbank loans				
46	Cash and cash-related assets				
47	Other assets (e.g. goodwill, commodities etc.)				
48	**Total GAR assets**	**188**	**52**	**-**	**15**
49	**Assets not included in the calculation of GAR**				
50	Sovereigns and supranational issuers				

No.	1. Assets for the calculation of GAR (CapEx)	g	h	i	j
		Disclosure reference date T			
		Climate change adaptation (CCA)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
51	Central bank exposures				
52	Trading book				
53	**Total assets**	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations					
54	Financial guarantees	14	-	-	-
55	Assets under management	871	85	-	59
56	of which debt securities	473	59	-	38
57	of which equity instruments	398	26	-	21

1. Assets for the calculation of GAR (CapEx)		k	l	m	n
		Disclosure reference date T			
		Water and marine resources (WTR)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	3	3	-	2
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	3	3	-	2
21	Loans and advances	2	2	-	2
22	Debt securities, including UoP	1	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-
33	Financial and non-financial corporations				
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralized by commercial immovable property				
37	of which building renovation loans				
38	Debt securities, including UoP				
39	Equity instruments				
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities, including UoP				
43	Equity instruments				
44	Derivatives				
45	On demand interbank loans				
46	Cash and cash-related assets				
47	Other assets (e.g. goodwill, commodities etc.)				
48	**Total GAR assets**	**3**	**3**	**-**	**2**
49	**Assets not included in the calculation of GAR**				
50	Sovereigns and supranational issuers				

1. Assets for the calculation of GAR (CapEx)		k	l	m	n
		Disclosure reference date T			
		Water and marine resources (WTR)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
51	Central bank exposures				
52	Trading book				
53	**Total assets**	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations					
54	Financial guarantees	6	6	-	-
55	Assets under management	153	38	-	-
56	of which debt securities	122	38	-	-
57	of which equity instruments	31	-	-	-

1. Assets for the calculation of GAR (CapEx)		o	p	q	r
		Disclosure reference date T			
		Circular economy (CE)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	48	7	-	2
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	48	7	-	2
21	Loans and advances	15	7	-	2
22	Debt securities, including UoP	33	1	-	-
23	Equity instruments	-	-		-
24	Households	-	-	-	-
25	of which loans collateralized by residential immovable property	-	-	-	-
26	of which building renovation loans	-	-	-	-
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-
33	Financial and non-financial corporations				
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralized by commercial immovable property				
37	of which building renovation loans				
38	Debt securities, including UoP				
39	Equity instruments				
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities, including UoP				
43	Equity instruments				
44	Derivatives				
45	On demand interbank loans				
46	Cash and cash-related assets				
47	Other assets (e.g. goodwill, commodities etc.)				
48	**Total GAR assets**	**48**	**7**	**-**	**2**
49	**Assets not included in the calculation of GAR**				
50	Sovereigns and supranational issuers				

1. Assets for the calculation of GAR (CapEx)		o	p	q	r
		Disclosure reference date T			
		Circular economy (CE)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
51	Central bank exposures				
52	Trading book				
53	**Total assets**	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations					
54	Financial guarantees	5	3	-	-
55	Assets under management	591	19	-	13
56	of which debt securities	159	3	-	1
57	of which equity instruments	432	16	-	12

1. Assets for the calculation of GAR (CapEx)		s	t	u	v
		Disclosure reference date T			
		Pollution (PPC)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	97	4	-	2
2	Financial corporations	45	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	45	-	-	-
8	of which investment firms	45	-	-	-
9	Loans and advances	45	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	51	4	-	2
21	Loans and advances	32	4	-	2
22	Debt securities, including UoP	19	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-
33	Financial and non-financial corporations				
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralized by commercial immovable property				
37	of which building renovation loans				
38	Debt securities, including UoP				
39	Equity instruments				
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities, including UoP				
43	Equity instruments				
44	Derivatives				
45	On demand interbank loans				
46	Cash and cash-related assets				
47	Other assets (e.g. goodwill, commodities etc.)				
48	**Total GAR assets**	**97**	**4**	**-**	**2**
49	**Assets not included in the calculation of GAR**				

1. Assets for the calculation of GAR (CapEx)		s	t	u	v
		Disclosure reference date T			
		Pollution (PPC)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
50	Sovereigns and supranational issuers				
51	Central bank exposures				
52	Trading book				
53	**Total assets**	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations					
54	Financial guarantees	1	1	-	-
55	Assets under management	725	8	-	7
56	of which debt securities	149	7	-	7
57	of which equity instruments	576	-	-	-

No.	1. Assets for the calculation of GAR (CapEx) € million	w	x	z	aa
		Disclosure reference date T			
		Biodiversity and ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
				Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	2	2	-	2
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	2	2	-	2
21	Loans and advances	2	2	-	2
22	Debt securities, including UoP	1	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-
33	Financial and non-financial corporations				
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralized by commercial immovable property				
37	of which building renovation loans				
38	Debt securities, including UoP				
39	Equity instruments				
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities, including UoP				
43	Equity instruments				
44	Derivatives				
45	On demand interbank loans				
46	Cash and cash-related assets				
47	Other assets (e.g. goodwill, commodities etc.)				
48	**Total GAR assets**	**2**	**2**	**-**	**2**
49	**Assets not included in the calculation of GAR**				

1. Assets for the calculation of GAR (CapEx)		w	x	z	aa
		Disclosure reference date T			
		Biodiversity and ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
50	Sovereigns and supranational issuers				
51	Central bank exposures				
52	Trading book				
53	**Total assets**	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations					
54	Financial guarantees	-	-	-	-
55	Assets under management	8	-	-	-
56	of which debt securities	4	-	-	-
57	of which equity instruments	4	-	-	-

No.	1. Assets for the calculation of GAR (CapEx)	ab	ac	ad	ae	af
		Disclosure reference date T				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)			
No.	€ million			Of which use of proceeds	Of which transitional	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**101,315**	**2,804**	**430**	**175**	**951**
2	Financial corporations	18,893	651	-	35	124
3	Credit institutions	18,339	577	-	34	108
4	Loans and advances	14,321	172	-	4	5
5	Debt securities, including UoP	4,010	405	-	30	103
6	Equity instruments	8	-		-	-
7	Other financial corporations	554	74	-	-	16
8	of which investment firms	540	73	-	-	16
9	Loans and advances	245	28	-	-	12
10	Debt securities, including UoP	295	45	-	-	4
11	Equity instruments	-	-		-	-
12	of which management companies	2	1	-	-	-
13	Loans and advances	-	-	-	-	-
14	Debt securities, including UoP	2	1	-	-	-
15	Equity instruments	-	-		-	-
16	of which insurance undertakings	12	-	-	-	-
17	Loans and advances	12	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-
19	Equity instruments	-	-		-	-
20	Non-financial corporations	4,557	1,826	104	140	827
21	Loans and advances	3,331	1,045	103	109	392
22	Debt securities, including UoP	1,226	781	-	31	435
23	Equity instruments	-	-		-	-
24	Households	77,863	326	326	-	-
25	of which loans collateralized by residential immovable property	71,936	326	326	-	-
26	of which building renovation loans	11,856	24	24	-	-
27	of which motor vehicle loans	-	-	-	-	-
28	Local government financing	1	-	-	-	-
29	Housing financing	-	-	-	-	-
30	Other local government financing	1	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-	-
33	Financial and non-financial corporations					
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations					
35	Loans and advances					
36	of which loans collateralized by commercial immovable property					
37	of which building renovation loans					
38	Debt securities, including UoP					
39	Equity instruments					
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations					
41	Loans and advances					
42	Debt securities, including UoP					
43	Equity instruments					
44	Derivatives					
45	On demand interbank loans					
46	Cash and cash-related assets					
47	Other assets (e.g. goodwill, commodities etc.)					
48	**Total GAR assets**	**101,315**	**2,804**	**430**	**175**	**951**
49	**Assets not included in the calculation of GAR**					

1. Assets for the calculation of GAR (CapEx)		ab	ac	ad	ae	af
		Disclosure reference date T				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)			
No.	€ million			Of which use of proceeds	Of which transitional	Of which enabling
50	Sovereigns and supranational issuers					
51	Central bank exposures					
52	Trading book					
53	**Total assets**	-	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations						
54	Financial guarantees	1,331	251	-	9	77
55	Assets under management	14,579	6,013	-	370	3,053
56	of which debt securities	7,018	3,682	-	229	1,575
57	of which equity instruments	7,561	2,331	-	141	1,478

1. Assets for the calculation of GAR (CapEx)		ag	ah	ai	aj	ak	al
		Disclosure reference date T-1					
			Climate change mitigation (CCM)				
			Of which toward taxonomy-relevant sectors (taxonomy-eligible)				
				Of which environmentally sustainable (taxonomy-aligned)			
No.	€ million	Total [gross] carrying amount			Of which use of proceeds	Of which transitional	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**153,373**	**89,469**	**979**	**260**	**61**	**186**
2	Financial corporations	41,210	9,699	28	-	-	16
3	Credit institutions	40,984	9,571	14	-	-	2
4	Loans and advances	30,327	7,840	-	-	-	-
5	Debt securities, including UoP	10,657	1,730	14	-	-	2
6	Equity instruments	-	-	-		-	-
7	Other financial corporations	225	129	14	-	-	13
8	of which investment firms	203	114	13	-	-	13
9	Loans and advances	93	46	-	-	-	-
10	Debt securities, including UoP	110	68	13	-	-	13
11	Equity instruments	-	-	-		-	-
12	of which management companies	8	1	1	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities, including UoP	8	1	1	-	-	-
15	Equity instruments	-	-	-		-	-
16	of which insurance undertakings	14	13	-	-	-	-
17	Loans and advances	14	13	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-
20	Non-financial corporations	5,059	2,623	810	119	61	171
21	Loans and advances	3,963	2,062	496	119	51	105
22	Debt securities, including UoP	1,096	561	314	-	9	65
23	Equity instruments	-	-	-		-	-
24	Households	91,718	77,132	141	141	-	-
25	of which loans collateralized by residential immovable property	72,061	71,287	141	141	-	-
26	of which building renovation loans	11,338	11,337	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-
28	Local government financing	15,387	15	-	-	-	-
29	Housing financing	-	-	-	-	-	-
30	Other local government financing	15,387	15	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**248,470**	-	-	-	-	-
33	Financial and non-financial corporations						
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations						
35	Loans and advances						
36	of which loans collateralized by commercial immovable property						
37	of which building renovation loans						
38	Debt securities, including UoP						
39	Equity instruments						
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations						
41	Loans and advances						
42	Debt securities, including UoP						
43	Equity instruments						
44	Derivatives						
45	On demand interbank loans						
46	Cash and cash-related assets						
47	Other assets (e.g. goodwill, commodities etc.)						
48	**Total GAR assets**	**401,843**	**89,469**	**979**	**260**	**61**	**186**

1. Assets for the calculation of GAR (CapEx)		ag	ah	ai	aj	ak	al
			Disclosure reference date T-1				
			Climate change mitigation (CCM)				
			Of which toward taxonomy-relevant sectors (taxonomy-eligible)				
				Of which environmentally sustainable (taxonomy-aligned)			
No.	€ million	Total [gross] carrying amount			Of which use of proceeds	Of which transitional	Of which enabling
49	**Assets not included in the calculation of GAR**						
50	Sovereigns and supranational issuers						
51	Central bank exposures						
52	Trading book						
53	**Total assets**	**534,364**	-	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations							
54	Financial guarantees	**1,742**	546	138	-	5	84
55	Assets under management	**74,281**	12,393	4,407	-	494	1,887
56	of which debt securities	**27,994**	4,368	1,937	-	323	633
57	of which equity instruments	**46,287**	8,024	2,470	-	171	1,254

1. Assets for the calculation of GAR (CapEx)		am	an	ao	ap
		Disclosure reference date T-1			
		Climate change adaptation (CCA)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**1**	**-**	**-**	**-**
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	1	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households	-	-	-	-
25	of which loans collateralized by residential immovable property	-	-	-	-
26	of which building renovation loans	-	-	-	-
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-
33	Financial and non-financial corporations				
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralized by commercial immovable property				
37	of which building renovation loans				
38	Debt securities, including UoP				
39	Equity instruments				
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities, including UoP				
43	Equity instruments				
44	Derivatives				
45	On demand interbank loans				
46	Cash and cash-related assets				
47	Other assets (e.g. goodwill, commodities etc.)				
48	**Total GAR assets**	**1**	**-**	**-**	**-**
49	**Assets not included in the calculation of GAR**				
50	Sovereigns and supranational issuers				

1. Assets for the calculation of GAR (CapEx)		am	an	ao	ap
		Disclosure reference date T-1			
		Climate change adaptation (CCA)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
51	Central bank exposures				
52	Trading book				
53	**Total assets**	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations					
54	Financial guarantees	1	-	-	-
55	Assets under management	11,441	36	-	1
56	of which debt securities	4,003	32	-	-
57	of which equity instruments	7,438	4	-	1

1. Assets for the calculation of GAR (CapEx)		aq	ar	as	at
		Disclosure reference date T-1			
		Water and marine resources (WTR)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	-	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-
33	Financial and non-financial corporations				
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralized by commercial immovable property				
37	of which building renovation loans				
38	Debt securities, including UoP				
39	Equity instruments				
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities, including UoP				
43	Equity instruments				
44	Derivatives				
45	On demand interbank loans				
46	Cash and cash-related assets				
47	Other assets (e.g. goodwill, commodities etc.)				
48	**Total GAR assets**	**-**	**-**	**-**	**-**
49	**Assets not included in the calculation of GAR**				
50	Sovereigns and supranational issuers				

1. Assets for the calculation of GAR (CapEx)		aq	ar	as	at
		Disclosure reference date T-1			
		Water and marine resources (WTR)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
51	Central bank exposures				
52	Trading book				
53	**Total assets**	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations					
54	Financial guarantees	-	-	-	-
55	Assets under management	-	-	-	-
56	of which debt securities	-	-	-	-
57	of which equity instruments	-	-	-	-

1. Assets for the calculation of GAR (CapEx)		au	av	aw	ax
		Disclosure reference date T-1			
		Circular economy (CE)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	-	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households	-	-	-	-
25	of which loans collateralized by residential immovable property	-	-	-	-
26	of which building renovation loans	-	-	-	-
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-
33	Financial and non-financial corporations				
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralized by commercial immovable property				
37	of which building renovation loans				
38	Debt securities, including UoP				
39	Equity instruments				
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities, including UoP				
43	Equity instruments				
44	Derivatives				
45	On demand interbank loans				
46	Cash and cash-related assets				
47	Other assets (e.g. goodwill, commodities etc.)				
48	**Total GAR assets**	-	-	-	-
49	**Assets not included in the calculation of GAR**				
50	Sovereigns and supranational issuers				

1. Assets for the calculation of GAR (CapEx)		au	av	aw	ax
		Disclosure reference date T-1			
		Circular economy (CE)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
51	Central bank exposures				
52	Trading book				
53	**Total assets**	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations					
54	Financial guarantees	-	-	-	-
55	Assets under management	-	-	-	-
56	of which debt securities	-	-	-	-
57	of which equity instruments	-	-	-	-

1. Assets for the calculation of GAR (CapEx)		ay	az	ba	bb
		Disclosure reference date T-1			
		Pollution (PPC)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	-	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-
33	Financial and non-financial corporations				
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralized by commercial immovable property				
37	of which building renovation loans				
38	Debt securities, including UoP				
39	Equity instruments				
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities, including UoP				
43	Equity instruments				
44	Derivatives				
45	On demand interbank loans				
46	Cash and cash-related assets				
47	Other assets (e.g. goodwill, commodities etc.)				
48	**Total GAR assets**	**-**	**-**	**-**	**-**
49	**Assets not included in the calculation of GAR**				

1. Assets for the calculation of GAR (CapEx)		ay	az	ba	bb
		Disclosure reference date T-1			
		Pollution (PPC)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
50	Sovereigns and supranational issuers				
51	Central bank exposures				
52	Trading book				
53	**Total assets**	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations					
54	Financial guarantees	-	-	-	-
55	Assets under management	-	-	-	-
56	of which debt securities	-	-	-	-
57	of which equity instruments	-	-	-	-

1. Assets for the calculation of GAR (CapEx)		bc	bd	be	bf
		Disclosure reference date T-1			
		Biodiversity and ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	-	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-
33	Financial and non-financial corporations				
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralized by commercial immovable property				
37	of which building renovation loans				
38	Debt securities, including UoP				
39	Equity instruments				
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities, including UoP				
43	Equity instruments				
44	Derivatives				
45	On demand interbank loans				
46	Cash and cash-related assets				
47	Other assets (e.g. goodwill, commodities etc.)				
48	**Total GAR assets**	-	-	-	-
49	**Assets not included in the calculation of GAR**				

1. Assets for the calculation of GAR (CapEx)		bc	bd	be	bf
		Disclosure reference date T-1			
		Biodiversity and ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
50	Sovereigns and supranational issuers				
51	Central bank exposures				
52	Trading book				
53	**Total assets**	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations					
54	Financial guarantees	-	-	-	-
55	Assets under management	-	-	-	-
56	of which debt securities	-	-	-	-
57	of which equity instruments	-	-	-	-

1. Assets for the calculation of GAR (CapEx)		bg	bh	bi	bj	bk
		Disclosure reference date T-1				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)			
No.	€ million			Of which use of proceeds	Of which transitional	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**89,470**	**979**	**260**	**61**	**186**
2	Financial corporations	9,700	28	-	-	16
3	Credit institutions	9,571	14	-	-	2
4	Loans and advances	7,840	-	-	-	-
5	Debt securities, including UoP	1,731	14	-	-	2
6	Equity instruments	-	-		-	-
7	Other financial corporations	129	14	-	-	13
8	of which investment firms	114	13	-	-	13
9	Loans and advances	46	-	-	-	-
10	Debt securities, including UoP	68	13	-	-	13
11	Equity instruments	-	-		-	-
12	of which management companies	1	1	-	-	-
13	Loans and advances	-	-	-	-	-
14	Debt securities, including UoP	1	1	-	-	-
15	Equity instruments	-	-		-	-
16	of which insurance undertakings	13	-	-	-	-
17	Loans and advances	13	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-
19	Equity instruments	-	-		-	-
20	Non-financial corporations	2,624	810	119	61	171
21	Loans and advances	2,062	496	119	51	105
22	Debt securities, including UoP	562	314	-	9	65
23	Equity instruments	-	-		-	-
24	Households	77,132	141	141	-	-
25	of which loans collateralized by residential immovable property	71,287	141	141	-	-
26	of which building renovation loans	11,337	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-
28	Local government financing	15	-	-	-	-
29	Housing financing	-	-	-	-	-
30	Other local government financing	15	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-	-
33	Financial and non-financial corporations					
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations					
35	Loans and advances					
36	of which loans collateralized by commercial immovable property					
37	of which building renovation loans					
38	Debt securities, including UoP					
39	Equity instruments					
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations					
41	Loans and advances					
42	Debt securities, including UoP					
43	Equity instruments					
44	Derivatives					
45	On demand interbank loans					
46	Cash and cash-related assets					
47	Other assets (e.g. goodwill, commodities etc.)					
48	**Total GAR assets**	**89,470**	**979**	**260**	**61**	**186**
49	**Assets not included in the calculation of GAR**					

1. Assets for the calculation of GAR (CapEx)		bg	bh	bi	bj	bk
		Disclosure reference date T-1				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)			
No.	€ million			Of which use of proceeds	Of which transitional	Of which enabling
50	Sovereigns and supranational issuers					
51	Central bank exposures					
52	Trading book					
53	**Total assets**	-	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations						
54	Financial guarantees	547	138	-	5	84
55	Assets under management	23,834	4,444	-	494	1,888
56	of which debt securities	8,371	1,969	-	323	633
57	of which equity instruments	15,462	2,474	-	171	1,255

1. This template contains information on loans and advances, debt securities, and equity instruments on the banking book toward financial corporations, non-financial corporations, including SMEs, households (including real estate lending, building renovation loans, and simple motor vehicle loans), and local government/local authorities (housing financing).
2. The following reporting categories for financial assets must be included: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, long-term equity investments in subsidiaries, joint ventures, and associates, financial assets measured at fair value through profit or loss, and financial assets not held for trading that must be measured at fair value through profit or loss, as well as real estate collateral that credit institutions acquire through repossession in exchange for canceling debts.
3. Banks with a non-EU subsidiary should provide this information separately for exposures to non-EU counterparties. Although non-EU exposures present additional challenges due to the lack of common disclosure requirements and methods, since the EU taxonomy and the NFRD disclosure obligations only apply within the EU, given the relevance of these exposures for credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, making the best possible effort with estimates and ranges, using approximations, and explaining the assumptions, caveats and constraints.
4. With regard to motor vehicle loans, the institutions only include exposures that commenced after disclosure had started.

5.1.2 Explanatory notes on table 1

The denominator of the GAR

The ‘Total GAR assets’ value, used in the denominator, is one of the most important reference values for calculating the GAR. ‘Assets excluded from the numerator for GAR calculation (covered in the denominator)’ represent the proportion of the ‘Total GAR assets’ that is included in the denominator for the GAR calculation but is not itself assessed for EU taxonomy alignment.

Assets eligible to be included in the numerator

‘GAR – Covered assets in both numerator and denominator’ represent the proportion of the ‘Total GAR assets’ that is the sole subject of the assessment of EU taxonomy alignment (total in table 1, row 1, column a). However, there is an exception for ‘Local government financing’, with relevant finance under this item only being assessed for EU taxonomy alignment if the financing purpose is definitely known.

Assets without impact on the GAR

‘Assets not included in the calculation of GAR’ are completely ignored when calculating the GAR. That includes receivables from regional governments, which must be allocated to the ‘Sovereigns’ item.

Off-balance-sheet items

Only counterparties subject to CSRD have been included in the off-balance-sheet assets.

5.1.3 Green asset ratio – sector information (CapEx)

2. GAR sector information (CapEx)		a	b	c	d
		Climate change mitigation (CCM)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (CCM)	€ million	Of which envi-ron-mentally sustainable (CCM)
1	Processing and preserving of meat [10.11]	4	1		
2	Operation of dairies and cheese making [10.51]	8	-		
3	Manufacture of sugar [10.81]	52	7		
4	Distilling, rectifying and blending of spirits [11.01]	17	4		
5	Manufacture of wine from grape [11.02]	1	-		
6	Manufacture of beer [11.05]	11	-		
7	Manufacture of non-wovens and articles made from non-wovens, except apparel [13.95]	2	-		
8	Manufacture of other wearing apparel and accessories [14.19]	26	1		
9	Manufacture of veneer sheets and wood-based panels [16.21]	15	2		
10	Manufacture of pulp [17.11]	-	-		
11	Manufacture of industrial gases [20.11]	125	8		
12	Manufacture of other organic basic chemicals [20.14]	2	1		
13	Manufacture of plastics in primary forms [20.16]	8	-		
14	Manufacture of basic pharmaceutical products [21.10]	19	-		
15	Manufacture of pharmaceutical preparations [21.20]	-	-		
16	Manufacture of plastic plates, sheets, tubes and profiles [22.21]	1	1		
17	Manufacture of hollow glass [23.13]	7	4		
18	Manufacture of ceramic sanitary fixtures [23.42]	23	-		
19	Manufacture of cement [23.51]	44	6		
20	Manufacture of basic iron and steel and of ferro-alloys [24.10]	159	47		
21	Precious metals production [24.41]	12	9		
22	Forging, pressing, stamping and roll-forming of metal; powder metallurgy [25.50]	2	-		
23	Manufacture of electronic components [26.11]	55	-		
24	Manufacture of communication equipment [26.30]	3	-		
25	Manufacture of instruments and appliances for measuring, testing and navigation [26.51]	1	-		
26	Manufacture of optical instruments and photographic equipment [26.70]	1	-		
27	Manufacture of electric motors, generators and transformers [27.11]	8	1		
28	Manufacture of other electrical equipment n.e.c. [27.90]	88	41		
29	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines [28.11]	77	66		
30	Manufacture of other pumps and compressors [28.13]	-	-		
31	Manufacture of lifting and handling equipment [28.22]	5	1		
32	Manufacture of other general-purpose machinery n.e.c. [28.29]	-	-		
33	Manufacture of other special-purpose machinery n.e.c. [28.99]	18	-		
34	Manufacture of motor vehicles [29.10]	591	129		
35	Manufacture of other parts and accessories for motor vehicles [29.32]	327	-		
36	Building of ships and floating structures [30.11]	24	1		
37	Manufacture of railway locomotives and rolling stock [30.20]	31	22		
38	Manufacture of motorcycles [30.91]	57	-		
39	Striking of coins [32.11]	17	-		
40	Production of electricity [35.11]	699	618		
41	Transmission of electricity [35.12]	114	109		
42	Manufacture of gas [35.21]	82	74		
43	Distribution of gaseous fuels through mains [35.22]	12	6		
44	Collection of non-hazardous waste [38.11]	74	43		
45	Development of building projects [41.10]	47	22		
46	Construction of residential and non-residential buildings [41.20]	16	9		
47	Construction of roads and motorways [42.11]	-	-		
48	Construction of other civil engineering projects n.e.c. [42.99]	-	-		

2. GAR sector information (CapEx)		a	b	c	d
		Climate change mitigation (CCM)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (CCM)	€ million	Of which envi-ron-mentally sustainable (CCM)
49	Demolition [43.11]	16	3		
50	Electrical installation [43.21]	13	4		
51	Other specialized construction activities n.e.c. [43.99]	6	1		
52	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds [46.21]	565	527		
53	Wholesale of wood, construction materials and sanitary equipment [46.73]	15	13		
54	Retail sale in non-specialised stores with food, beverages or tobacco predominating [47.11]	18	2		
55	Retail sale of sporting equipment in specialised stores [47.64]	1	-		
56	Retail sale of clothing in specialised stores [47.71]	28	8		
57	Passenger rail transportation, interurban [49.10]	2	2		
58	Freight rail transportation [49.20]	52	21		
59	Transport via pipeline [49.50]	2	2		
60	Sea and coastal passenger water transport [50.10]	43	-		
61	Sea and coastal freight water transportation [50.20]	32	1		
62	Service activities incidental to land transportation [52.21]	7	3		
63	Service activities incidental to water transportation [52.22]	3	-		
64	Service activities incidental to air transportation [52.23]	316	28		
65	Postal activities under universal service obligation [53.10]	314	109		
66	Other postal and courier activities [53.20]	57	28		
67	Wired telecommunications activities [61.10]	5	1		
68	Other telecommunications activities [61.90]	23	9		
69	Computer programming activities [62.01]	4	1		
70	Computer consultancy activities [62.02]	23	4		
71	Computer facilities management activities [62.03]	91	14		
72	Other information technology and computer service activities [62.09]	29	-		
73	Buying and selling of own real estate [68.10]	134	-		
74	Real estate agencies [68.31]	249	68		
75	Engineering activities and related technical consultancy [71.12]	2	-		
76	Research and experimental development on biotechnology [72.11]	-	-		
77	Other research and experimental development on natural sciences and engineering [72.19]	14	-		
78	Hospital activities [86.10]	10	-		

2. GAR sector information (CapEx)		e	f	g	h
		Climate change adaptation (CCA)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (CCA)	€ million	Of which envi-ron-mentally sustainable (CCA)
1	Processing and preserving of meat [10.11]	-	-		
2	Operation of dairies and cheese making [10.51]	-	-		
3	Manufacture of sugar [10.81]	-	-		
4	Distilling, rectifying and blending of spirits [11.01]	-	-		
5	Manufacture of wine from grape [11.02]	-	-		
6	Manufacture of beer [11.05]	-	-		
7	Manufacture of non-wovens and articles made from non-wovens, except apparel [13.95]	-	-		
8	Manufacture of other wearing apparel and accessories [14.19]	-	-		
9	Manufacture of veneer sheets and wood-based panels [16.21]	-	-		
10	Manufacture of pulp [17.11]	-	-		
11	Manufacture of industrial gases [20.11]	-	-		
12	Manufacture of other organic basic chemicals [20.14]	-	-		
13	Manufacture of plastics in primary forms [20.16]	-	-		
14	Manufacture of basic pharmaceutical products [21.10]	1	-		
15	Manufacture of pharmaceutical preparations [21.20]	-	-		
16	Manufacture of plastic plates, sheets, tubes and profiles [22.21]	-	-		
17	Manufacture of hollow glass [23.13]	-	-		
18	Manufacture of ceramic sanitary fixtures [23.42]	-	-		
19	Manufacture of cement [23.51]	-	-		
20	Manufacture of basic iron and steel and of ferro-alloys [24.10]	-	-		
21	Precious metals production [24.41]	-	-		
22	Forging, pressing, stamping and roll-forming of metal; powder metallurgy [25.50]	-	-		
23	Manufacture of electronic components [26.11]	-	-		
24	Manufacture of communication equipment [26.30]	-	-		
25	Manufacture of instruments and appliances for measuring, testing and navigation [26.51]	-	-		
26	Manufacture of optical instruments and photographic equipment [26.70]	-	-		
27	Manufacture of electric motors, generators and transformers [27.11]	-	-		
28	Manufacture of other electrical equipment n.e.c. [27.90]	-	-		
29	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines [28.11]	-	-		
30	Manufacture of other pumps and compressors [28.13]	-	-		
31	Manufacture of lifting and handling equipment [28.22]	-	-		
32	Manufacture of other general-purpose machinery n.e.c. [28.29]	-	-		
33	Manufacture of other special-purpose machinery n.e.c. [28.99]	-	-		
34	Manufacture of motor vehicles [29.10]	-	-		
35	Manufacture of other parts and accessories for motor vehicles [29.32]	-	-		
36	Building of ships and floating structures [30.11]	-	-		
37	Manufacture of railway locomotives and rolling stock [30.20]	-	-		
38	Manufacture of motorcycles [30.91]	-	-		
39	Striking of coins [32.11]	-	-		
40	Production of electricity [35.11]	21	20		
41	Transmission of electricity [35.12]	24	24		
42	Manufacture of gas [35.21]	-	-		
43	Distribution of gaseous fuels through mains [35.22]	-	-		
44	Collection of non-hazardous waste [38.11]	-	-		
45	Development of building projects [41.10]	23	1		
46	Construction of residential and non-residential buildings [41.20]	14	-		
47	Construction of roads and motorways [42.11]	-	-		
48	Construction of other civil engineering projects n.e.c. [42.99]	-	-		
49	Demolition [43.11]	14	3		
50	Electrical installation [43.21]	-	-		
51	Other specialized construction activities n.e.c. [43.99]	-	-		

2. GAR sector information (CapEx)		e	f	g	h
		Climate change adaptation (CCA)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (CCA)	€ million	Of which envi-ron-mentally sustainable (CCA)
52	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds [46.21]	-	-		
53	Wholesale of wood, construction materials and sanitary equipment [46.73]	-	-		
54	Retail sale in non-specialised stores with food, beverages or tobacco predominating [47.11]	-	-		
55	Retail sale of sporting equipment in specialised stores [47.64]	-	-		
56	Retail sale of clothing in specialised stores [47.71]	-	-		
57	Passenger rail transportation, interurban [49.10]	-	-		
58	Freight rail transportation [49.20]	-	-		
59	Transport via pipeline [49.50]	-	-		
60	Sea and coastal passenger water transport [50.10]	-	-		
61	Sea and coastal freight water transportation [50.20]	-	-		
62	Service activities incidental to land transportation [52.21]	-	-		
63	Service activities incidental to water transportation [52.22]	-	-		
64	Service activities incidental to air transportation [52.23]	-	-		
65	Postal activities under universal service obligation [53.10]	1	1		
66	Other postal and courier activities [53.20]	-	-		
67	Wired telecommunications activities [61.10]	-	-		
68	Other telecommunications activities [61.90]	-	-		
69	Computer programming activities [62.01]	-	-		
70	Computer consultancy activities [62.02]	-	-		
71	Computer facilities management activities [62.03]	-	-		
72	Other information technology and computer service activities [62.09]	-	-		
73	Buying and selling of own real estate [68.10]	-	-		
74	Real estate agencies [68.31]	-	-		
75	Engineering activities and related technical consultancy [71.12]	-	-		
76	Research and experimental development on biotechnology [72.11]	-	-		
77	Other research and experimental development on natural sciences and engineering [72.19]	-	-		
78	Hospital activities [86.10]	-	-		

2. GAR sector information (CapEx)		i	j	k	l
		Water and marine resources (WTR)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (WTR)	€ million	Of which envi-ron-mentally sustainable (WTR)
1	Processing and preserving of meat [10.11]	-	-		
2	Operation of dairies and cheese making [10.51]	-	-		
3	Manufacture of sugar [10.81]	-	-		
4	Distilling, rectifying and blending of spirits [11.01]	-	-		
5	Manufacture of wine from grape [11.02]	-	-		
6	Manufacture of beer [11.05]	-	-		
7	Manufacture of non-wovens and articles made from non-wovens, except apparel [13.95]	-	-		
8	Manufacture of other wearing apparel and accessories [14.19]	-	-		
9	Manufacture of veneer sheets and wood-based panels [16.21]	-	-		
10	Manufacture of pulp [17.11]	-	-		
11	Manufacture of industrial gases [20.11]	-	-		
12	Manufacture of other organic basic chemicals [20.14]	-	-		
13	Manufacture of plastics in primary forms [20.16]	-	-		
14	Manufacture of basic pharmaceutical products [21.10]	-	-		
15	Manufacture of pharmaceutical preparations [21.20]	-	-		
16	Manufacture of plastic plates, sheets, tubes and profiles [22.21]	-	-		
17	Manufacture of hollow glass [23.13]	-	-		
18	Manufacture of ceramic sanitary fixtures [23.42]	-	-		
19	Manufacture of cement [23.51]	-	-		
20	Manufacture of basic iron and steel and of ferro-alloys [24.10]	-	-		
21	Precious metals production [24.41]	-	-		
22	Forging, pressing, stamping and roll-forming of metal; powder metallurgy [25.50]	-	-		
23	Manufacture of electronic components [26.11]	-	-		
24	Manufacture of communication equipment [26.30]	-	-		
25	Manufacture of instruments and appliances for measuring, testing and navigation [26.51]	-	-		
26	Manufacture of optical instruments and photographic equipment [26.70]	-	-		
27	Manufacture of electric motors, generators and transformers [27.11]	-	-		
28	Manufacture of other electrical equipment n.e.c. [27.90]	-	-		
29	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines [28.11]	-	-		
30	Manufacture of other pumps and compressors [28.13]	-	-		
31	Manufacture of lifting and handling equipment [28.22]	-	-		
32	Manufacture of other general-purpose machinery n.e.c. [28.29]	-	-		
33	Manufacture of other special-purpose machinery n.e.c. [28.99]	-	-		
34	Manufacture of motor vehicles [29.10]	-	-		
35	Manufacture of other parts and accessories for motor vehicles [29.32]	-	-		
36	Building of ships and floating structures [30.11]	-	-		
37	Manufacture of railway locomotives and rolling stock [30.20]	-	-		
38	Manufacture of motorcycles [30.91]	-	-		
39	Striking of coins [32.11]	-	-		
40	Production of electricity [35.11]	1	1		
41	Transmission of electricity [35.12]	-	-		
42	Manufacture of gas [35.21]	-	-		
43	Distribution of gaseous fuels through mains [35.22]	-	-		
44	Collection of non-hazardous waste [38.11]	-	-		
45	Development of building projects [41.10]	-	-		
46	Construction of residential and non-residential buildings [41.20]	-	-		
47	Construction of roads and motorways [42.11]	-	-		
48	Construction of other civil engineering projects n.e.c. [42.99]	-	-		
49	Demolition [43.11]	2	2		
50	Electrical installation [43.21]	-	-		
51	Other specialized construction activities n.e.c. [43.99]	-	-		

2. GAR sector information (CapEx)		i	j	k	l
		Water and marine resources (WTR)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which environmentally sustainable (WTR)	€ million	Of which environmentally sustainable (WTR)
52	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds [46.21]	-	-		
53	Wholesale of wood, construction materials and sanitary equipment [46.73]	-	-		
54	Retail sale in non-specialised stores with food, beverages or tobacco predominating [47.11]	-	-		
55	Retail sale of sporting equipment in specialised stores [47.64]	-	-		
56	Retail sale of clothing in specialised stores [47.71]	-	-		
57	Passenger rail transportation, interurban [49.10]	-	-		
58	Freight rail transportation [49.20]	-	-		
59	Transport via pipeline [49.50]	-	-		
60	Sea and coastal passenger water transport [50.10]	-	-		
61	Sea and coastal freight water transportation [50.20]	-	-		
62	Service activities incidental to land transportation [52.21]	-	-		
63	Service activities incidental to water transportation [52.22]	-	-		
64	Service activities incidental to air transportation [52.23]	1	1		
65	Postal activities under universal service obligation [53.10]	-	-		
66	Other postal and courier activities [53.20]	-	-		
67	Wired telecommunications activities [61.10]	-	-		
68	Other telecommunications activities [61.90]	-	-		
69	Computer programming activities [62.01]	-	-		
70	Computer consultancy activities [62.02]	-	-		
71	Computer facilities management activities [62.03]	-	-		
72	Other information technology and computer service activities [62.09]	-	-		
73	Buying and selling of own real estate [68.10]	-	-		
74	Real estate agencies [68.31]	-	-		
75	Engineering activities and related technical consultancy [71.12]	-	-		
76	Research and experimental development on biotechnology [72.11]	-	-		
77	Other research and experimental development on natural sciences and engineering [72.19]	-	-		
78	Hospital activities [86.10]	-	-		

2. GAR sector information (CapEx)		m	n	o	p
		Circular economy (CE)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (CE)	€ million	Of which envi-ron-mentally sustainable (CE)
1	Processing and preserving of meat [10.11]	-	-		
2	Operation of dairies and cheese making [10.51]	-	-		
3	Manufacture of sugar [10.81]	-	-		
4	Distilling, rectifying and blending of spirits [11.01]	-	-		
5	Manufacture of wine from grape [11.02]	-	-		
6	Manufacture of beer [11.05]	-	-		
7	Manufacture of non-wovens and articles made from non-wovens, except apparel [13.95]	-	-		
8	Manufacture of other wearing apparel and accessories [14.19]	-	-		
9	Manufacture of veneer sheets and wood-based panels [16.21]	-	-		
10	Manufacture of pulp [17.11]	-	-		
11	Manufacture of industrial gases [20.11]	-	-		
12	Manufacture of other organic basic chemicals [20.14]	-	-		
13	Manufacture of plastics in primary forms [20.16]	-	-		
14	Manufacture of basic pharmaceutical products [21.10]	-	-		
15	Manufacture of pharmaceutical preparations [21.20]	-	-		
16	Manufacture of plastic plates, sheets, tubes and profiles [22.21]	-	-		
17	Manufacture of hollow glass [23.13]	-	-		
18	Manufacture of ceramic sanitary fixtures [23.42]	-	-		
19	Manufacture of cement [23.51]	-	-		
20	Manufacture of basic iron and steel and of ferro-alloys [24.10]	-	-		
21	Precious metals production [24.41]	-	-		
22	Forging, pressing, stamping and roll-forming of metal; powder metallurgy [25.50]	-	-		
23	Manufacture of electronic components [26.11]	3	-		
24	Manufacture of communication equipment [26.30]	13	-		
25	Manufacture of instruments and appliances for measuring, testing and navigation [26.51]	-	-		
26	Manufacture of optical instruments and photographic equipment [26.70]	1	-		
27	Manufacture of electric motors, generators and transformers [27.11]	-	-		
28	Manufacture of other electrical equipment n.e.c. [27.90]	15	1		
29	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines [28.11]	7	7		
30	Manufacture of other pumps and compressors [28.13]	-	-		
31	Manufacture of lifting and handling equipment [28.22]	1	-		
32	Manufacture of other general-purpose machinery n.e.c. [28.29]	-	-		
33	Manufacture of other special-purpose machinery n.e.c. [28.99]	-	-		
34	Manufacture of motor vehicles [29.10]	-	-		
35	Manufacture of other parts and accessories for motor vehicles [29.32]	-	-		
36	Building of ships and floating structures [30.11]	-	-		
37	Manufacture of railway locomotives and rolling stock [30.20]	-	-		
38	Manufacture of motorcycles [30.91]	-	-		
39	Striking of coins [32.11]	-	-		
40	Production of electricity [35.11]	2	-		
41	Transmission of electricity [35.12]	-	-		
42	Manufacture of gas [35.21]	-	-		
43	Distribution of gaseous fuels through mains [35.22]	-	-		
44	Collection of non-hazardous waste [38.11]	-	-		
45	Development of building projects [41.10]	2	-		
46	Construction of residential and non-residential buildings [41.20]	-	-		
47	Construction of roads and motorways [42.11]	-	-		
48	Construction of other civil engineering projects n.e.c. [42.99]	-	-		
49	Demolition [43.11]	3	3		
50	Electrical installation [43.21]	-	-		
51	Other specialized construction activities n.e.c. [43.99]	-	-		

2. GAR sector information (CapEx)		m	n	o	p
		Circular economy (CE)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (CE)	€ million	Of which envi-ron-mentally sustainable (CE)
52	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds [46.21]	2	-		
53	Wholesale of wood, construction materials and sanitary equipment [46.73]	-	-		
54	Retail sale in non-specialised stores with food, beverages or tobacco predominating [47.11]	-	-		
55	Retail sale of sporting equipment in specialised stores [47.64]	-	-		
56	Retail sale of clothing in specialised stores [47.71]	-	-		
57	Passenger rail transportation, interurban [49.10]	-	-		
58	Freight rail transportation [49.20]	-	-		
59	Transport via pipeline [49.50]	-	-		
60	Sea and coastal passenger water transport [50.10]	-	-		
61	Sea and coastal freight water transportation [50.20]	-	-		
62	Service activities incidental to land transportation [52.21]	-	-		
63	Service activities incidental to water transportation [52.22]	-	-		
64	Service activities incidental to air transportation [52.23]	3	-		
65	Postal activities under universal service obligation [53.10]	-	-		
66	Other postal and courier activities [53.20]	-	-		
67	Wired telecommunications activities [61.10]	1	-		
68	Other telecommunications activities [61.90]	-	-		
69	Computer programming activities [62.01]	-	-		
70	Computer consultancy activities [62.02]	-	-		
71	Computer facilities management activities [62.03]	-	-		
72	Other information technology and computer service activities [62.09]	-	-		
73	Buying and selling of own real estate [68.10]	-	-		
74	Real estate agencies [68.31]	-	-		
75	Engineering activities and related technical consultancy [71.12]	-	-		
76	Research and experimental development on biotechnology [72.11]	-	-		
77	Other research and experimental development on natural sciences and engineering [72.19]	-	-		
78	Hospital activities [86.10]	-	-		

2. GAR sector information (CapEx)		q	r	s	t
		Pollution (PPC)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (PPC)	€ million	Of which envi-ron-mentally sustainable (PPC)
1	Processing and preserving of meat [10.11]	-	-		
2	Operation of dairies and cheese making [10.51]	-	-		
3	Manufacture of sugar [10.81]	-	-		
4	Distilling, rectifying and blending of spirits [11.01]	-	-		
5	Manufacture of wine from grape [11.02]	-	-		
6	Manufacture of beer [11.05]	-	-		
7	Manufacture of non-wovens and articles made from non-wovens, except apparel [13.95]	-	-		
8	Manufacture of other wearing apparel and accessories [14.19]	-	-		
9	Manufacture of veneer sheets and wood-based panels [16.21]	-	-		
10	Manufacture of pulp [17.11]	-	-		
11	Manufacture of industrial gases [20.11]	44	-		
12	Manufacture of other organic basic chemicals [20.14]	-	-		
13	Manufacture of plastics in primary forms [20.16]	-	-		
14	Manufacture of basic pharmaceutical products [21.10]	17	-		
15	Manufacture of pharmaceutical preparations [21.20]	-	-		
16	Manufacture of plastic plates, sheets, tubes and profiles [22.21]	-	-		
17	Manufacture of hollow glass [23.13]	-	-		
18	Manufacture of ceramic sanitary fixtures [23.42]	-	-		
19	Manufacture of cement [23.51]	-	-		
20	Manufacture of basic iron and steel and of ferro-alloys [24.10]	-	-		
21	Precious metals production [24.41]	-	-		
22	Forging, pressing, stamping and roll-forming of metal; powder metallurgy [25.50]	-	-		
23	Manufacture of electronic components [26.11]	-	-		
24	Manufacture of communication equipment [26.30]	1	-		
25	Manufacture of instruments and appliances for measuring, testing and navigation [26.51]	-	-		
26	Manufacture of optical instruments and photographic equipment [26.70]	-	-		
27	Manufacture of electric motors, generators and transformers [27.11]	-	-		
28	Manufacture of other electrical equipment n.e.c. [27.90]	-	-		
29	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines [28.11]	-	-		
30	Manufacture of other pumps and compressors [28.13]	-	-		
31	Manufacture of lifting and handling equipment [28.22]	-	-		
32	Manufacture of other general-purpose machinery n.e.c. [28.29]	-	-		
33	Manufacture of other special-purpose machinery n.e.c. [28.99]	-	-		
34	Manufacture of motor vehicles [29.10]	-	-		
35	Manufacture of other parts and accessories for motor vehicles [29.32]	-	-		
36	Building of ships and floating structures [30.11]	-	-		
37	Manufacture of railway locomotives and rolling stock [30.20]	-	-		
38	Manufacture of motorcycles [30.91]	-	-		
39	Striking of coins [32.11]	-	-		
40	Production of electricity [35.11]	3	-		
41	Transmission of electricity [35.12]	-	-		
42	Manufacture of gas [35.21]	-	-		
43	Distribution of gaseous fuels through mains [35.22]	-	-		
44	Collection of non-hazardous waste [38.11]	1	1		
45	Development of building projects [41.10]	-	-		
46	Construction of residential and non-residential buildings [41.20]	-	-		
47	Construction of roads and motorways [42.11]	-	-		
48	Construction of other civil engineering projects n.e.c. [42.99]	-	-		
49	Demolition [43.11]	3	3		
50	Electrical installation [43.21]	-	-		
51	Other specialized construction activities n.e.c. [43.99]	-	-		

2. GAR sector information (CapEx)		q	r	s	t
		Pollution (PPC)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (PPC)	€ million	Of which envi-ron-mentally sustainable (PPC)
52	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds [46.21]	-	-		
53	Wholesale of wood, construction materials and sanitary equipment [46.73]	-	-		
54	Retail sale in non-specialised stores with food, beverages or tobacco predominating [47.11]	-	-		
55	Retail sale of sporting equipment in specialised stores [47.64]	-	-		
56	Retail sale of clothing in specialised stores [47.71]	-	-		
57	Passenger rail transportation, interurban [49.10]	-	-		
58	Freight rail transportation [49.20]	-	-		
59	Transport via pipeline [49.50]	-	-		
60	Sea and coastal passenger water transport [50.10]	-	-		
61	Sea and coastal freight water transportation [50.20]	-	-		
62	Service activities incidental to land transportation [52.21]	-	-		
63	Service activities incidental to water transportation [52.22]	-	-		
64	Service activities incidental to air transportation [52.23]	-	-		
65	Postal activities under universal service obligation [53.10]	-	-		
66	Other postal and courier activities [53.20]	-	-		
67	Wired telecommunications activities [61.10]	-	-		
68	Other telecommunications activities [61.90]	-	-		
69	Computer programming activities [62.01]	-	-		
70	Computer consultancy activities [62.02]	-	-		
71	Computer facilities management activities [62.03]	-	-		
72	Other information technology and computer service activities [62.09]	-	-		
73	Buying and selling of own real estate [68.10]	-	-		
74	Real estate agencies [68.31]	-	-		
75	Engineering activities and related technical consultancy [71.12]	-	-		
76	Research and experimental development on biotechnology [72.11]	-	-		
77	Other research and experimental development on natural sciences and engineering [72.19]	-	-		
78	Hospital activities [86.10]	-	-		

2. GAR sector information (CapEx)		u	v	w	x
		Biodiversity and ecosystems (BIO)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (BIO)	€ million	Of which envi-ron-mentally sustainable (BIO)
1	Processing and preserving of meat [10.11]	-	-		
2	Operation of dairies and cheese making [10.51]	1	-		
3	Manufacture of sugar [10.81]	-	-		
4	Distilling, rectifying and blending of spirits [11.01]	-	-		
5	Manufacture of wine from grape [11.02]	-	-		
6	Manufacture of beer [11.05]	-	-		
7	Manufacture of non-wovens and articles made from non-wovens, except apparel [13.95]	-	-		
8	Manufacture of other wearing apparel and accessories [14.19]	-	-		
9	Manufacture of veneer sheets and wood-based panels [16.21]	-	-		
10	Manufacture of pulp [17.11]	-	-		
11	Manufacture of industrial gases [20.11]	-	-		
12	Manufacture of other organic basic chemicals [20.14]	-	-		
13	Manufacture of plastics in primary forms [20.16]	-	-		
14	Manufacture of basic pharmaceutical products [21.10]	-	-		
15	Manufacture of pharmaceutical preparations [21.20]	-	-		
16	Manufacture of plastic plates, sheets, tubes and profiles [22.21]	-	-		
17	Manufacture of hollow glass [23.13]	-	-		
18	Manufacture of ceramic sanitary fixtures [23.42]	-	-		
19	Manufacture of cement [23.51]	-	-		
20	Manufacture of basic iron and steel and of ferro-alloys [24.10]	-	-		
21	Precious metals production [24.41]	-	-		
22	Forging, pressing, stamping and roll-forming of metal; powder metallurgy [25.50]	-	-		
23	Manufacture of electronic components [26.11]	-	-		
24	Manufacture of communication equipment [26.30]	-	-		
25	Manufacture of instruments and appliances for measuring, testing and navigation [26.51]	-	-		
26	Manufacture of optical instruments and photographic equipment [26.70]	-	-		
27	Manufacture of electric motors, generators and transformers [27.11]	-	-		
28	Manufacture of other electrical equipment n.e.c. [27.90]	-	-		
29	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines [28.11]	-	-		
30	Manufacture of other pumps and compressors [28.13]	-	-		
31	Manufacture of lifting and handling equipment [28.22]	-	-		
32	Manufacture of other general-purpose machinery n.e.c. [28.29]	-	-		
33	Manufacture of other special-purpose machinery n.e.c. [28.99]	-	-		
34	Manufacture of motor vehicles [29.10]	-	-		
35	Manufacture of other parts and accessories for motor vehicles [29.32]	-	-		
36	Building of ships and floating structures [30.11]	-	-		
37	Manufacture of railway locomotives and rolling stock [30.20]	-	-		
38	Manufacture of motorcycles [30.91]	-	-		
39	Striking of coins [32.11]	-	-		
40	Production of electricity [35.11]	-	-		
41	Transmission of electricity [35.12]	-	-		
42	Manufacture of gas [35.21]	-	-		
43	Distribution of gaseous fuels through mains [35.22]	-	-		
44	Collection of non-hazardous waste [38.11]	-	-		
45	Development of building projects [41.10]	-	-		
46	Construction of residential and non-residential buildings [41.20]	-	-		
47	Construction of roads and motorways [42.11]	-	-		
48	Construction of other civil engineering projects n.e.c. [42.99]	-	-		
49	Demolition [43.11]	2	2		
50	Electrical installation [43.21]	-	-		
51	Other specialized construction activities n.e.c. [43.99]	-	-		

2. GAR sector information (CapEx)		u	v	w	x
		Biodiversity and ecosystems (BIO)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (BIO)	€ million	Of which envi-ron-mentally sustainable (BIO)
52	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds [46.21]	-	-		
53	Wholesale of wood, construction materials and sanitary equipment [46.73]	-	-		
54	Retail sale in non-specialised stores with food, beverages or tobacco predominating [47.11]	-	-		
55	Retail sale of sporting equipment in specialised stores [47.64]	-	-		
56	Retail sale of clothing in specialised stores [47.71]	-	-		
57	Passenger rail transportation, interurban [49.10]	-	-		
58	Freight rail transportation [49.20]	-	-		
59	Transport via pipeline [49.50]	-	-		
60	Sea and coastal passenger water transport [50.10]	-	-		
61	Sea and coastal freight water transportation [50.20]	-	-		
62	Service activities incidental to land transportation [52.21]	-	-		
63	Service activities incidental to water transportation [52.22]	-	-		
64	Service activities incidental to air transportation [52.23]	-	-		
65	Postal activities under universal service obligation [53.10]	-	-		
66	Other postal and courier activities [53.20]	-	-		
67	Wired telecommunications activities [61.10]	-	-		
68	Other telecommunications activities [61.90]	-	-		
69	Computer programming activities [62.01]	-	-		
70	Computer consultancy activities [62.02]	-	-		
71	Computer facilities management activities [62.03]	-	-		
72	Other information technology and computer service activities [62.09]	-	-		
73	Buying and selling of own real estate [68.10]	-	-		
74	Real estate agencies [68.31]	-	-		
75	Engineering activities and related technical consultancy [71.12]	-	-		
76	Research and experimental development on biotechnology [72.11]	-	-		
77	Other research and experimental development on natural sciences and engineering [72.19]	-	-		
78	Hospital activities [86.10]	-	-		

2. GAR sector information (CapEx)		y	z	aa	ab
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	€ million	Of which envi-ron-mentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	Processing and preserving of meat [10.11]	4	1		
2	Operation of dairies and cheese making [10.51]	8	-		
3	Manufacture of sugar [10.81]	52	7		
4	Distilling, rectifying and blending of spirits [11.01]	17	4		
5	Manufacture of wine from grape [11.02]	1	-		
6	Manufacture of beer [11.05]	11	-		
7	Manufacture of non-wovens and articles made from non-wovens, except apparel [13.95]	2	-		
8	Manufacture of other wearing apparel and accessories [14.19]	26	1		
9	Manufacture of veneer sheets and wood-based panels [16.21]	15	2		
10	Manufacture of pulp [17.11]	-	-		
11	Manufacture of industrial gases [20.11]	169	8		
12	Manufacture of other organic basic chemicals [20.14]	2	1		
13	Manufacture of plastics in primary forms [20.16]	8	-		
14	Manufacture of basic pharmaceutical products [21.10]	38	-		
15	Manufacture of pharmaceutical preparations [21.20]	-	-		
16	Manufacture of plastic plates, sheets, tubes and profiles [22.21]	1	1		
17	Manufacture of hollow glass [23.13]	7	4		
18	Manufacture of ceramic sanitary fixtures [23.42]	23	-		
19	Manufacture of cement [23.51]	44	6		
20	Manufacture of basic iron and steel and of ferro-alloys [24.10]	159	47		
21	Precious metals production [24.41]	12	9		
22	Forging, pressing, stamping and roll-forming of metal; powder metallurgy [25.50]	2	-		
23	Manufacture of electronic components [26.11]	57	-		
24	Manufacture of communication equipment [26.30]	17	-		
25	Manufacture of instruments and appliances for measuring, testing and navigation [26.51]	1	-		
26	Manufacture of optical instruments and photographic equipment [26.70]	2	-		
27	Manufacture of electric motors, generators and transformers [27.11]	8	1		
28	Manufacture of other electrical equipment n.e.c. [27.90]	104	41		
29	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines [28.11]	84	74		
30	Manufacture of other pumps and compressors [28.13]	-	-		
31	Manufacture of lifting and handling equipment [28.22]	6	1		
32	Manufacture of other general-purpose machinery n.e.c. [28.29]	-	-		
33	Manufacture of other special-purpose machinery n.e.c. [28.99]	18	-		
34	Manufacture of motor vehicles [29.10]	591	129		
35	Manufacture of other parts and accessories for motor vehicles [29.32]	327	-		
36	Building of ships and floating structures [30.11]	24	1		
37	Manufacture of railway locomotives and rolling stock [30.20]	31	22		
38	Manufacture of motorcycles [30.91]	57	-		
39	Striking of coins [32.11]	17	-		
40	Production of electricity [35.11]	725	639		
41	Transmission of electricity [35.12]	137	133		
42	Manufacture of gas [35.21]	82	74		
43	Distribution of gaseous fuels through mains [35.22]	12	6		
44	Collection of non-hazardous waste [38.11]	75	44		
45	Development of building projects [41.10]	71	23		
46	Construction of residential and non-residential buildings [41.20]	30	10		
47	Construction of roads and motorways [42.11]	-	-		
48	Construction of other civil engineering projects n.e.c. [42.99]	-	-		
49	Demolition [43.11]	38	14		

2. GAR sector information (CapEx)		y	z	aa	ab
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	€ million	Of which envi-ron-mentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
50	Electrical installation [43.21]	13	4		
51	Other specialized construction activities n.e.c. [43.99]	6	1		
52	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds [46.21]	567	527		
53	Wholesale of wood, construction materials and sanitary equipment [46.73]	15	13		
54	Retail sale in non-specialised stores with food, beverages or tobacco predominating [47.11]	18	2		
55	Retail sale of sporting equipment in specialised stores [47.64]	1	-		
56	Retail sale of clothing in specialised stores [47.71]	28	8		
57	Passenger rail transportation, interurban [49.10]	2	2		
58	Freight rail transportation [49.20]	52	21		
59	Transport via pipeline [49.50]	2	2		
60	Sea and coastal passenger water transport [50.10]	43	-		
61	Sea and coastal freight water transportation [50.20]	32	1		
62	Service activities incidental to land transportation [52.21]	7	3		
63	Service activities incidental to water transportation [52.22]	3	-		
64	Service activities incidental to air transportation [52.23]	319	28		
65	Postal activities under universal service obligation [53.10]	314	110		
66	Other postal and courier activities [53.20]	57	28		
67	Wired telecommunications activities [61.10]	7	1		
68	Other telecommunications activities [61.90]	23	9		
69	Computer programming activities [62.01]	4	1		
70	Computer consultancy activities [62.02]	23	4		
71	Computer facilities management activities [62.03]	91	14		
72	Other information technology and computer service activities [62.09]	29	-		
73	Buying and selling of own real estate [68.10]	134	-		
74	Real estate agencies [68.31]	249	68		
75	Engineering activities and related technical consultancy [71.12]	2	-		
76	Research and experimental development on biotechnology [72.11]	-	-		
77	Other research and experimental development on natural sciences and engineering [72.19]	14	-		
78	Hospital activities [86.10]	10	-		

1.In this template, the credit institutions disclose information about exposures in their banking book in the sectors covered by the taxonomy (NACE sector, 4 levels), using the relevant NACE codes in accordance with the primary activity of the counterparty.
2. The sector classification of a counterparty must be based solely on the immediate counterparty. For exposures entered into jointly by several debtors, the classification is based on the characteristics of the debtor the institution regarded as decisive or most significant when granting the exposures. The classification of joint exposures according to NACE codes is based on the characteristics of the more relevant or more decisive debtor. The institutions disclose the NACE code information broken down according to the level demanded in the template.

5.1.4 Green asset ratio – KPI stock (CapEx)

3. GAR KPI stock (CapEx)		a	b	c	d	e
		Disclosure reference date T				
		Climate change mitigation (CCM)				
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)			
No.	% (compared to total assets covered in denominator)			Of which use of proceeds	Of which transitional	Of which enabling
0	**GAR - im Zähler und im Nenner erfasste Vermögenswerte**					
1	**GAR – Covered assets in both numerator and denominator**	**23.64%**	**0.64%**	**0.10%**	**0.04%**	**0.22%**
2	Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation	4.39%	0.15%	-	0.01%	0.03%
3	Financial corporations	4.27%	0.13%	-	0.01%	0.03%
4	Credit institutions	3.35%	0.04%	-	-	-
5	Loans and advances	0.92%	0.09%	-	0.01%	0.02%
6	Debt securities, including UoP	-	-		-	-
7	Equity instruments	0.12%	0.02%	-	-	-
8	Other financial corporations	0.12%	0.02%	-	-	-
9	of which investment firms	0.05%	0.01%	-	-	-
10	Loans and advances	0.07%	0.01%	-	-	-
11	Debt securities, including UoP	-	-		-	-
12	Equity instruments	-	-	-	-	-
13	of which management companies	-	-	-	-	-
14	Loans and advances	-	-	-	-	-
15	Debt securities, including UoP	-	-		-	-
16	Equity instruments	-	-	-	-	-
17	of which insurance undertakings	-	-	-	-	-
18	Loans and advances	-	-	-	-	-
19	Debt securities, including UoP	-	-		-	-
20	Equity instruments	1.02%	0.41%	0.02%	0.03%	0.19%
21	Non-financial corporations	0.76%	0.24%	0.02%	0.03%	0.09%
22	Loans and advances	0.26%	0.17%	-	0.01%	0.10%
23	Debt securities, including UoP	-	-		-	-
24	Equity instruments	18.23%	0.08%	0.08%	-	-
25	Households	16.84%	0.08%	0.08%	-	-
26	of which loans collateralized by residential immovable property	2.78%	0.01%	0.01%	-	-
27	of which building renovation loans	-	-	-	-	-
28	of which motor vehicle loans	-	-	-	-	-
29	Local government financing	-	-	-	-	-
30	Housing financing	-	-	-	-	-
31	Other local government financing	-	-	-	-	-
32	**Collateral obtained by taking possession: residential and commercial immovable properties**	**23.64%**	**0.64%**	**0.10%**	**0.04%**	**0.22%**

3. GAR KPI stock (CapEx)		f	g	h	i
		Disclosure reference date T			
		Climate change adaptation (CCA)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total assets covered in denominator)			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**0.04%**	**0.01%**	**-**	**-**
2	Financial corporations	0.02%	-	-	-
3	Credit institutions	0.02%	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	0.02%	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	0.02%	0.01%	-	-
21	Loans and advances	0.01%	-	-	-
22	Debt securities, including UoP	0.01%	0.01%	-	-
23	Equity instruments	-	-		-
24	Households	-	-	-	-
25	of which loans collateralized by residential immovable property	-	-	-	-
26	of which building renovation loans	-	-	-	-
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**0.04%**	**0.01%**	**-**	**-**

3. GAR KPI stock (CapEx)		j	k	l	m
		Disclosure reference date T			
		Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total assets covered in denominator)			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**-**	**-**	**-**	**-**
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**-**	**-**	**-**	**-**

3. GAR KPI stock (CapEx)		n	o	p	q
		Disclosure reference date T			
		Circular economy (CE)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total assets covered in denominator)			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	0.01%	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	0.01%	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	0.01%	-	-	-
23	Equity instruments	-	-		-
24	Households	-	-	-	-
25	of which loans collateralized by residential immovable property	-	-	-	-
26	of which building renovation loans	-	-	-	-
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**0.01%**	**-**	**-**	**-**

3. GAR KPI stock (CapEx)		r	s	t	u
		Disclosure reference date T			
		Pollution (PPC)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total assets covered in denominator)			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	0.02%	-	-	-
2	Financial corporations	0.01%	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	0.01%	-	-	-
8	of which investment firms	0.01%	-	-	-
9	Loans and advances	0.01%	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	0.01%	-	-	-
21	Loans and advances	0.01%	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**0.02%**	**-**	**-**	**-**

3. GAR KPI stock (CapEx)		v	w	x	z
		Disclosure reference date T			
		Biodiversity and ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total assets covered in denominator)			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	-	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**-**	**-**	**-**	**-**

3. GAR KPI stock (CapEx)		aa	ab	ac	ad	ae	af
		Disclosure reference date T					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)				
No.	% (compared to total assets covered in denominator)			Of which use of proceeds	Of which transi-tional	Of which enabling	Propor-tion of to-tal assets covered
0	**GAR – Covered assets in both numerator and denominator**						
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**23.72%**	**0.66%**	**0.10%**	**0.04%**	**0.22%**	**32.17%**
2	Financial corporations	4.42%	0.15%	-	0.01%	0.03%	10.45%
3	Credit institutions	4.29%	0.14%	-	0.01%	0.03%	9.67%
4	Loans and advances	3.35%	0.04%	-	-	-	6.88%
5	Debt securities, including UoP	0.94%	0.09%	-	0.01%	0.02%	2.79%
6	Equity instruments	-	-		-	-	0.01%
7	Other financial corporations	0.13%	0.02%	-	-	-	0.78%
8	of which investment firms	0.13%	0.02%	-	-	-	0.77%
9	Loans and advances	0.06%	0.01%	-	-	-	0.61%
10	Debt securities, including UoP	0.07%	0.01%	-	-	-	0.16%
11	Equity instruments	-	-		-	-	-
12	of which management companies	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-
16	of which insurance undertakings	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-
20	Non-financial corporations	1.07%	0.43%	0.02%	0.03%	0.19%	1.54%
21	Loans and advances	0.78%	0.24%	0.02%	0.03%	0.09%	1.13%
22	Debt securities, including UoP	0.29%	0.18%	-	0.01%	0.10%	0.41%
23	Equity instruments	-	-		-	-	-
24	Households	18.23%	0.08%	0.08%	-	-	17.13%
25	of which loans collateralized by residential immovable property	16.84%	0.08%	0.08%	-	-	13.45%
26	of which building renovation loans	2.78%	0.01%	0.01%	-	-	2.25%
27	of which motor vehicle loans						
28	Local government financing	-	-	-	-	-	3.05%
29	Housing financing	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	3.05%
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-
32	**Total GAR assets**	**23.72%**	**0.66%**	**0.10%**	**0.04%**	**0.22%**	**78.65%**

3. GAR KPI stock (CapEx)		ag	ah	ai	aj	ak
		Disclosure reference date T-1				
		Climate change mitigation (CCM)				
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)			
No.	% (compared to total assets covered in denominator)			Of which use of proceeds	Of which transitional	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**					
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	22.26%	0.24%	0.06%	0.02%	0.05%
2	Financial corporations	2.41%	0.01%	-	-	-
3	Credit institutions	2.38%	-	-	-	-
4	Loans and advances	1.95%	-	-	-	-
5	Debt securities, including UoP	0.43%	-	-	-	-
6	Equity instruments	-	-		-	-
7	Other financial corporations	0.03%	-	-	-	-
8	of which investment firms	0.03%	-	-	-	-
9	Loans and advances	0.01%	-	-	-	-
10	Debt securities, including UoP	0.02%	-	-	-	-
11	Equity instruments	-	-		-	-
12	of which management companies	-	-	-	-	-
13	Loans and advances	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-
15	Equity instruments	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-
17	Loans and advances	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-
19	Equity instruments	-	-		-	-
20	Non-financial corporations	0.65%	0.20%	0.03%	0.02%	0.04%
21	Loans and advances	0.51%	0.12%	0.03%	0.01%	0.03%
22	Debt securities, including UoP	0.14%	0.08%	-	-	0.02%
23	Equity instruments	-	-		-	-
24	Households	19.19%	0.03%	0.03%	-	-
25	of which loans collateralized by residential immovable property	17.74%	0.03%	0.03%	-	-
26	of which building renovation loans	2.82%	-	-	-	-
27	of which motor vehicle loans					
28	Local government financing	-	-	-	-	-
29	Housing financing	-	-	-	-	-
30	Other local government financing	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-
32	**Total GAR assets**	**22.26%**	**0.24%**	**0.06%**	**0.02%**	**0.05%**

3. GAR KPI stock (CapEx)		al	am	an	ao
		Disclosure reference date T-1			
		Climate change adaptation (CCA)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total assets covered in denominator)			Of which specialized lending	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	-	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households	-	-	-	-
25	of which loans collateralized by residential immovable property	-	-	-	-
26	of which building renovation loans	-	-	-	-
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**-**	**-**	**-**	**-**

3. GAR KPI stock (CapEx)		ap	aq	ar	as
		Disclosure reference date T-1			
		Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total assets covered in denominator)			Of which specialized lending	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	-	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**-**	**-**	**-**	**-**

3. GAR KPI stock (CapEx)		at	au	av	aw
		Disclosure reference date T-1			
		Circular economy (CE)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total assets covered in denominator)			Of which specialized lending	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	-	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households	-	-	-	-
25	of which loans collateralized by residential immovable property	-	-	-	-
26	of which building renovation loans	-	-	-	-
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**-**	**-**	**-**	**-**

3. GAR KPI stock (CapEx)		ax	ay	az	ba
		Disclosure reference date T-1			
		Pollution (PPC)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total assets covered in denominator)			Of which specialized lending	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	-	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**-**	**-**	**-**	**-**

3. GAR KPI stock (CapEx)		bb	bc	bd	be
		Disclosure reference date T-1			
		Biodiversity and ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total assets covered in denominator)			Of which specialized lending	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	-	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**-**	**-**	**-**	**-**

3. GAR KPI stock (CapEx)		bf	bg	bh	bi	bj	bk
		Disclosure reference date T-1					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)				
No.	% (compared to total assets covered in denominator)			Of which use of proceeds	Of which transi-tional	Of which enabling	Propor-tion of to-tal assets covered
0	**GAR – Covered assets in both numerator and denominator**						
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**22.26%**	**0.24%**	**0.06%**	**0.02%**	**0.05%**	**28.70%**
2	Financial corporations	2.41%	0.01%	-	-	-	7.71%
3	Credit institutions	2.38%	-	-	-	-	7.67%
4	Loans and advances	1.95%	-	-	-	-	5.68%
5	Debt securities, including UoP	0.43%	-	-	-	-	1.99%
6	Equity instruments	-	-		-	-	-
7	Other financial corporations	0.03%	-	-	-	-	0.04%
8	of which investment firms	0.03%	-	-	-	-	0.04%
9	Loans and advances	0.01%	-	-	-	-	0.02%
10	Debt securities, including UoP	0.02%	-	-	-	-	0.02%
11	Equity instruments	-	-		-	-	-
12	of which management companies	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-
16	of which insurance undertakings	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-
20	Non-financial corporations	0.65%	0.20%	0.03%	0.02%	0.04%	0.95%
21	Loans and advances	0.51%	0.12%	0.03%	0.01%	0.03%	0.74%
22	Debt securities, including UoP	0.14%	0.08%	-	-	0.02%	0.21%
23	Equity instruments	-	-		-	-	-
24	Households	19.19%	0.03%	0.03%	-	-	17.16%
25	of which loans collateralized by residential immovable property	17.74%	0.03%	0.03%	-	-	13.49%
26	of which building renovation loans	2.82%	-	-	-	-	2.12%
27	of which motor vehicle loans	-	-	-	-	-	-
28	Local government financing	-	-	-	-	-	2.88%
29	Housing financing	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	2.88%
31	Collateral obtained by taking possession: residential and com-mercial immovable properties	-	-	-	-	-	-
32	**Total GAR assets**	**22.26%**	**0.24%**	**0.06%**	**0.02%**	**0.05%**	**75.20%**

1. In this template, the institution discloses the GAR KPIs relating to the lending portfolio, calculated for the covered assets on the basis of the data disclosed in template 1, using the formula specified in this template.
2. Information about the GAR (green asset ratio of the eligible activities) should include information about the proportion of total assets covered by the GAR.
3. In addition to the information contained in this template, credit institutions can list the proportion of assets that are financing taxonomy-relevant sectors that are environmentally sustainable (taxonomy-aligned). These details would underpin the KPI information relating to the comparison of environmentally sustainable assets to the total assets covered.
4. The credit institutions will duplicate this template for disclosures based on revenue and CapEx

5.1.5 Explanatory notes on table 3

The denominator of the stock KPI

As a rule, the standard denominator for the ratios shown in table 3 is the ‘Total GAR assets’ item in table 1.

That was not the case for the previous year’s reporting as at December 31, 2023, which used denominators from within the individual rows of the report instead. This has now been replaced with a standard denominator.

As an exception to the rule, the denominator for the ratios in the ‘Proportion of total covered assets’ column is taken from the total assets in order to ensure comparability with the information in table 0 in the text section.

5.1.6 Green asset ratio – KPI flows (CapEx)

4. GAR KPI flows (CapEx)		**a**	**b**	**c**	**d**	**e**
		Disclosure reference date T				
		Climate change mitigation (CCM)				
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)			
No.	% (compared to inflow of total assets that are eligible for GAR calculation)			Of which use of proceeds	Of which transitional	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**					
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**41.92%**	**2.89%**	**0.48%**	**0.14%**	**0.86%**
2	Financial corporations	9.69%	0.61%	-	0.01%	0.03%
3	Credit institutions	9.46%	0.58%	-	0.01%	0.03%
4	Loans and advances	7.97%	0.41%	-	-	0.01%
5	Debt securities, including UoP	1.49%	0.17%	-	-	0.02%
6	Equity instruments	-	-		-	-
7	Other financial corporations	0.23%	0.02%	-	-	-
8	of which investment firms	0.23%	0.02%	-	-	-
9	Loans and advances	0.13%	-	-	-	-
10	Debt securities, including UoP	0.10%	0.02%	-	-	-
11	Equity instruments	-	-		-	-
12	of which management companies	-	-	-	-	-
13	Loans and advances	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-
15	Equity instruments	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-
17	Loans and advances	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-
19	Equity instruments	-	-		-	-
20	Non-financial corporations	5.23%	1.81%	-	0.13%	0.83%
21	Loans and advances	4.62%	1.39%	-	0.11%	0.52%
22	Debt securities, including UoP	0.61%	0.42%	-	0.02%	0.31%
23	Equity instruments	-	-		-	-
24	Households	27.00%	0.48%	0.48%	-	-
25	of which loans collateralized by residential immovable property	19.27%	0.48%	0.48%	-	-
26	of which building renovation loans	9.34%	0.06%	0.06%	-	-
27	of which motor vehicle loans	-	-	-	-	-
28	Local government financing	-	-	-	-	-
29	Housing financing	-	-	-	-	-
30	Other local government financing	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-
32	**Total GAR assets**	**41.92%**	**2.89%**	**0.48%**	**0.14%**	**0.86%**

4. GAR KPI flows (CapEx)		f	g	h	i
		Disclosure reference date T			
		Climate change adaptation (CCA)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to inflow of total assets that are eligible for GAR calculation)			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**0.15%**	**0.02%**	**-**	**-**
2	Financial corporations	0.11%	-	-	-
3	Credit institutions	0.11%	-	-	-
4	Loans and advances	0.05%	-	-	-
5	Debt securities, including UoP	0.06%	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	0.03%	0.02%	-	-
21	Loans and advances	0.01%	-	-	-
22	Debt securities, including UoP	0.02%	0.02%	-	-
23	Equity instruments	-	-		-
24	Households	-	-	-	-
25	of which loans collateralized by residential immovable property	-	-	-	-
26	of which building renovation loans	-	-	-	-
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**0.15%**	**0.02%**	**-**	**-**

4. GAR KPI flows (CapEx)		j	k	l	m
		Disclosure reference date T			
		Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to inflow of total assets that are eligible for GAR calculation)			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**-**	**-**	**-**	**-**
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**-**	**-**	**-**	**-**

4. GAR KPI flows (CapEx)		n	o	p	q
		Disclosure reference date T			
		Circular economy (CE)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to inflow of total assets that are eligible for GAR calculation)			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	0.04%	0.01%	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	0.04%	0.01%	-	-
21	Loans and advances	0.02%	0.01%	-	-
22	Debt securities, including UoP	0.02%	-	-	-
23	Equity instruments	-	-		-
24	Households	-	-	-	-
25	of which loans collateralized by residential immovable property	-	-	-	-
26	of which building renovation loans	-	-	-	-
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**0.04%**	**0.01%**	**-**	**-**

4. GAR KPI flows (CapEx)		r	s	t	u
		Disclosure reference date T			
		Pollution (PPC)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to inflow of total assets that are eligible for GAR calculation)			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	0.19%	-	-	-
2	Financial corporations	0.14%	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	0.14%	-	-	-
8	of which investment firms	0.14%	-	-	-
9	Loans and advances	0.14%	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	0.05%	-	-	-
21	Loans and advances	0.05%	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**0.19%**	**-**	**-**	**-**

4. GAR KPI flows (CapEx)		v	w	x	z
		Disclosure reference date T			
		Biodiversity and ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to inflow of total assets that are eligible for GAR calculation)			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	-	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**-**	**-**	**-**	**-**

No.	4. GAR KPI flows (CapEx)	aa	ab	ac	ad	ae	af
		Disclosure reference date T					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)				
No.	% (compared to inflow of total assets that are eligible for GAR calculation)			Of which use of proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
0	**GAR – Covered assets in both numerator and denominator**						
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**42.29%**	**2.93%**	**0.48%**	**0.14%**	**0.86%**	**6.14%**
2	Financial corporations	9.94%	0.61%	-	0.01%	0.03%	2.44%
3	Credit institutions	9.57%	0.58%	-	0.01%	0.03%	1.85%
4	Loans and advances	8.02%	0.41%	-	-	0.01%	1.44%
5	Debt securities, including UoP	1.55%	0.17%	-	-	0.02%	0.41%
6	Equity instruments	-	-		-	-	-
7	Other financial corporations	0.37%	0.02%	-	-	-	0.59%
8	of which investment firms	0.37%	0.02%	-	-	-	0.59%
9	Loans and advances	0.26%	-	-	-	-	0.57%
10	Debt securities, including UoP	0.10%	0.02%	-	-	-	0.02%
11	Equity instruments	-	-		-	-	-
12	of which management companies	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-
16	of which insurance undertakings	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-
20	Non-financial corporations	5.35%	1.84%	-	0.13%	0.83%	0.64%
21	Loans and advances	4.70%	1.40%	-	0.11%	0.52%	0.56%
22	Debt securities, including UoP	0.65%	0.44%	-	0.02%	0.31%	0.08%
23	Equity instruments	-	-		-	-	-
24	Households	27.00%	0.48%	0.48%	-	-	2.50%
25	of which loans collateralized by residential immovable property	19.27%	0.48%	0.48%	-	-	1.18%
26	of which building renovation loans	9.34%	0.06%	0.06%	-	-	0.57%
27	of which motor vehicle loans	-	-	-	-	-	-
28	Local government financing	-	-	-	-	-	0.57%
29	Housing financing	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	0.57%
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-
32	**Total GAR assets**	**42.29%**	**2.93%**	**0.48%**	**0.14%**	**0.86%**	**6.14%**

1.In this template, the institution discloses the GAR KPIs relating to the inflows of loans (new loans on a net basis), calculated for the covered assets on the basis of the data disclosed in template 1, using the formulas specified in this template.
2. The credit institutions will duplicate this template for disclosures based on revenue and CapEx.

5.1.7 Explanatory notes on table 4

The denominator of the flows KPI

As a rule, the denominator for the ratios shown in table 4 is equivalent to the inflows during the reporting year within the numerator of the GAR in table 1 ('GAR – Covered assets in both numerator and denominator').

As an exception to the rule, the denominator for the ratios in the 'Proportion of total covered assets' column is taken from the total assets in order to ensure comparability with the information in table 0 in the text section.

5.1.8 KPI stock off-balance-sheet exposures (CapEx)

5. KPI stock off-balance-sheet exposures (CapEx)		a	b	c	d	e
		Disclosure reference date T				
		Climate change mitigation (CCM)				
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)			
No.	% (compared to total eligible off-balance-sheet assets)			Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	49.14%	9.07%	-	0.33%	2.90%
2	Assets under management (AuM KPI)	11.99%	5.75%	-	0.36%	2.91%

5. KPI stock off-balance-sheet exposures (CapEx)		f	g	h	i
		Disclosure reference date T			
		Climate change adaptation (CCA)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total eligible off-balance-sheet assets)			Of which use of proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.54%	0.02%	-	-
2	Assets under management (AuM KPI)	0.85%	0.08%	-	0.06%

5. KPI stock off-balance-sheet exposures (CapEx)		j	k	l	m
		Disclosure reference date T			
		Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total eligible off-balance-sheet assets)			Of which use of proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.22%	0.22%	-	-
2	Assets under management (AuM KPI)	0.15%	0.04%	-	-

5. KPI stock off-balance-sheet exposures (CapEx)		n	o	p	q
		Disclosure reference date T			
		Circular economy (CE)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total eligible off-balance-sheet assets)			Of which use of proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.19%	0.12%	-	-
2	Assets under management (AuM KPI)	0.58%	0.02%	-	0.01%

5. KPI stock off-balance-sheet exposures (CapEx)		r	s	t	u
		Disclosure reference date T			
		Pollution (PPC)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total eligible off-balance-sheet assets)			Of which use of proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.05%	0.05%	-	-
2	Assets under management (AuM KPI)	0.71%	0.01%	-	0.01%

5. KPI stock off-balance-sheet exposures (CapEx)		v	w	x	z
		Disclosure reference date T			
		Biodiversity and ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total eligible off-balance-sheet assets)			Of which use of proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-
2	Assets under management (AuM KPI)	0.01%	-	-	-

5. KPI stock off-balance-sheet exposures (CapEx)		aa	ab	ac	ad	ae
		Disclosure reference date T				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)			
No.	% (compared to total eligible off-balance-sheet assets)			Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	50.14%	9.47%	-	0.33%	2.90%
2	Assets under management (AuM KPI)	14.29%	5.89%	-	0.36%	2.99%

1. In this template, the institution discloses the KPIs relating to off-balance-sheet exposures (financial guarantees and AuM), calculated for the covered assets on the basis of the data disclosed in template 1, using the formulas specified in this template.
2. The institutions will duplicate this template to disclose the stock and the flow KPIs for off-balance-sheet exposures.

5.1.9 Explanatory notes on the stock table above:

The denominator of the stock KPI

The denominator for the ratios shown in table 5 'Stock' contains the values listed in table 1, rows 54 and 55 of column a.

5.1.10 KPI flows off-balance-sheet exposures (CapEx)

5. KPI flows off-balance-sheet exposures (CapEx)		a	b	c	d	e
		Disclosure reference date T				
		Climate change mitigation (CCM)				
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)			
No.	% (compared to total eligible off-balance-sheet assets)			Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	34.77%	3.80%	-	-	1.19%
2	Assets under management (AuM KPI)	10.42%	4.90%	-	0.30%	2.42%

5. KPI flows off-balance-sheet exposures (CapEx)		f	g	h	i
		Disclosure reference date T			
		Climate change adaptation (CCA)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total eligible off-balance-sheet assets)			Of which specialized lending	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-
2	Assets under management (AuM KPI)	0.74%	0.07%	-	0.05%

5. KPI flows off-balance-sheet exposures (CapEx)		j	k	l	m
		Disclosure reference date T			
		Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total eligible off-balance-sheet assets)			Of which specialized lending	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-
2	Assets under management (AuM KPI)	0.11%	0.04%	-	-

5. KPI flows off-balance-sheet exposures (CapEx)		n	o	p	q
		Disclosure reference date T			
		Circular economy (CE)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total eligible off-balance-sheet assets)			Of which specialized lending	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.04%	-	-	-
2	Assets under management (AuM KPI)	0.48%	0.01%	-	0.01%

5. KPI flows off-balance-sheet exposures (CapEx)		r	s	t	u
		Disclosure reference date T			
		Pollution (PPC)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total eligible off-balance-sheet assets)			Of which specialized lending	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-
2	Assets under management (AuM KPI)	0.48%	-	-	-

5. KPI flows off-balance-sheet exposures (CapEx)		v	w	x	z
		Disclosure reference date T			
		Biodiversity and ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total eligible off-balance-sheet assets)			Of which specialized lending	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-
2	Assets under management (AuM KPI)	0.01%	-	-	-

5. KPI flows off-balance-sheet exposures (CapEx)		aa	ab	ac	ad	ae
		Disclosure reference date T				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)			
No.	% (compared to total eligible off-balance-sheet assets)			Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	34.81%	3.80%	-	-	1.19%
2	Assets under management (AuM KPI)	12.25%	5.02%	-	0.30%	2.48%

1. In this template, the institution discloses the KPIs relating to off-balance-sheet exposures (financial guarantees and AuM), calculated for the covered assets on the basis of the data disclosed in template 1, using the formulas specified in this template.
2. The institutions will duplicate this template to disclose the stock and the flow KPIs for off-balance-sheet exposures.

5.1.11 Explanatory notes on the flows table above

The denominator of the flows KPI

The denominator for the ratios in table 5 shows the inflows during the reporting year for the values listed in table 1, rows 54 and 55 of column a.

5.1.12 Assets for the green asset ratio (revenue)

1. Assets for the calculation of GAR (revenue)		a	b	c	d	e	f
		Disclosure reference date T					
			Climate change mitigation (CCM)				
			Of which toward taxonomy-relevant sectors (taxonomy-eligible)				
				Of which environmentally sustainable (taxonomy-aligned)			
No.	€ million	Total [gross] carrying amount			Of which use of proceeds	Of which transitional	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**174,667**	**100,656**	**2,077**	**430**	**148**	**630**
2	Financial corporations	56,721	19,353	729	-	44	75
3	Credit institutions	52,503	18,865	665	-	44	61
4	Loans and advances	37,335	14,494	219	-	2	3
5	Debt securities, including UoP	15,140	4,363	446	-	42	57
6	Equity instruments	27	8	-		-	-
7	Other financial corporations	4,218	488	64	-	-	14
8	of which investment firms	4,188	475	64	-	-	14
9	Loans and advances	3,312	184	16	-	-	5
10	Debt securities, including UoP	877	291	47	-	-	9
11	Equity instruments	-	-	-		-	-
12	of which management companies	17	1	-	-	-	-
13	Loans and advances	4	-	-	-	-	-
14	Debt securities, including UoP	13	1	-	-	-	-
15	Equity instruments	-	-	-		-	-
16	of which insurance undertakings	12	12	-	-	-	-
17	Loans and advances	12	12	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-
20	Non-financial corporations	8,360	3,439	1,021	103	104	555
21	Loans and advances	6,118	2,695	563	103	71	264
22	Debt securities, including UoP	2,242	744	458	-	33	291
23	Equity instruments	-	-	-		-	-
24	Households	93,016	77,863	326	326	-	-
25	of which loans collateralized by residential immovable property	73,055	71,936	326	326	-	-
26	of which building renovation loans	12,223	11,856	24	24	-	-
27	of which motor vehicle loans	-	-	-	-	-	-
28	Local government financing	16,571	1	-	-	-	-
29	Housing financing	-	-	-	-	-	-
30	Other local government financing	16,571	1	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**252,403**	-	-	-	-	-
33	Financial and non-financial corporations	215,274					
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations	191,173					
35	Loans and advances	176,204					
36	of which loans collateralized by commercial immovable property	31,923					
37	of which building renovation loans	1,332					
38	Debt securities, including UoP	11,939					
39	Equity instruments	3,030					
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations	24,101					
41	Loans and advances	14,155					
42	Debt securities, including UoP	9,941					
43	Equity instruments	5					
44	Derivatives	17,055					
45	On demand interbank loans	5,788					

1. Assets for the calculation of GAR (revenue)		a	b	c	d	e	f
			Disclosure reference date T				
			Climate change mitigation (CCM)				
			Of which toward taxonomy-relevant sectors (taxonomy-eligible)				
				Of which environmentally sustainable (taxonomy-aligned)			
No.	€ million	Total [gross] carrying amount			Of which use of proceeds	Of which transitional	Of which enabling
46	Cash and cash-related assets	446					
47	Other assets (e.g. goodwill, commodities etc.)	13,840					
48	**Total GAR assets**	**427,070**	**100,656**	**2,077**	**430**	**148**	**630**
49	**Assets not included in the calculation of GAR**	115,939					
50	Sovereigns and supranational issuers	12,971					
51	Central bank exposures	88,470					
52	Trading book	14,498					
53	**Total assets**	**543,008**	-	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations							
54	Financial guarantees	2,654	1,154	153	-	1	35
55	Assets under management	102,032	8,761	3,376	-	194	1,966
56	of which debt securities	56,754	4,603	2,145	-	172	942
57	of which equity instruments	45,277	4,158	1,231	-	22	1,024

1. Assets for the calculation of GAR (revenue)		g	h	i	j
		Disclosure reference date T			
		Climate change adaptation (CCA)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**134**	**28**	**-**	**3**
2	Financial corporations	82	4	-	-
3	Credit institutions	81	4	-	-
4	Loans and advances	6	1	-	-
5	Debt securities, including UoP	76	3	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	52	24	-	2
21	Loans and advances	32	6	-	1
22	Debt securities, including UoP	21	18	-	2
23	Equity instruments	-	-		-
24	Households	-	-	-	-
25	of which loans collateralized by residential immovable property	-	-	-	-
26	of which building renovation loans	-	-	-	-
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-
33	Financial and non-financial corporations				
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralized by commercial immovable property				
37	of which building renovation loans				
38	Debt securities, including UoP				
39	Equity instruments				
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities, including UoP				
43	Equity instruments				
44	Derivatives				
45	On demand interbank loans				
46	Cash and cash-related assets				
47	Other assets (e.g. goodwill, commodities etc.)				
48	**Total GAR assets**	**134**	**28**	**-**	**3**
49	**Assets not included in the calculation of GAR**				
50	Sovereigns and supranational issuers				

1. Assets for the calculation of GAR (revenue)		g	h	i	j
		Disclosure reference date T			
		Climate change adaptation (CCA)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
51	Central bank exposures				
52	Trading book				
53	**Total assets**	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations					
54	Financial guarantees	9	-	-	-
55	Assets under management	554	35	-	16
56	of which debt securities	472	27	-	9
57	of which equity instruments	82	8	-	7

1. Assets for the calculation of GAR (revenue)		k	l	m	n
		Disclosure reference date T			
		Water and marine resources (WTR)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	4	2	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	4	2	-	-
21	Loans and advances	3	1	-	-
22	Debt securities, including UoP	1	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-
33	Financial and non-financial corporations				
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralized by commercial immovable property				
37	of which building renovation loans				
38	Debt securities, including UoP				
39	Equity instruments				
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities, including UoP				
43	Equity instruments				
44	Derivatives				
45	On demand interbank loans				
46	Cash and cash-related assets				
47	Other assets (e.g. goodwill, commodities etc.)				
48	**Total GAR assets**	**4**	**2**	**-**	**-**
49	**Assets not included in the calculation of GAR**				
50	Sovereigns and supranational issuers				

1. Assets for the calculation of GAR (revenue)		k	l	m	n
		Disclosure reference date T			
		Water and marine resources (WTR)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
51	Central bank exposures				
52	Trading book				
53	**Total assets**	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations					
54	Financial guarantees	1	1	-	-
55	Assets under management	106	24	-	-
56	of which debt securities	79	23	-	-
57	of which equity instruments	26	1	-	-

1. Assets for the calculation of GAR (revenue)		o	p	q	r
		Disclosure reference date T			
		Circular economy (CE)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**114**	**14**	**-**	**2**
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-	-	-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	113	14	-	2
21	Loans and advances	45	12	-	-
22	Debt securities, including UoP	69	2	-	1
23	Equity instruments	-	-		-
24	Households	-	-	-	-
25	of which loans collateralized by residential immovable property	-	-	-	-
26	of which building renovation loans	-	-	-	-
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-
33	Financial and non-financial corporations				
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralized by commercial immovable property				
37	of which building renovation loans				
38	Debt securities, including UoP				
39	Equity instruments				
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities, including UoP				
43	Equity instruments				
44	Derivatives				
45	On demand interbank loans				
46	Cash and cash-related assets				
47	Other assets (e.g. goodwill, commodities etc.)				
48	**Total GAR assets**	**114**	**14**	**-**	**2**
49	**Assets not included in the calculation of GAR**				
50	Sovereigns and supranational issuers				

1. Assets for the calculation of GAR (revenue)		o	p	q	r
		Disclosure reference date T			
		Circular economy (CE)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
51	Central bank exposures				
52	Trading book				
53	**Total assets**	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations					
54	Financial guarantees	5	2	-	-
55	Assets under management	1,547	68	-	42
56	of which debt securities	440	11	-	4
57	of which equity instruments	1,107	57	-	38

1. Assets for the calculation of GAR (revenue)		s	t	u	v
		Disclosure reference date T			
		Pollution (PPC)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	83	8	-	1
2	Financial corporations	45	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	45	-	-	-
8	of which investment firms	45	-	-	-
9	Loans and advances	45	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	38	8	-	1
21	Loans and advances	13	7	-	1
22	Debt securities, including UoP	25	1	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-
33	Financial and non-financial corporations				
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralized by commercial immovable property				
37	of which building renovation loans				
38	Debt securities, including UoP				
39	Equity instruments				
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities, including UoP				
43	Equity instruments				
44	Derivatives				
45	On demand interbank loans				
46	Cash and cash-related assets				
47	Other assets (e.g. goodwill, commodities etc.)				
48	**Total GAR assets**	**83**	**8**	**-**	**1**
49	**Assets not included in the calculation of GAR**				
50	Sovereigns and supranational issuers				

1. Assets for the calculation of GAR (revenue)		s	t	u	v
		Disclosure reference date T			
		Pollution (PPC)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
51	Central bank exposures				
52	Trading book				
53	**Total assets**	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations					
54	Financial guarantees	1	-	-	-
55	Assets under management	1,192	17	-	13
56	of which debt securities	234	15	-	13
57	of which equity instruments	958	2	-	-

1. Assets for the calculation of GAR (revenue)		w	x	z	aa
		Disclosure reference date T			
		Biodiversity and ecosystems (BIO)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	-	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-
33	Financial and non-financial corporations				
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralized by commercial immovable property				
37	of which building renovation loans				
38	Debt securities, including UoP				
39	Equity instruments				
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities, including UoP				
43	Equity instruments				
44	Derivatives				
45	On demand interbank loans				
46	Cash and cash-related assets				
47	Other assets (e.g. goodwill, commodities etc.)				
48	**Total GAR assets**	-	-	-	-
49	**Assets not included in the calculation of GAR**				
50	Sovereigns and supranational issuers				

1. Assets for the calculation of GAR (revenue)		w	x	z	aa
		Disclosure reference date T			
		Biodiversity and ecosystems (BIO)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
51	Central bank exposures				
52	Trading book				
53	**Total assets**	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations					
54	Financial guarantees	-	-	-	-
55	Assets under management	19	-	-	-
56	of which debt securities	17	-	-	-
57	of which equity instruments	2	-	-	-

1. Assets for the calculation of GAR (revenue)		ab	ac	ad	ae	af
		Disclosure reference date T				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)			
No.	€ million			Of which use of proceeds	Of which transitional	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**100,991**	**2,129**	**430**	**148**	**636**
2	Financial corporations	19,480	733	-	44	75
3	Credit institutions	18,947	669	-	44	61
4	Loans and advances	14,500	219	-	2	3
5	Debt securities, including UoP	4,439	449	-	42	57
6	Equity instruments	8	-		-	-
7	Other financial corporations	533	64	-	-	14
8	of which investment firms	520	64	-	-	14
9	Loans and advances	229	17	-	-	5
10	Debt securities, including UoP	291	47	-	-	9
11	Equity instruments	-	-		-	-
12	of which management companies	1	-	-	-	-
13	Loans and advances	-	-	-	-	-
14	Debt securities, including UoP	1	-	-	-	-
15	Equity instruments	-	-		-	-
16	of which insurance undertakings	12	-	-	-	-
17	Loans and advances	12	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-
19	Equity instruments	-	-		-	-
20	Non-financial corporations	3,646	1,069	103	104	561
21	Loans and advances	2,787	590	103	71	266
22	Debt securities, including UoP	860	479	-	33	294
23	Equity instruments	-	-		-	-
24	Households	77,863	326	326	-	-
25	of which loans collateralized by residential immovable property	71,936	326	326	-	-
26	of which building renovation loans	11,856	24	24	-	-
27	of which motor vehicle loans	-	-	-	-	-
28	Local government financing	1	-	-	-	-
29	Housing financing	-	-	-	-	-
30	Other local government financing	1	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-	-
33	Financial and non-financial corporations					
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations					
35	Loans and advances					
36	of which loans collateralized by commercial immovable property					
37	of which building renovation loans					
38	Debt securities, including UoP					
39	Equity instruments					
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations					
41	Loans and advances					
42	Debt securities, including UoP					
43	Equity instruments					
44	Derivatives					
45	On demand interbank loans					
46	Cash and cash-related assets					
47	Other assets (e.g. goodwill, commodities etc.)					
48	**Total GAR assets**	**100,991**	**2,129**	**430**	**148**	**636**
49	**Assets not included in the calculation of GAR**					

1. Assets for the calculation of GAR (revenue)		ab	ac	ad	ae	af
		Disclosure reference date T				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)			
No.	€ million			Of which use of proceeds	Of which transitional	Of which enabling
50	Sovereigns and supranational issuers					
51	Central bank exposures					
52	Trading book					
53	**Total assets**	-	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations						
54	Financial guarantees	1,169	156	-	1	36
55	Assets under management	12,178	3,520	-	194	2,038
56	of which debt securities	5,844	2,221	-	172	969
57	of which equity instruments	6,333	1,298	-	22	1,069

1. Assets for the calculation of GAR (revenue)		ag	ah	ai	aj	ak	al
		Disclosure reference date T-1					
			Climate change mitigation (CCM)				
			Of which toward taxonomy-relevant sectors (taxonomy-eligible)				
				Of which environmentally sustainable (taxonomy-aligned)			
No.	€ million	Total [gross] carrying amount			Of which use of proceeds	Of which transi-tional	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**153,373**	**88,878**	**614**	**260**	**32**	**106**
2	Financial corporations	41,210	9,699	6	-	-	6
3	Credit institutions	40,984	9,577	1	-	-	-
4	Loans and advances	30,327	7,868	-	-	-	-
5	Debt securities, including UoP	10,657	1,709	1	-	-	-
6	Equity instruments	-	-	-		-	-
7	Other financial corporations	225	123	6	-	-	6
8	of which investment firms	203	109	6	-	-	6
9	Loans and advances	93	46	-	-	-	-
10	Debt securities, including UoP	110	63	6	-	-	6
11	Equity instruments	-	-	-		-	-
12	of which management companies	8	1	-	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities, including UoP	8	1	-	-	-	-
15	Equity instruments	-	-	-		-	-
16	of which insurance undertakings	14	13	-	-	-	-
17	Loans and advances	14	13	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-
20	Non-financial corporations	5,059	2,032	467	119	32	100
21	Loans and advances	3,963	1,666	266	119	23	61
22	Debt securities, including UoP	1,096	366	201	-	9	39
23	Equity instruments	-	-	-		-	-
24	Households	91,718	77,132	141	141	-	-
25	of which loans collateralized by residential immovable property	72,061	71,287	141	141	-	-
26	of which building renovation loans	11,338	11,337	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-
28	Local government financing	15,387	15	-	-	-	-
29	Housing financing	-	-	-	-	-	-
30	Other local government financing	15,387	15	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**248,470**	-	-	-	-	-
33	Financial and non-financial corporations						
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations						
35	Loans and advances						
36	of which loans collateralized by commercial immovable property						
37	of which building renovation loans						
38	Debt securities, including UoP						
39	Equity instruments						
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations						
41	Loans and advances						
42	Debt securities, including UoP						
43	Equity instruments						
44	Derivatives						
45	On demand interbank loans						
46	Cash and cash-related assets						
47	Other assets (e.g. goodwill, commodities etc.)						
48	**Total GAR assets**	**401,843**	**88,878**	**614**	**260**	**32**	**106**

1. Assets for the calculation of GAR (revenue)		ag	ah	ai	aj	ak	al
		Disclosure reference date T-1					
			Climate change mitigation (CCM)				
			Of which toward taxonomy-relevant sectors (taxonomy-eligible)				
				Of which environmentally sustainable (taxonomy-aligned)			
No.	€ million	Total [gross] carrying amount			Of which use of proceeds	Of which transi-tional	Of which enabling
49	**Assets not included in the calculation of GAR**						
50	Sovereigns and supranational issuers						
51	Central bank exposures						
52	Trading book						
53	**Total assets**	**534,364**	-	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations							
54	Financial guarantees	1,742	469	51	-	1	25
55	Assets under management	74,281	8,186	2,130	-	215	1,152
56	of which debt securities	27,994	3,019	981	-	112	401
57	of which equity instruments	46,287	5,168	1,149	-	104	750

1. Assets for the calculation of GAR (revenue)		am	an	ao	ap
		Disclosure reference date T-1			
		Climate change adaptation (CCA)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	2	1	-	1
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	2	1	-	1
21	Loans and advances	1	-	-	-
22	Debt securities, including UoP	1	1	-	1
23	Equity instruments	-	-		-
24	Households	-	-	-	-
25	of which loans collateralized by residential immovable property	-	-	-	-
26	of which building renovation loans	-	-	-	-
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-
33	Financial and non-financial corporations				
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralized by commercial immovable property				
37	of which building renovation loans				
38	Debt securities, including UoP				
39	Equity instruments				
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities, including UoP				
43	Equity instruments				
44	Derivatives				
45	On demand interbank loans				
46	Cash and cash-related assets				
47	Other assets (e.g. goodwill, commodities etc.)				
48	**Total GAR assets**	**2**	**1**	**-**	**1**
49	**Assets not included in the calculation of GAR**				
50	Sovereigns and supranational issuers				

1. Assets for the calculation of GAR (revenue)		am	an	ao	ap
		Disclosure reference date T-1			
		Climate change adaptation (CCA)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
51	Central bank exposures				
52	Trading book				
53	**Total assets**	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations					
54	Financial guarantees	2	-	-	-
55	Assets under management	222	2	-	2
56	of which debt securities	25	-	-	-
57	of which equity instruments	197	1	-	1

1. Assets for the calculation of GAR (revenue)		aq	ar	as	at
		Disclosure reference date T-1			
		Water and marine resources (WTR)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	-	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-
33	Financial and non-financial corporations				
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralized by commercial immovable property				
37	of which building renovation loans				
38	Debt securities, including UoP				
39	Equity instruments				
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities, including UoP				
43	Equity instruments				
44	Derivatives				
45	On demand interbank loans				
46	Cash and cash-related assets				
47	Other assets (e.g. goodwill, commodities etc.)				
48	**Total GAR assets**	-	-	-	-
49	**Assets not included in the calculation of GAR**				
50	Sovereigns and supranational issuers				

1. Assets for the calculation of GAR (revenue)		aq	ar	as	at
		Disclosure reference date T-1			
		Water and marine resources (WTR)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
51	Central bank exposures				
52	Trading book				
53	**Total assets**	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations					
54	Financial guarantees	-	-	-	-
55	Assets under management	-	-	-	-
56	of which debt securities	-	-	-	-
57	of which equity instruments	-	-	-	-

1. Assets for the calculation of GAR (revenue)		au	av	aw	ax
		Disclosure reference date T-1			
		Circular economy (CE)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	-	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households	-	-	-	-
25	of which loans collateralized by residential immovable property	-	-	-	-
26	of which building renovation loans	-	-	-	-
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-
33	Financial and non-financial corporations				
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralized by commercial immovable property				
37	of which building renovation loans				
38	Debt securities, including UoP				
39	Equity instruments				
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities, including UoP				
43	Equity instruments				
44	Derivatives				
45	On demand interbank loans				
46	Cash and cash-related assets				
47	Other assets (e.g. goodwill, commodities etc.)				
48	**Total GAR assets**	-	-	-	-
49	**Assets not included in the calculation of GAR**				
50	Sovereigns and supranational issuers				

1. Assets for the calculation of GAR (revenue)		au	av	aw	ax
		Disclosure reference date T-1			
		Circular economy (CE)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
51	Central bank exposures				
52	Trading book				
53	**Total assets**	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations					
54	Financial guarantees	-	-	-	-
55	Assets under management	-	-	-	-
56	of which debt securities	-	-	-	-
57	of which equity instruments	-	-	-	-

1. Assets for the calculation of GAR (revenue)		ay	az	ba	bb
		Disclosure reference date T-1			
		Pollution (PPC)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	-	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-
33	Financial and non-financial corporations				
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralized by commercial immovable property				
37	of which building renovation loans				
38	Debt securities, including UoP				
39	Equity instruments				
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities, including UoP				
43	Equity instruments				
44	Derivatives				
45	On demand interbank loans				
46	Cash and cash-related assets				
47	Other assets (e.g. goodwill, commodities etc.)				
48	**Total GAR assets**	-	-	-	-
49	**Assets not included in the calculation of GAR**				
50	Sovereigns and supranational issuers				

1. Assets for the calculation of GAR (revenue)		ay	az	ba	bb
		Disclosure reference date T-1			
		Pollution (PPC)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
51	Central bank exposures				
52	Trading book				
53	**Total assets**	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations					
54	Financial guarantees	-	-	-	-
55	Assets under management	-	-	-	-
56	of which debt securities	-	-	-	-
57	of which equity instruments	-	-	-	-

1. Assets for the calculation of GAR (revenue)		bc	bd	be	bf
		Disclosure reference date T-1			
		Biodiversity and ecosystems (BIO)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	-	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-
33	Financial and non-financial corporations				
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations				
35	Loans and advances				
36	of which loans collateralized by commercial immovable property				
37	of which building renovation loans				
38	Debt securities, including UoP				
39	Equity instruments				
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations				
41	Loans and advances				
42	Debt securities, including UoP				
43	Equity instruments				
44	Derivatives				
45	On demand interbank loans				
46	Cash and cash-related assets				
47	Other assets (e.g. goodwill, commodities etc.)				
48	**Total GAR assets**	-	-	-	-
49	**Assets not included in the calculation of GAR**				
50	Sovereigns and supranational issuers				

1. Assets for the calculation of GAR (revenue)		bc	bd	be	bf
		Disclosure reference date T-1			
		Biodiversity and ecosystems (BIO)			
		Of which toward taxonomy-relevant sectors (taxonomy-eligible)			
			Of which environmentally sustainable (taxonomy-aligned)		
No.	€ million			Of which use of proceeds	Of which enabling
51	Central bank exposures				
52	Trading book				
53	**Total assets**	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations					
54	Financial guarantees	-	-	-	-
55	Assets under management	-	-	-	-
56	of which debt securities	-	-	-	-
57	of which equity instruments	-	-	-	-

1. Assets for the calculation of GAR (revenue)		bg	bh	bi	bj	bk
		Disclosure reference date T-1				
		GESAMT (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)			
No.	€ million			Of which use of proceeds	Of which transitional	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**	-	-	-	-	-
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	88,880	615	260	32	107
2	Financial corporations	9,699	6	-	-	6
3	Credit institutions	9,577	1	-	-	-
4	Loans and advances	7,868	-	-	-	-
5	Debt securities, including UoP	1,709	1	-	-	-
6	Equity instruments	-	-	-	-	-
7	Other financial corporations	123	6	-	-	6
8	of which investment firms	109	6	-	-	6
9	Loans and advances	46	-	-	-	-
10	Debt securities, including UoP	63	6	-	-	6
11	Equity instruments	-	-	-	-	-
12	of which management companies	1	-	-	-	-
13	Loans and advances	-	-	-	-	-
14	Debt securities, including UoP	1	-	-	-	-
15	Equity instruments	-	-	-	-	-
16	of which insurance undertakings	13	-	-	-	-
17	Loans and advances	13	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-
19	Equity instruments	-	-	-	-	-
20	Non-financial corporations	2,034	468	119	32	101
21	Loans and advances	1,667	266	119	23	61
22	Debt securities, including UoP	367	202	-	9	40
23	Equity instruments	-	-	-	-	-
24	Households	77,132	141	141	-	-
25	of which loans collateralized by residential immovable property	71,287	141	141	-	-
26	of which building renovation loans	11,337	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-
28	Local government financing	15	-	-	-	-
29	Housing financing	-	-	-	-	-
30	Other local government financing	15	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	-	-	-	-	-
33	Financial and non-financial corporations					
34	SMEs and non-financial corporations (which are not SMEs) that are not subject to NFRD disclosure obligations					
35	Loans and advances					
36	of which loans collateralized by commercial immovable property					
37	of which building renovation loans					
38	Debt securities, including UoP					
39	Equity instruments					
40	Non-EU non-financial corporations that are not subject to NFRD disclosure obligations					
41	Loans and advances					
42	Debt securities, including UoP					
43	Equity instruments					
44	Derivatives					
45	On demand interbank loans					
46	Cash and cash-related assets					
47	Other assets (e.g. goodwill, commodities etc.)					
48	**Total GAR assets**	**88,880**	**615**	**260**	**32**	**107**
49	**Assets not included in the calculation of GAR**					

1. Assets for the calculation of GAR (revenue)		bg	bh	bi	bj	bk
		Disclosure reference date T-1				
		GESAMT (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)			
No.	€ million			Of which use of proceeds	Of which transitional	Of which enabling
50	Sovereigns and supranational issuers					
51	Central bank exposures					
52	Trading book					
53	**Total assets**	-	-	-	-	-
Off-balance-sheet exposures – companies that are subject to NFRD disclosure obligations						
54	Financial guarantees	472	52	-	1	25
55	Assets under management	8,408	2,132	-	215	1,153
56	of which debt securities	3,043	981	-	112	402
57	of which equity instruments	5,365	1,150	-	104	751

1. This template contains information on loans and advances, debt securities, and equity instruments on the banking book toward financial corporations, non-financial corporations, including SMEs, households (including real estate lending, building renovation loans, and simple motor vehicle loans), and local government/local authorities (housing financing).
2. The following reporting categories for financial assets must be included: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, long-term equity investments in subsidiaries, joint ventures, and associates, financial assets measured at fair value through profit or loss, and financial assets not held for trading that must be measured at fair value through profit or loss, as well as real estate collateral that credit institutions acquire through repossession in exchange for canceling debts.
3. Banks with a non-EU subsidiary should provide this information separately for exposures to non-EU counterparties. Although non-EU exposures present additional challenges due to the lack of common disclosure requirements and methods, since the EU taxonomy and the NFRD disclosure obligations only apply within the EU, given the relevance of these exposures for credit institutions with non-EU subsidiaries, these institutions should disclose a separate GAR for non-EU exposures, making the best possible effort with estimates and ranges, using approximations, and explaining the assumptions, caveats and constraints.
4. With regard to motor vehicle loans, the institutions only include exposures that commenced after disclosure had started.

5.1.13 Explanatory notes on table 1

The denominator of the GAR

The 'Total GAR assets' value, used in the denominator, is one of the most important reference values for calculating the GAR. 'Assets excluded from the numerator for GAR calculation (covered in the denominator)' represent the proportion of the 'Total GAR assets' that is included in the denominator for the GAR calculation but is not itself assessed for EU Taxonomy alignment.

Assets eligible to be included in the numerator

'GAR – Covered assets in both numerator and denominator' represent the proportion of the 'Total GAR assets' that is the sole subject of the assessment of EU Taxonomy alignment (total in table 1, row 1, column a). However, there is an exception for 'Local government financing', with relevant finance under this item only being assessed for EU Taxonomy alignment if the financing purpose is definitely known.

Assets without impact on the GAR

'Assets not included in the calculation of GAR' are completely ignored when calculating the GAR. That includes receivables from regional governments, which must be allocated to the 'Sovereigns' item.

Off-balance-sheet items

Only counterparties subject to CSRD have been included in the off-balance-sheet assets.

5.1.14 Green asset ratio – sector information (revenue)

2. GAR sector information (revenue)		a	b	c	d
		Climate change mitigation (CCM)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (CCM)	€ million	Of which envi-ron-mentally sustainable (CCM)
1	Processing and preserving of meat [10.11]	-	-		
2	Operation of dairies and cheese making [10.51]	-	-		
3	Manufacture of sugar [10.81]	27	5		
4	Distilling, rectifying and blending of spirits [11.01]	-	-		
5	Manufacture of wine from grape [11.02]	-	-		
6	Manufacture of beer [11.05]	-	-		
7	Manufacture of non-wovens and articles made from non-wovens, except apparel [13.95]	-	-		
8	Manufacture of other wearing apparel and accessories [14.19]	-	-		
9	Manufacture of veneer sheets and wood-based panels [16.21]	-	-		
10	Manufacture of pulp [17.11]	-	-		
11	Manufacture of industrial gases [20.11]	222	2		
12	Manufacture of other organic basic chemicals [20.14]	1	1		
13	Manufacture of plastics in primary forms [20.16]	-	-		
14	Manufacture of basic pharmaceutical products [21.10]	58	-		
15	Manufacture of pharmaceutical preparations [21.20]	-	-		
16	Manufacture of plastic plates, sheets, tubes and profiles [22.21]	-	-		
17	Manufacture of hollow glass [23.13]	-	-		
18	Manufacture of ceramic sanitary fixtures [23.42]	-	-		
19	Manufacture of cement [23.51]	38	3		
20	Manufacture of basic iron and steel and of ferro-alloys [24.10]	126	35		
21	Precious metals production [24.41]	-	-		
22	Forging, pressing, stamping and roll-forming of metal; powder metallurgy [25.50]	1	-		
23	Manufacture of electronic components [26.11]	28	-		
24	Manufacture of communication equipment [26.30]	-	-		
25	Manufacture of instruments and appliances for measuring, testing and navigation [26.51]	-	-		
26	Manufacture of optical instruments and photographic equipment [26.70]	-	-		
27	Manufacture of electric motors, generators and transformers [27.11]	6	1		
28	Manufacture of other electrical equipment n.e.c. [27.90]	67	37		
29	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines [28.11]	54	52		
30	Manufacture of other pumps and compressors [28.13]	1	-		
31	Manufacture of lifting and handling equipment [28.22]	7	4		
32	Manufacture of other general-purpose machinery n.e.c. [28.29]	-	-		
33	Manufacture of other special-purpose machinery n.e.c. [28.99]	13	-		
34	Manufacture of motor vehicles [29.10]	565	53		
35	Manufacture of other parts and accessories for motor vehicles [29.32]	324	-		
36	Building of ships and floating structures [30.11]	27	-		
37	Manufacture of railway locomotives and rolling stock [30.20]	40	25		
38	Manufacture of motorcycles [30.91]	39	-		
39	Striking of coins [32.11]	-	-		
40	Production of electricity [35.11]	468	391		
41	Transmission of electricity [35.12]	111	108		
42	Manufacture of gas [35.21]	26	19		
43	Distribution of gaseous fuels through mains [35.22]	6	5		
44	Collection of non-hazardous waste [38.11]	51	33		
45	Development of building projects [41.10]	120	20		
46	Construction of residential and non-residential buildings [41.20]	47	6		
47	Construction of roads and motorways [42.11]	-	-		
48	Construction of other civil engineering projects n.e.c. [42.99]	-	-		

2. GAR sector information (revenue)		a	b	c	d
		Climate change mitigation (CCM)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (CCM)	€ million	Of which envi-ron-mentally sustainable (CCM)
49	Demolition [43.11]	13	5		
50	Electrical installation [43.21]	15	10		
51	Other specialized construction activities n.e.c. [43.99]	10	4		
52	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds [46.21]	49	49		
53	Wholesale of wood, construction materials and sanitary equipment [46.73]	11	10		
54	Retail sale in non-specialised stores with food, beverages or tobacco predominating [47.11]	-	-		
55	Retail sale of sporting equipment in specialised stores [47.64]	2	-		
56	Retail sale of clothing in specialised stores [47.71]	-	-		
57	Passenger rail transportation, interurban [49.10]	1	1		
58	Freight rail transportation [49.20]	46	29		
59	Transport via pipeline [49.50]	-	-		
60	Sea and coastal passenger water transport [50.10]	8	-		
61	Sea and coastal freight water transportation [50.20]	32	-		
62	Service activities incidental to land transportation [52.21]	6	4		
63	Service activities incidental to water transportation [52.22]	2	-		
64	Service activities incidental to air transportation [52.23]	203	8		
65	Postal activities under universal service obligation [53.10]	238	59		
66	Other postal and courier activities [53.20]	62	22		
67	Wired telecommunications activities [61.10]	2	-		
68	Other telecommunications activities [61.90]	21	15		
69	Computer programming activities [62.01]	3	2		
70	Computer consultancy activities [62.02]	1	-		
71	Computer facilities management activities [62.03]	146	-		
72	Other information technology and computer service activities [62.09]	-	-		
73	Buying and selling of own real estate [68.10]	134	-		
74	Real estate agencies [68.31]	259	49		
75	Engineering activities and related technical consultancy [71.12]	-	-		
76	Research and experimental development on biotechnology [72.11]	-	-		
77	Other research and experimental development on natural sciences and engineering [72.19]	-	-		
78	Hospital activities [86.10]	-	-		

2. GAR sector information (revenue)		e	f	g	h
		Climate change adaptation (CCA)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (CCA)	€ million	Of which envi-ron-mentally sustainable (CCA)
1	Processing and preserving of meat [10.11]	-	-		
2	Operation of dairies and cheese making [10.51]	-	-		
3	Manufacture of sugar [10.81]	-	-		
4	Distilling, rectifying and blending of spirits [11.01]	-	-		
5	Manufacture of wine from grape [11.02]	-	-		
6	Manufacture of beer [11.05]	-	-		
7	Manufacture of non-wovens and articles made from non-wovens, except apparel [13.95]	-	-		
8	Manufacture of other wearing apparel and accessories [14.19]	-	-		
9	Manufacture of veneer sheets and wood-based panels [16.21]	-	-		
10	Manufacture of pulp [17.11]	-	-		
11	Manufacture of industrial gases [20.11]	-	-		
12	Manufacture of other organic basic chemicals [20.14]	-	-		
13	Manufacture of plastics in primary forms [20.16]	-	-		
14	Manufacture of basic pharmaceutical products [21.10]	-	-		
15	Manufacture of pharmaceutical preparations [21.20]	-	-		
16	Manufacture of plastic plates, sheets, tubes and profiles [22.21]	-	-		
17	Manufacture of hollow glass [23.13]	-	-		
18	Manufacture of ceramic sanitary fixtures [23.42]	-	-		
19	Manufacture of cement [23.51]	-	-		
20	Manufacture of basic iron and steel and of ferro-alloys [24.10]	-	-		
21	Precious metals production [24.41]	-	-		
22	Forging, pressing, stamping and roll-forming of metal; powder metallurgy [25.50]	-	-		
23	Manufacture of electronic components [26.11]	-	-		
24	Manufacture of communication equipment [26.30]	-	-		
25	Manufacture of instruments and appliances for measuring, testing and navigation [26.51]	-	-		
26	Manufacture of optical instruments and photographic equipment [26.70]	-	-		
27	Manufacture of electric motors, generators and transformers [27.11]	-	-		
28	Manufacture of other electrical equipment n.e.c. [27.90]	-	-		
29	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines [28.11]	-	-		
30	Manufacture of other pumps and compressors [28.13]	-	-		
31	Manufacture of lifting and handling equipment [28.22]	-	-		
32	Manufacture of other general-purpose machinery n.e.c. [28.29]	-	-		
33	Manufacture of other special-purpose machinery n.e.c. [28.99]	-	-		
34	Manufacture of motor vehicles [29.10]	-	-		
35	Manufacture of other parts and accessories for motor vehicles [29.32]	-	-		
36	Building of ships and floating structures [30.11]	-	-		
37	Manufacture of railway locomotives and rolling stock [30.20]	-	-		
38	Manufacture of motorcycles [30.91]	-	-		
39	Striking of coins [32.11]	-	-		
40	Production of electricity [35.11]	-	-		
41	Transmission of electricity [35.12]	26	24		
42	Manufacture of gas [35.21]	-	-		
43	Distribution of gaseous fuels through mains [35.22]	-	-		
44	Collection of non-hazardous waste [38.11]	-	-		
45	Development of building projects [41.10]	14	1		
46	Construction of residential and non-residential buildings [41.20]	9	-		
47	Construction of roads and motorways [42.11]	-	-		
48	Construction of other civil engineering projects n.e.c. [42.99]	-	-		
49	Demolition [43.11]	11	5		
50	Electrical installation [43.21]	-	-		
51	Other specialized construction activities n.e.c. [43.99]	-	-		

2. GAR sector information (revenue)		e	f	g	h
		Climate change adaptation (CCA)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (CCA)	€ million	Of which envi-ron-mentally sustainable (CCA)
52	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds [46.21]	-	-		
53	Wholesale of wood, construction materials and sanitary equipment [46.73]	-	-		
54	Retail sale in non-specialised stores with food, beverages or tobacco predominating [47.11]	-	-		
55	Retail sale of sporting equipment in specialised stores [47.64]	-	-		
56	Retail sale of clothing in specialised stores [47.71]	-	-		
57	Passenger rail transportation, interurban [49.10]	-	-		
58	Freight rail transportation [49.20]	-	-		
59	Transport via pipeline [49.50]	-	-		
60	Sea and coastal passenger water transport [50.10]	-	-		
61	Sea and coastal freight water transportation [50.20]	-	-		
62	Service activities incidental to land transportation [52.21]	-	-		
63	Service activities incidental to water transportation [52.22]	-	-		
64	Service activities incidental to air transportation [52.23]	-	-		
65	Postal activities under universal service obligation [53.10]	-	-		
66	Other postal and courier activities [53.20]	-	-		
67	Wired telecommunications activities [61.10]	2	2		
68	Other telecommunications activities [61.90]	-	-		
69	Computer programming activities [62.01]	-	-		
70	Computer consultancy activities [62.02]	-	-		
71	Computer facilities management activities [62.03]	-	-		
72	Other information technology and computer service activities [62.09]	-	-		
73	Buying and selling of own real estate [68.10]	-	-		
74	Real estate agencies [68.31]	-	-		
75	Engineering activities and related technical consultancy [71.12]	-	-		
76	Research and experimental development on biotechnology [72.11]	-	-		
77	Other research and experimental development on natural sciences and engineering [72.19]	-	-		
78	Hospital activities [86.10]	-	-		

2. GAR sector information (revenue)		i	j	k	l
		Water and marine resources (WTR)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (WTR)	€ million	Of which envi-ron-mentally sustainable (WTR)
1	Processing and preserving of meat [10.11]	-	-		
2	Operation of dairies and cheese making [10.51]	-	-		
3	Manufacture of sugar [10.81]	-	-		
4	Distilling, rectifying and blending of spirits [11.01]	-	-		
5	Manufacture of wine from grape [11.02]	-	-		
6	Manufacture of beer [11.05]	-	-		
7	Manufacture of non-wovens and articles made from non-wovens, except apparel [13.95]	-	-		
8	Manufacture of other wearing apparel and accessories [14.19]	-	-		
9	Manufacture of veneer sheets and wood-based panels [16.21]	-	-		
10	Manufacture of pulp [17.11]	-	-		
11	Manufacture of industrial gases [20.11]	-	-		
12	Manufacture of other organic basic chemicals [20.14]	-	-		
13	Manufacture of plastics in primary forms [20.16]	-	-		
14	Manufacture of basic pharmaceutical products [21.10]	-	-		
15	Manufacture of pharmaceutical preparations [21.20]	-	-		
16	Manufacture of plastic plates, sheets, tubes and profiles [22.21]	-	-		
17	Manufacture of hollow glass [23.13]	-	-		
18	Manufacture of ceramic sanitary fixtures [23.42]	-	-		
19	Manufacture of cement [23.51]	-	-		
20	Manufacture of basic iron and steel and of ferro-alloys [24.10]	-	-		
21	Precious metals production [24.41]	-	-		
22	Forging, pressing, stamping and roll-forming of metal; powder metallurgy [25.50]	-	-		
23	Manufacture of electronic components [26.11]	-	-		
24	Manufacture of communication equipment [26.30]	-	-		
25	Manufacture of instruments and appliances for measuring, testing and navigation [26.51]	-	-		
26	Manufacture of optical instruments and photographic equipment [26.70]	-	-		
27	Manufacture of electric motors, generators and transformers [27.11]	-	-		
28	Manufacture of other electrical equipment n.e.c. [27.90]	1	-		
29	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines [28.11]	-	-		
30	Manufacture of other pumps and compressors [28.13]	-	-		
31	Manufacture of lifting and handling equipment [28.22]	-	-		
32	Manufacture of other general-purpose machinery n.e.c. [28.29]	-	-		
33	Manufacture of other special-purpose machinery n.e.c. [28.99]	-	-		
34	Manufacture of motor vehicles [29.10]	-	-		
35	Manufacture of other parts and accessories for motor vehicles [29.32]	-	-		
36	Building of ships and floating structures [30.11]	-	-		
37	Manufacture of railway locomotives and rolling stock [30.20]	-	-		
38	Manufacture of motorcycles [30.91]	-	-		
39	Striking of coins [32.11]	-	-		
40	Production of electricity [35.11]	-	-		
41	Transmission of electricity [35.12]	-	-		
42	Manufacture of gas [35.21]	-	-		
43	Distribution of gaseous fuels through mains [35.22]	-	-		
44	Collection of non-hazardous waste [38.11]	1	1		
45	Development of building projects [41.10]	-	-		
46	Construction of residential and non-residential buildings [41.20]	-	-		
47	Construction of roads and motorways [42.11]	-	-		
48	Construction of other civil engineering projects n.e.c. [42.99]	-	-		
49	Demolition [43.11]	1	-		
50	Electrical installation [43.21]	-	-		
51	Other specialized construction activities n.e.c. [43.99]	-	-		

2. GAR sector information (revenue)		i	j	k	l
		Water and marine resources (WTR)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (WTR)	€ million	Of which envi-ron-mentally sustainable (WTR)
52	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds [46.21]	-	-		
53	Wholesale of wood, construction materials and sanitary equipment [46.73]	-	-		
54	Retail sale in non-specialised stores with food, beverages or tobacco predominating [47.11]	-	-		
55	Retail sale of sporting equipment in specialised stores [47.64]	-	-		
56	Retail sale of clothing in specialised stores [47.71]	-	-		
57	Passenger rail transportation, interurban [49.10]	-	-		
58	Freight rail transportation [49.20]	-	-		
59	Transport via pipeline [49.50]	-	-		
60	Sea and coastal passenger water transport [50.10]	-	-		
61	Sea and coastal freight water transportation [50.20]	-	-		
62	Service activities incidental to land transportation [52.21]	-	-		
63	Service activities incidental to water transportation [52.22]	-	-		
64	Service activities incidental to air transportation [52.23]	-	-		
65	Postal activities under universal service obligation [53.10]	-	-		
66	Other postal and courier activities [53.20]	-	-		
67	Wired telecommunications activities [61.10]	-	-		
68	Other telecommunications activities [61.90]	-	-		
69	Computer programming activities [62.01]	-	-		
70	Computer consultancy activities [62.02]	-	-		
71	Computer facilities management activities [62.03]	-	-		
72	Other information technology and computer service activities [62.09]	-	-		
73	Buying and selling of own real estate [68.10]	-	-		
74	Real estate agencies [68.31]	-	-		
75	Engineering activities and related technical consultancy [71.12]	-	-		
76	Research and experimental development on biotechnology [72.11]	-	-		
77	Other research and experimental development on natural sciences and engineering [72.19]	-	-		
78	Hospital activities [86.10]	-	-		

2. GAR sector information (revenue)		m	n	o	p
		Circular economy (CE)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (CE)	€ million	Of which envi-ron-mentally sustainable (CE)
1	Processing and preserving of meat [10.11]	-	-		
2	Operation of dairies and cheese making [10.51]	-	-		
3	Manufacture of sugar [10.81]	-	-		
4	Distilling, rectifying and blending of spirits [11.01]	-	-		
5	Manufacture of wine from grape [11.02]	-	-		
6	Manufacture of beer [11.05]	-	-		
7	Manufacture of non-wovens and articles made from non-wovens, except apparel [13.95]	-	-		
8	Manufacture of other wearing apparel and accessories [14.19]	-	-		
9	Manufacture of veneer sheets and wood-based panels [16.21]	-	-		
10	Manufacture of pulp [17.11]	-	-		
11	Manufacture of industrial gases [20.11]	-	-		
12	Manufacture of other organic basic chemicals [20.14]	-	-		
13	Manufacture of plastics in primary forms [20.16]	-	-		
14	Manufacture of basic pharmaceutical products [21.10]	-	-		
15	Manufacture of pharmaceutical preparations [21.20]	-	-		
16	Manufacture of plastic plates, sheets, tubes and profiles [22.21]	-	-		
17	Manufacture of hollow glass [23.13]	-	-		
18	Manufacture of ceramic sanitary fixtures [23.42]	-	-		
19	Manufacture of cement [23.51]	-	-		
20	Manufacture of basic iron and steel and of ferro-alloys [24.10]	-	-		
21	Precious metals production [24.41]	-	-		
22	Forging, pressing, stamping and roll-forming of metal; powder metallurgy [25.50]	-	-		
23	Manufacture of electronic components [26.11]	22	-		
24	Manufacture of communication equipment [26.30]	21	-		
25	Manufacture of instruments and appliances for measuring, testing and navigation [26.51]	-	-		
26	Manufacture of optical instruments and photographic equipment [26.70]	2	-		
27	Manufacture of electric motors, generators and transformers [27.11]	-	-		
28	Manufacture of other electrical equipment n.e.c. [27.90]	31	2		
29	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines [28.11]	13	11		
30	Manufacture of other pumps and compressors [28.13]	-	-		
31	Manufacture of lifting and handling equipment [28.22]	5	-		
32	Manufacture of other general-purpose machinery n.e.c. [28.29]	-	-		
33	Manufacture of other special-purpose machinery n.e.c. [28.99]	-	-		
34	Manufacture of motor vehicles [29.10]	2	-		
35	Manufacture of other parts and accessories for motor vehicles [29.32]	-	-		
36	Building of ships and floating structures [30.11]	-	-		
37	Manufacture of railway locomotives and rolling stock [30.20]	-	-		
38	Manufacture of motorcycles [30.91]	-	-		
39	Striking of coins [32.11]	-	-		
40	Production of electricity [35.11]	1	-		
41	Transmission of electricity [35.12]	-	-		
42	Manufacture of gas [35.21]	-	-		
43	Distribution of gaseous fuels through mains [35.22]	-	-		
44	Collection of non-hazardous waste [38.11]	2	2		
45	Development of building projects [41.10]	2	-		
46	Construction of residential and non-residential buildings [41.20]	-	-		
47	Construction of roads and motorways [42.11]	-	-		
48	Construction of other civil engineering projects n.e.c. [42.99]	-	-		
49	Demolition [43.11]	5	5		
50	Electrical installation [43.21]	-	-		
51	Other specialized construction activities n.e.c. [43.99]	-	-		

2. GAR sector information (revenue)		m	n	o	p
		Circular economy (CE)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (CE)	€ million	Of which envi-ron-mentally sustainable (CE)
52	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds [46.21]	10	-		
53	Wholesale of wood, construction materials and sanitary equipment [46.73]	-	-		
54	Retail sale in non-specialised stores with food, beverages or tobacco predominating [47.11]	-	-		
55	Retail sale of sporting equipment in specialised stores [47.64]	-	-		
56	Retail sale of clothing in specialised stores [47.71]	-	-		
57	Passenger rail transportation, interurban [49.10]	-	-		
58	Freight rail transportation [49.20]	-	-		
59	Transport via pipeline [49.50]	-	-		
60	Sea and coastal passenger water transport [50.10]	-	-		
61	Sea and coastal freight water transportation [50.20]	-	-		
62	Service activities incidental to land transportation [52.21]	-	-		
63	Service activities incidental to water transportation [52.22]	-	-		
64	Service activities incidental to air transportation [52.23]	-	-		
65	Postal activities under universal service obligation [53.10]	-	-		
66	Other postal and courier activities [53.20]	-	-		
67	Wired telecommunications activities [61.10]	3	-		
68	Other telecommunications activities [61.90]	-	-		
69	Computer programming activities [62.01]	-	-		
70	Computer consultancy activities [62.02]	-	-		
71	Computer facilities management activities [62.03]	-	-		
72	Other information technology and computer service activities [62.09]	-	-		
73	Buying and selling of own real estate [68.10]	-	-		
74	Real estate agencies [68.31]	-	-		
75	Engineering activities and related technical consultancy [71.12]	-	-		
76	Research and experimental development on biotechnology [72.11]	-	-		
77	Other research and experimental development on natural sciences and engineering [72.19]	-	-		
78	Hospital activities [86.10]	-	-		

2. GAR sector information (revenue)		q	r	s	t
		Pollution (PPC)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (PPC)	€ million	Of which envi-ron-mentally sustainable (PPC)
1	Processing and preserving of meat [10.11]	-	-		
2	Operation of dairies and cheese making [10.51]	-	-		
3	Manufacture of sugar [10.81]	-	-		
4	Distilling, rectifying and blending of spirits [11.01]	-	-		
5	Manufacture of wine from grape [11.02]	-	-		
6	Manufacture of beer [11.05]	-	-		
7	Manufacture of non-wovens and articles made from non-wovens, except apparel [13.95]	-	-		
8	Manufacture of other wearing apparel and accessories [14.19]	-	-		
9	Manufacture of veneer sheets and wood-based panels [16.21]	-	-		
10	Manufacture of pulp [17.11]	-	-		
11	Manufacture of industrial gases [20.11]	5	-		
12	Manufacture of other organic basic chemicals [20.14]	-	-		
13	Manufacture of plastics in primary forms [20.16]	-	-		
14	Manufacture of basic pharmaceutical products [21.10]	23	-		
15	Manufacture of pharmaceutical preparations [21.20]	-	-		
16	Manufacture of plastic plates, sheets, tubes and profiles [22.21]	-	-		
17	Manufacture of hollow glass [23.13]	-	-		
18	Manufacture of ceramic sanitary fixtures [23.42]	-	-		
19	Manufacture of cement [23.51]	-	-		
20	Manufacture of basic iron and steel and of ferro-alloys [24.10]	-	-		
21	Precious metals production [24.41]	-	-		
22	Forging, pressing, stamping and roll-forming of metal; powder metallurgy [25.50]	-	-		
23	Manufacture of electronic components [26.11]	-	-		
24	Manufacture of communication equipment [26.30]	3	-		
25	Manufacture of instruments and appliances for measuring, testing and navigation [26.51]	-	-		
26	Manufacture of optical instruments and photographic equipment [26.70]	-	-		
27	Manufacture of electric motors, generators and transformers [27.11]	-	-		
28	Manufacture of other electrical equipment n.e.c. [27.90]	-	-		
29	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines [28.11]	-	-		
30	Manufacture of other pumps and compressors [28.13]	-	-		
31	Manufacture of lifting and handling equipment [28.22]	-	-		
32	Manufacture of other general-purpose machinery n.e.c. [28.29]	-	-		
33	Manufacture of other special-purpose machinery n.e.c. [28.99]	-	-		
34	Manufacture of motor vehicles [29.10]	-	-		
35	Manufacture of other parts and accessories for motor vehicles [29.32]	-	-		
36	Building of ships and floating structures [30.11]	-	-		
37	Manufacture of railway locomotives and rolling stock [30.20]	-	-		
38	Manufacture of motorcycles [30.91]	-	-		
39	Striking of coins [32.11]	-	-		
40	Production of electricity [35.11]	1	-		
41	Transmission of electricity [35.12]	-	-		
42	Manufacture of gas [35.21]	-	-		
43	Distribution of gaseous fuels through mains [35.22]	-	-		
44	Collection of non-hazardous waste [38.11]	3	3		
45	Development of building projects [41.10]	-	-		
46	Construction of residential and non-residential buildings [41.20]	-	-		
47	Construction of roads and motorways [42.11]	-	-		
48	Construction of other civil engineering projects n.e.c. [42.99]	-	-		
49	Demolition [43.11]	5	5		
50	Electrical installation [43.21]	-	-		
51	Other specialized construction activities n.e.c. [43.99]	-	-		

2. GAR sector information (revenue)		q	r	s	t
		Pollution (PPC)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which environmentally sustainable (PPC)	€ million	Of which environmentally sustainable (PPC)
52	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds [46.21]	-	-		
53	Wholesale of wood, construction materials and sanitary equipment [46.73]	-	-		
54	Retail sale in non-specialised stores with food, beverages or tobacco predominating [47.11]	-	-		
55	Retail sale of sporting equipment in specialised stores [47.64]	-	-		
56	Retail sale of clothing in specialised stores [47.71]	-	-		
57	Passenger rail transportation, interurban [49.10]	-	-		
58	Freight rail transportation [49.20]	-	-		
59	Transport via pipeline [49.50]	-	-		
60	Sea and coastal passenger water transport [50.10]	-	-		
61	Sea and coastal freight water transportation [50.20]	-	-		
62	Service activities incidental to land transportation [52.21]	-	-		
63	Service activities incidental to water transportation [52.22]	-	-		
64	Service activities incidental to air transportation [52.23]	-	-		
65	Postal activities under universal service obligation [53.10]	-	-		
66	Other postal and courier activities [53.20]	-	-		
67	Wired telecommunications activities [61.10]	-	-		
68	Other telecommunications activities [61.90]	-	-		
69	Computer programming activities [62.01]	-	-		
70	Computer consultancy activities [62.02]	-	-		
71	Computer facilities management activities [62.03]	-	-		
72	Other information technology and computer service activities [62.09]	-	-		
73	Buying and selling of own real estate [68.10]	-	-		
74	Real estate agencies [68.31]	-	-		
75	Engineering activities and related technical consultancy [71.12]	-	-		
76	Research and experimental development on biotechnology [72.11]	-	-		
77	Other research and experimental development on natural sciences and engineering [72.19]	-	-		
78	Hospital activities [86.10]	-	-		

2. GAR sector information (revenue)		u	v	w	x
		Biodiversity and ecosystems (BIO)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (BIO)	€ million	Of which envi-ron-mentally sustainable (BIO)
1	Processing and preserving of meat [10.11]	-	-		
2	Operation of dairies and cheese making [10.51]	-	-		
3	Manufacture of sugar [10.81]	-	-		
4	Distilling, rectifying and blending of spirits [11.01]	-	-		
5	Manufacture of wine from grape [11.02]	-	-		
6	Manufacture of beer [11.05]	-	-		
7	Manufacture of non-wovens and articles made from non-wovens, except apparel [13.95]	-	-		
8	Manufacture of other wearing apparel and accessories [14.19]	-	-		
9	Manufacture of veneer sheets and wood-based panels [16.21]	-	-		
10	Manufacture of pulp [17.11]	-	-		
11	Manufacture of industrial gases [20.11]	-	-		
12	Manufacture of other organic basic chemicals [20.14]	-	-		
13	Manufacture of plastics in primary forms [20.16]	-	-		
14	Manufacture of basic pharmaceutical products [21.10]	-	-		
15	Manufacture of pharmaceutical preparations [21.20]	-	-		
16	Manufacture of plastic plates, sheets, tubes and profiles [22.21]	-	-		
17	Manufacture of hollow glass [23.13]	-	-		
18	Manufacture of ceramic sanitary fixtures [23.42]	-	-		
19	Manufacture of cement [23.51]	-	-		
20	Manufacture of basic iron and steel and of ferro-alloys [24.10]	-	-		
21	Precious metals production [24.41]	-	-		
22	Forging, pressing, stamping and roll-forming of metal; powder metallurgy [25.50]	-	-		
23	Manufacture of electronic components [26.11]	-	-		
24	Manufacture of communication equipment [26.30]	-	-		
25	Manufacture of instruments and appliances for measuring, testing and navigation [26.51]	-	-		
26	Manufacture of optical instruments and photographic equipment [26.70]	-	-		
27	Manufacture of electric motors, generators and transformers [27.11]	-	-		
28	Manufacture of other electrical equipment n.e.c. [27.90]	-	-		
29	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines [28.11]	-	-		
30	Manufacture of other pumps and compressors [28.13]	-	-		
31	Manufacture of lifting and handling equipment [28.22]	-	-		
32	Manufacture of other general-purpose machinery n.e.c. [28.29]	-	-		
33	Manufacture of other special-purpose machinery n.e.c. [28.99]	-	-		
34	Manufacture of motor vehicles [29.10]	-	-		
35	Manufacture of other parts and accessories for motor vehicles [29.32]	-	-		
36	Building of ships and floating structures [30.11]	-	-		
37	Manufacture of railway locomotives and rolling stock [30.20]	-	-		
38	Manufacture of motorcycles [30.91]	-	-		
39	Striking of coins [32.11]	-	-		
40	Production of electricity [35.11]	-	-		
41	Transmission of electricity [35.12]	-	-		
42	Manufacture of gas [35.21]	-	-		
43	Distribution of gaseous fuels through mains [35.22]	-	-		
44	Collection of non-hazardous waste [38.11]	-	-		
45	Development of building projects [41.10]	-	-		
46	Construction of residential and non-residential buildings [41.20]	-	-		
47	Construction of roads and motorways [42.11]	-	-		
48	Construction of other civil engineering projects n.e.c. [42.99]	-	-		
49	Demolition [43.11]	-	-		
50	Electrical installation [43.21]	-	-		
51	Other specialized construction activities n.e.c. [43.99]	-	-		

2. GAR sector information (revenue)		u	v	w	x
		Biodiversity and ecosystems (BIO)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (BIO)	€ million	Of which envi-ron-mentally sustainable (BIO)
52	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds [46.21]	-	-		
53	Wholesale of wood, construction materials and sanitary equipment [46.73]	-	-		
54	Retail sale in non-specialised stores with food, beverages or tobacco predominating [47.11]	-	-		
55	Retail sale of sporting equipment in specialised stores [47.64]	-	-		
56	Retail sale of clothing in specialised stores [47.71]	-	-		
57	Passenger rail transportation, interurban [49.10]	-	-		
58	Freight rail transportation [49.20]	-	-		
59	Transport via pipeline [49.50]	-	-		
60	Sea and coastal passenger water transport [50.10]	-	-		
61	Sea and coastal freight water transportation [50.20]	-	-		
62	Service activities incidental to land transportation [52.21]	-	-		
63	Service activities incidental to water transportation [52.22]	-	-		
64	Service activities incidental to air transportation [52.23]	-	-		
65	Postal activities under universal service obligation [53.10]	-	-		
66	Other postal and courier activities [53.20]	-	-		
67	Wired telecommunications activities [61.10]	-	-		
68	Other telecommunications activities [61.90]	-	-		
69	Computer programming activities [62.01]	-	-		
70	Computer consultancy activities [62.02]	-	-		
71	Computer facilities management activities [62.03]	-	-		
72	Other information technology and computer service activities [62.09]	-	-		
73	Buying and selling of own real estate [68.10]	-	-		
74	Real estate agencies [68.31]	-	-		
75	Engineering activities and related technical consultancy [71.12]	-	-		
76	Research and experimental development on biotechnology [72.11]	-	-		
77	Other research and experimental development on natural sciences and engineering [72.19]	-	-		
78	Hospital activities [86.10]	-	-		

2. GAR sector information (revenue)		y	z	aa	ab
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	€ million	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	Processing and preserving of meat [10.11]	-	-		
2	Operation of dairies and cheese making [10.51]	-	-		
3	Manufacture of sugar [10.81]	27	5		
4	Distilling, rectifying and blending of spirits [11.01]	-	-		
5	Manufacture of wine from grape [11.02]	-	-		
6	Manufacture of beer [11.05]	-	-		
7	Manufacture of non-wovens and articles made from non-wovens, except apparel [13.95]	-	-		
8	Manufacture of other wearing apparel and accessories [14.19]	-	-		
9	Manufacture of veneer sheets and wood-based panels [16.21]	-	-		
10	Manufacture of pulp [17.11]	-	-		
11	Manufacture of industrial gases [20.11]	226	2		
12	Manufacture of other organic basic chemicals [20.14]	1	1		
13	Manufacture of plastics in primary forms [20.16]	-	-		
14	Manufacture of basic pharmaceutical products [21.10]	82	-		
15	Manufacture of pharmaceutical preparations [21.20]	-	-		
16	Manufacture of plastic plates, sheets, tubes and profiles [22.21]	-	-		
17	Manufacture of hollow glass [23.13]	-	-		
18	Manufacture of ceramic sanitary fixtures [23.42]	-	-		
19	Manufacture of cement [23.51]	38	3		
20	Manufacture of basic iron and steel and of ferro-alloys [24.10]	126	35		
21	Precious metals production [24.41]	-	-		
22	Forging, pressing, stamping and roll-forming of metal; powder metallurgy [25.50]	1	-		
23	Manufacture of electronic components [26.11]	50	-		
24	Manufacture of communication equipment [26.30]	24	-		
25	Manufacture of instruments and appliances for measuring, testing and navigation [26.51]	-	-		
26	Manufacture of optical instruments and photographic equipment [26.70]	2	-		
27	Manufacture of electric motors, generators and transformers [27.11]	6	1		
28	Manufacture of other electrical equipment n.e.c. [27.90]	98	40		
29	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines [28.11]	68	63		
30	Manufacture of other pumps and compressors [28.13]	1	-		
31	Manufacture of lifting and handling equipment [28.22]	12	4		
32	Manufacture of other general-purpose machinery n.e.c. [28.29]	-	-		
33	Manufacture of other special-purpose machinery n.e.c. [28.99]	13	-		
34	Manufacture of motor vehicles [29.10]	567	53		
35	Manufacture of other parts and accessories for motor vehicles [29.32]	324	-		
36	Building of ships and floating structures [30.11]	27	-		
37	Manufacture of railway locomotives and rolling stock [30.20]	40	25		
38	Manufacture of motorcycles [30.91]	39	-		
39	Striking of coins [32.11]	-	-		
40	Production of electricity [35.11]	470	392		
41	Transmission of electricity [35.12]	137	132		
42	Manufacture of gas [35.21]	26	19		
43	Distribution of gaseous fuels through mains [35.22]	6	5		
44	Collection of non-hazardous waste [38.11]	57	40		
45	Development of building projects [41.10]	135	21		
46	Construction of residential and non-residential buildings [41.20]	56	6		
47	Construction of roads and motorways [42.11]	-	-		
48	Construction of other civil engineering projects n.e.c. [42.99]	-	-		
49	Demolition [43.11]	36	20		

2. GAR sector information (revenue)		y	z	aa	ab
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-financial corporations (subject to NFRD disclosure obligations)		SMEs and other non-financial corporations that are not subject to NFRD disclosure obligations	
		[Gross] carrying amount		[Gross] carrying amount	
No.	Breakdown by sector – NACE 4-digit level (code and description)	€ million	Of which envi-ron-mentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	€ million	Of which envi-ron-mentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
50	Electrical installation [43.21]	15	10		
51	Other specialized construction activities n.e.c. [43.99]	10	4		
52	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds [46.21]	60	49		
53	Wholesale of wood, construction materials and sanitary equipment [46.73]	11	10		
54	Retail sale in non-specialised stores with food, beverages or tobacco predominating [47.11]	-	-		
55	Retail sale of sporting equipment in specialised stores [47.64]	2	-		
56	Retail sale of clothing in specialised stores [47.71]	-	-		
57	Passenger rail transportation, interurban [49.10]	1	1		
58	Freight rail transportation [49.20]	46	29		
59	Transport via pipeline [49.50]	-	-		
60	Sea and coastal passenger water transport [50.10]	8	-		
61	Sea and coastal freight water transportation [50.20]	32	-		
62	Service activities incidental to land transportation [52.21]	6	4		
63	Service activities incidental to water transportation [52.22]	2	-		
64	Service activities incidental to air transportation [52.23]	203	8		
65	Postal activities under universal service obligation [53.10]	238	59		
66	Other postal and courier activities [53.20]	62	22		
67	Wired telecommunications activities [61.10]	6	2		
68	Other telecommunications activities [61.90]	21	15		
69	Computer programming activities [62.01]	3	2		
70	Computer consultancy activities [62.02]	1	-		
71	Computer facilities management activities [62.03]	146	-		
72	Other information technology and computer service activities [62.09]	-	-		
73	Buying and selling of own real estate [68.10]	134	-		
74	Real estate agencies [68.31]	259	49		
75	Engineering activities and related technical consultancy [71.12]	-	-		
76	Research and experimental development on biotechnology [72.11]	-	-		
77	Other research and experimental development on natural sciences and engineering [72.19]	-	-		
78	Hospital activities [86.10]	-	-		

1.In this template, the credit institutions disclose information about exposures in their banking book in the sectors covered by the taxonomy (NACE sector, 4 levels), using the relevant NACE codes in accordance with the primary activity of the counterparty.
2. The sector classification of a counterparty must be based solely on the immediate counterparty. For exposures entered into jointly by several debtors, the classification is based on the characteristics of the debtor the institution regarded as decisive or most significant when granting the exposures. The classification of joint exposures according to NACE codes is based on the characteristics of the more relevant or more decisive debtor. The institutions disclose the NACE code information broken down according to the level demanded in the template.

5.1.15 Green asset ratio – KPI stock (revenue)

3. GAR KPI stock (revenue)		**a**	**b**	**c**	**d**	**e**
		Disclosure reference date T				
		Climate change mitigation (CCM)				
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)			
No.	% (compared to total assets covered in denominator)			Of which use of proceeds	Of which transitional	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**					
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**23.57%**	**0.49%**	**0.10%**	**0.03%**	**0.15%**
2	Financial corporations	4.53%	0.17%	-	0.01%	0.02%
3	Credit institutions	4.42%	0.16%	-	0.01%	0.01%
4	Loans and advances	3.39%	0.05%	-	-	-
5	Debt securities, including UoP	1.02%	0.10%	-	0.01%	0.01%
6	Equity instruments	-	-		-	-
7	Other financial corporations	0.11%	0.02%	-	-	-
8	of which investment firms	0.11%	0.01%	-	-	-
9	Loans and advances	0.04%	-	-	-	-
10	Debt securities, including UoP	0.07%	0.01%	-	-	-
11	Equity instruments	-	-		-	-
12	of which management companies	-	-	-	-	-
13	Loans and advances	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-
15	Equity instruments	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-
17	Loans and advances	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-
19	Equity instruments	-	-		-	-
20	Non-financial corporations	0.81%	0.24%	0.02%	0.02%	0.13%
21	Loans and advances	0.63%	0.13%	0.02%	0.02%	0.06%
22	Debt securities, including UoP	0.17%	0.11%	-	0.01%	0.07%
23	Equity instruments	-	-		-	-
24	Households	18.23%	0.08%	0.08%	-	-
25	of which loans collateralized by residential immovable property	16.84%	0.08%	0.08%	-	-
26	of which building renovation loans	2.78%	0.01%	0.01%	-	-
27	of which motor vehicle loans	-	-	-	-	-
28	Local government financing	-	-	-	-	-
29	Housing financing	-	-	-	-	-
30	Other local government financing	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-
32	**Total GAR assets**	**23.57%**	**0.49%**	**0.10%**	**0.03%**	**0.15%**

3. GAR KPI stock (revenue)		f	g	h	i
		Disclosure reference date T			
		Climate change adaptation (CCA)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total assets covered in denominator)			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	0.03%	0.01%	-	-
2	Financial corporations	0.02%	-	-	-
3	Credit institutions	0.02%	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	0.02%	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	0.01%	0.01%	-	-
21	Loans and advances	0.01%	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households	-	-	-	-
25	of which loans collateralized by residential immovable property	-	-	-	-
26	of which building renovation loans	-	-	-	-
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**0.03%**	**0.01%**	**-**	**-**

3. GAR KPI stock (revenue)		j	k	l	m
		Disclosure reference date T			
		Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total assets covered in denominator)			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	-	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**-**	**-**	**-**	**-**

3. GAR KPI stock (revenue)		n	o	p	q
		Disclosure reference date T			
		Circular economy (CE)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total assets covered in denominator)			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	0.03%	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	0.03%	-	-	-
21	Loans and advances	0.01%	-	-	-
22	Debt securities, including UoP	0.02%	-	-	-
23	Equity instruments	-	-		-
24	Households	-	-	-	-
25	of which loans collateralized by residential immovable property	-	-	-	-
26	of which building renovation loans	-	-	-	-
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**0.03%**	**-**	**-**	**-**

3. GAR KPI stock (revenue)		r	s	t	u
		Disclosure reference date T			
		Pollution (PPC)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total assets covered in denominator)			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	0.02%	-	-	-
2	Financial corporations	0.01%	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	0.01%	-	-	-
8	of which investment firms	0.01%	-	-	-
9	Loans and advances	0.01%	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	0.01%	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	0.01%	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**0.02%**	**-**	**-**	**-**

3. GAR KPI stock (revenue)		v	w	x	z
		Disclosure reference date T			
		Biodiversity and ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total assets covered in denominator)			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	-	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**-**	**-**	**-**	**-**

3. GAR KPI stock (revenue)		aa	ab	ac	ad	ae	af
		Disclosure reference date T					
		GESAMT (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)				
No.	% (compared to total assets covered in denominator)			Of which use of proceeds	Of which transi-tional	Of which enabling	Propor-tion of to-tal assets covered
0	**GAR – Covered assets in both numerator and denominator**						
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**23.65%**	**0.50%**	**0.10%**	**0.03%**	**0.15%**	**32.17%**
2	Financial corporations	4.56%	0.17%	-	0.01%	0.02%	10.45%
3	Credit institutions	4.44%	0.16%	-	0.01%	0.01%	9.67%
4	Loans and advances	3.40%	0.05%	-	-	-	6.88%
5	Debt securities, including UoP	1.04%	0.11%	-	0.01%	0.01%	2.79%
6	Equity instruments	-	-		-	-	0.01%
7	Other financial corporations	0.12%	0.02%	-	-	-	0.78%
8	of which investment firms	0.12%	0.02%	-	-	-	0.77%
9	Loans and advances	0.05%	-	-	-	-	0.61%
10	Debt securities, including UoP	0.07%	0.01%	-	-	-	0.16%
11	Equity instruments	-	-		-	-	-
12	of which management companies	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-
16	of which insurance undertakings	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-
20	Non-financial corporations	0.85%	0.25%	0.02%	0.02%	0.13%	1.54%
21	Loans and advances	0.65%	0.14%	0.02%	0.02%	0.06%	1.13%
22	Debt securities, including UoP	0.20%	0.11%	-	0.01%	0.07%	0.41%
23	Equity instruments	-	-		-	-	-
24	Households	18.23%	0.08%	0.08%	-	-	17.13%
25	of which loans collateralized by residential immovable property	16.84%	0.08%	0.08%	-	-	13.45%
26	of which building renovation loans	2.78%	0.01%	0.01%	-	-	2.25%
27	of which motor vehicle loans						
28	Local government financing	-	-	-	-	-	3.05%
29	Housing financing	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	3.05%
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-
32	**Total GAR assets**	**23.65%**	**0.50%**	**0.10%**	**0.03%**	**0.15%**	**78.65%**

3. GAR KPI stock (revenue)		ag	ah	ai	aj	ak
		Disclosure reference date T-1				
		Climate change mitigation (CCM)				
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)			
No.	% (compared to total assets covered in denominator)			Of which use of proceeds	Of which transitional	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**					
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	22.12%	0.15%	0.06%	0.01%	0.03%
2	Financial corporations	2.41%	-	-	-	-
3	Credit institutions	2.38%	-	-	-	-
4	Loans and advances	1.96%	-	-	-	-
5	Debt securities, including UoP	0.43%	-	-	-	-
6	Equity instruments	-	-		-	-
7	Other financial corporations	0.03%	-	-	-	-
8	of which investment firms	0.03%	-	-	-	-
9	Loans and advances	0.01%	-	-	-	-
10	Debt securities, including UoP	0.02%	-	-	-	-
11	Equity instruments	-	-		-	-
12	of which management companies	-	-		-	-
13	Loans and advances	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-
15	Equity instruments	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-
17	Loans and advances	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-
19	Equity instruments	-	-		-	-
20	Non-financial corporations	0.51%	0.12%	0.03%	0.01%	0.02%
21	Loans and advances	0.41%	0.07%	0.03%	0.01%	0.02%
22	Debt securities, including UoP	0.09%	0.05%	-	-	0.01%
23	Equity instruments	-	-		-	-
24	Households	19.19%	0.04%	0.04%	-	-
25	of which loans collateralized by residential immovable property	17.74%	0.04%	0.04%	-	-
26	of which building renovation loans	2.82%	-	-	-	-
27	of which motor vehicle loans					
28	Local government financing	-	-	-	-	-
29	Housing financing	-	-	-	-	-
30	Other local government financing	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-
32	**Total GAR assets**	**22.12%**	**0.15%**	**0.06%**	**0.01%**	**0.03%**

3. GAR KPI stock (revenue)		al	am	an	ao
		Disclosure reference date T-1			
		Climate change adaptation (CCA)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total assets covered in denominator)			Of which specialized lending	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	-	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households	-	-	-	-
25	of which loans collateralized by residential immovable property	-	-	-	-
26	of which building renovation loans	-	-	-	-
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**-**	**-**	**-**	**-**

3. GAR KPI stock (revenue)		ap	aq	ar	as
		Disclosure reference date T-1			
		Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total assets covered in denominator)			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	-	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**-**	**-**	**-**	**-**

3. GAR KPI stock (revenue)		at	au	av	aw
		Disclosure reference date T-1			
		Circular economy (CE)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total assets covered in denominator)			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	-	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households	-	-	-	-
25	of which loans collateralized by residential immovable property	-	-	-	-
26	of which building renovation loans	-	-	-	-
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**-**	**-**	**-**	**-**

3. GAR KPI stock (revenue)		ax	ay	az	ba
		Disclosure reference date T-1			
		Pollution (PPC)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total assets covered in denominator)			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	-	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**-**	**-**	**-**	**-**

3. GAR KPI stock (revenue)		bb	bc	bd	be
		Disclosure reference date T-1			
		Biodiversity and ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total assets covered in denominator)			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	-	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**-**	**-**	**-**	**-**

3. GAR KPI stock (revenue)		bf	bg	bh	bi	bj	bk
		Disclosure reference date T-1					
		GESAMT (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)				
No.	% (compared to total assets covered in denominator)			Of which use of proceeds	Of which transi-tional	Of which enabling	Propor-tion of to-tal assets covered
0	**GAR – Covered assets in both numerator and denominator**						
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**22.12%**	**0.15%**	**0.06%**	**0.01%**	**0.03%**	**28.70%**
2	Financial corporations	2.41%	-	-	-	-	7.71%
3	Credit institutions	2.38%	-	-	-	-	7.67%
4	Loans and advances	1.96%	-	-	-	-	5.68%
5	Debt securities, including UoP	0.43%	-	-	-	-	1.99%
6	Equity instruments	-	-		-	-	-
7	Other financial corporations	0.03%	-	-	-	-	0.04%
8	of which investment firms	0.03%	-	-	-	-	0.04%
9	Loans and advances	0.01%	-	-	-	-	0.02%
10	Debt securities, including UoP	0.02%	-	-	-	-	0.02%
11	Equity instruments	-	-		-	-	-
12	of which management companies	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-
16	of which insurance undertakings	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-
20	Non-financial corporations	0.51%	0.12%	0.03%	0.01%	0.03%	0.95%
21	Loans and advances	0.41%	0.07%	0.03%	0.01%	0.02%	0.74%
22	Debt securities, including UoP	0.09%	0.05%	-	-	0.01%	0.21%
23	Equity instruments	-	-		-	-	-
24	Households	19.19%	0.04%	0.04%	-	-	17.16%
25	of which loans collateralized by residential immovable property	17.74%	0.04%	0.04%	-	-	13.49%
26	of which building renovation loans	2.82%	-	-	-	-	2.12%
27	of which motor vehicle loans	-	-	-	-	-	-
28	Local government financing	-	-	-	-	-	2.88%
29	Housing financing	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	2.88%
31	Collateral obtained by taking possession: residential and com-mercial immovable properties	-	-	-	-	-	-
32	**Total GAR assets**	**22.12%**	**0.15%**	**0.06%**	**0.01%**	**0.03%**	**75.20%**

1. In this template, the institution discloses the GAR KPIs relating to the lending portfolio, calculated for the covered assets on the basis of the data disclosed in template 1, using the formula specified in this template.
2. Information about the GAR (green asset ratio of the eligible activities) should include information about the proportion of total assets covered by the GAR.
3. In addition to the information contained in this template, credit institutions can list the proportion of assets that are financing taxonomy-relevant sectors that are environmentally sustainable (taxonomy-aligned). These details would underpin the KPI information relating to the comparison of environmentally sustainable assets to the total assets covered.
4. The credit institutions will duplicate this template for disclosures based on revenue and CapEx.

5.1.16 Explanatory notes on table 3

The denominator of the stock KPI

As a rule, the standard denominator for the ratios shown in table 3 is the ‘Total GAR assets’ item in table 1.

That was not the case for the previous year’s reporting as at December 31, 2023, which used denominators from within the individual rows of the report instead. This has now been replaced with a standard denominator.

As an exception to the rule, the denominator for the ratios in the ‘Proportion of total covered assets’ column is taken from the total assets in order to ensure comparability with the information in table 0 in the text section.

5.1.17 Green asset ratio – KPI flows (revenue)

No.	4. GAR KPI flows (revenue)	a	b	c	d	e
		Disclosure reference date T				
		Climate change mitigation (CCM)				
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)			
No.	% (compared to inflow of total assets that are eligible for GAR calculation)			Of which use of proceeds	Of which transitional	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**					
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**40.91%**	**1.98%**	**0.48%**	**0.12%**	**0.54%**
2	Financial corporations	10.17%	0.71%	-	0.01%	0.02%
3	Credit institutions	9.94%	0.69%	-	0.01%	0.01%
4	Loans and advances	8.37%	0.52%	-	-	-
5	Debt securities, including UoP	1.57%	0.17%	-	0.01%	-
6	Equity instruments	-	-		-	-
7	Other financial corporations	0.23%	0.03%	-	-	0.01%
8	of which investment firms	0.23%	0.03%	-	-	0.01%
9	Loans and advances	0.13%	-	-	-	-
10	Debt securities, including UoP	0.09%	0.02%	-	-	0.01%
11	Equity instruments	-	-		-	-
12	of which management companies	-	-	-	-	-
13	Loans and advances	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-
15	Equity instruments	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-
17	Loans and advances	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-
19	Equity instruments	-	-		-	-
20	Non-financial corporations	3.74%	0.79%	-	0.12%	0.52%
21	Loans and advances	3.38%	0.53%	-	0.11%	0.30%
22	Debt securities, including UoP	0.36%	0.26%	-	0.01%	0.22%
23	Equity instruments	-	-		-	-
24	Households	27.00%	0.48%	0.48%	-	-
25	of which loans collateralized by residential immovable property	19.27%	0.48%	0.48%	-	-
26	of which building renovation loans	9.34%	0.06%	0.06%	-	-
27	of which motor vehicle loans	-	-	-	-	-
28	Local government financing	-	-	-	-	-
29	Housing financing	-	-	-	-	-
30	Other local government financing	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-
32	**Total GAR assets**	**40.91%**	**1.98%**	**0.48%**	**0.12%**	**0.54%**

4. GAR KPI flows (revenue)		f	g	h	i
		Disclosure reference date T			
		Climate change adaptation (CCA)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to inflow of total assets that are eligible for GAR calculation)			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**0.11%**	**0.02%**	**-**	**-**
2	Financial corporations	0.07%	-	-	-
3	Credit institutions	0.07%	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	0.07%	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-	-	-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	0.03%	0.02%	-	-
21	Loans and advances	0.01%	-	-	-
22	Debt securities, including UoP	0.02%	0.02%	-	-
23	Equity instruments	-	-		-
24	Households	-	-	-	-
25	of which loans collateralized by residential immovable property	-	-	-	-
26	of which building renovation loans	-	-	-	-
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**0.11%**	**0.02%**	**-**	**-**

4. GAR KPI flows (revenue)		j	k	l	m
		Disclosure reference date T			
		Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to inflow of total assets that are eligible for GAR calculation)			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**-**	**-**	**-**	**-**
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**-**	**-**	**-**	**-**

4. GAR KPI flows (revenue)		n	o	p	q
		Disclosure reference date T			
		Circular economy (CE)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to inflow of total assets that are eligible for GAR calculation)			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**0.11%**	**0.02%**	**-**	**-**
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	0.11%	0.02%	-	-
21	Loans and advances	0.07%	0.02%	-	-
22	Debt securities, including UoP	0.04%	-	-	-
23	Equity instruments	-	-		-
24	Households	-	-	-	-
25	of which loans collateralized by residential immovable property	-	-	-	-
26	of which building renovation loans	-	-	-	-
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**0.11%**	**0.02%**	**-**	**-**

4. GAR KPI flows (revenue)		r	s	t	u
		Disclosure reference date T			
		Pollution (PPC)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to inflow of total assets that are eligible for GAR calculation)			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	0.15%	-	-	-
2	Financial corporations	0.14%	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	0.14%	-	-	-
8	of which investment firms	0.14%	-	-	-
9	Loans and advances	0.14%	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	0.01%	-	-	-
21	Loans and advances	0.01%	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**0.15%**	**-**	**-**	**-**

4. GAR KPI flows (revenue)		v	w	x	z
		Disclosure reference date T			
		Biodiversity and ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to inflow of total assets that are eligible for GAR calculation)			Of which use of proceeds	Of which enabling
0	**GAR – Covered assets in both numerator and denominator**				
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	-	-	-	-
2	Financial corporations	-	-	-	-
3	Credit institutions	-	-	-	-
4	Loans and advances	-	-	-	-
5	Debt securities, including UoP	-	-	-	-
6	Equity instruments	-	-		-
7	Other financial corporations	-	-	-	-
8	of which investment firms	-	-	-	-
9	Loans and advances	-	-	-	-
10	Debt securities, including UoP	-	-	-	-
11	Equity instruments	-	-		-
12	of which management companies	-	-	-	-
13	Loans and advances	-	-	-	-
14	Debt securities, including UoP	-	-	-	-
15	Equity instruments	-	-		-
16	of which insurance undertakings	-	-	-	-
17	Loans and advances	-	-	-	-
18	Debt securities, including UoP	-	-	-	-
19	Equity instruments	-	-		-
20	Non-financial corporations	-	-	-	-
21	Loans and advances	-	-	-	-
22	Debt securities, including UoP	-	-	-	-
23	Equity instruments	-	-		-
24	Households				
25	of which loans collateralized by residential immovable property				
26	of which building renovation loans				
27	of which motor vehicle loans				
28	Local government financing	-	-	-	-
29	Housing financing	-	-	-	-
30	Other local government financing	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-
32	**Total GAR assets**	**-**	**-**	**-**	**-**

4. GAR KPI flows (revenue)		aa	ab	ac	ad	ae	af
		Disclosure reference date T					
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)				
No.	% (compared to inflow of total assets that are eligible for GAR calculation)			Of which use of proceeds	Of which transi-tional	Of which enabling	Propor-tion of to-tal assets covered
0	**GAR – Covered assets in both numerator and denominator**						
1	**Loans and advances, debt securities, and equity instruments not HfT eligible for GAR calculation**	**41.27%**	**2.03%**	**0.48%**	**0.12%**	**0.54%**	**6.14%**
2	Financial corporations	10.38%	0.71%	-	0.01%	0.02%	2.44%
3	Credit institutions	10.01%	0.69%	-	0.01%	0.01%	1.85%
4	Loans and advances	8.38%	0.52%	-	-	-	1.44%
5	Debt securities, including UoP	1.64%	0.17%	-	0.01%	-	0.41%
6	Equity instruments	-	-		-	-	-
7	Other financial corporations	0.37%	0.03%	-	-	0.01%	0.59%
8	of which investment firms	0.37%	0.03%	-	-	0.01%	0.59%
9	Loans and advances	0.27%	-	-	-	-	0.57%
10	Debt securities, including UoP	0.10%	0.02%	-	-	0.01%	0.02%
11	Equity instruments	-	-		-	-	-
12	of which management companies	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-
16	of which insurance undertakings	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-
20	Non-financial corporations	3.89%	0.83%	-	0.12%	0.52%	0.64%
21	Loans and advances	3.47%	0.55%	-	0.11%	0.30%	0.56%
22	Debt securities, including UoP	0.43%	0.29%	-	0.01%	0.23%	0.08%
23	Equity instruments	-	-		-	-	-
24	Households	27.00%	0.48%	0.48%	-	-	2.50%
25	of which loans collateralized by residential immovable property	19.27%	0.48%	0.48%	-	-	1.18%
26	of which building renovation loans	9.34%	0.06%	0.06%	-	-	0.57%
27	of which motor vehicle loans	-	-	-	-	-	-
28	Local government financing	-	-	-	-	-	0.57%
29	Housing financing	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	0.57%
31	Collateral obtained by taking possession: residential and com-mercial immovable properties	-	-	-	-	-	-
32	**Total GAR assets**	**41.27%**	**2.03%**	**0.48%**	**0.12%**	**0.54%**	**6.14%**

1.In this template, the institution discloses the GAR KPIs relating to the inflows of loans (new loans on a net basis), calculated for the covered assets on the basis of the data disclosed in template 1, using the formulas specified in this template.
2. The credit institutions will duplicate this template for disclosures based on revenue and CapEx.

5.1.18 Explanatory notes on table 4

The denominator of the flows KPI

As a rule, the denominator for the ratios shown in table 4 is equivalent to the inflows during the reporting year within the numerator of the GAR in table 1 ('GAR – Covered assets in both numerator and denominator').

As an exception to the rule, the denominator for the ratios in the 'Proportion of total covered assets' column is taken from the total assets in order to ensure comparability with the information in table 0 in the text section.

5.1.19 KPI stock off-balance-sheet exposures (revenue)

5. KPI stock off-balance-sheet exposures (revenue)		**a**	**b**	**c**	**d**	**e**
		Disclosure reference date T				
		Climate change mitigation (CCM)				
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)			
No.	% (compared to total eligible off-balance-sheet assets)			Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	43.47%	5.76%	-	0.03%	1.34%
2	Assets under management (AuM KPI)	8.59%	3.31%	-	0.19%	1.93%

5. KPI stock off-balance-sheet exposures (revenue)		**f**	**g**	**h**	**i**
		Disclosure reference date T			
		Climate change adaptation (CCA)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total eligible off-balance-sheet assets)			Of which use of proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.34%	0.01%	-	-
2	Assets under management (AuM KPI)	0.54%	0.03%	-	0.02%

5. KPI stock off-balance-sheet exposures (revenue)		**j**	**k**	**l**	**m**
		Disclosure reference date T			
		Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total eligible off-balance-sheet assets)			Of which use of proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.03%	0.02%	-	-
2	Assets under management (AuM KPI)	0.10%	0.02%	-	-

5. KPI stock off-balance-sheet exposures (revenue)		n	o	p	q
		Disclosure reference date T			
		Circular economy (CE)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total eligible off-balance-sheet assets)			Of which use of proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.18%	0.08%	-	-
2	Assets under management (AuM KPI)	1.52%	0.07%	-	0.04%

5. KPI stock off-balance-sheet exposures (revenue)		r	s	t	u
		Disclosure reference date T			
		Pollution (PPC)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total eligible off-balance-sheet assets)			Of which use of proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.02%	0.02%	-	-
2	Assets under management (AuM KPI)	1.17%	0.02%	-	0.01%

5. KPI stock off-balance-sheet exposures (revenue)		v	w	x	z
		Disclosure reference date T			
		Biodiversity and ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total eligible off-balance-sheet assets)			Of which use of proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-
2	Assets under management (AuM KPI)	0.02%	-	-	-

5. KPI stock off-balance-sheet exposures (revenue)		aa	ab	ac	ad	ae
		Disclosure reference date T				
		GESAMT (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)			
No.	% (compared to total eligible off-balance-sheet assets)			Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	44.04%	5.90%	-	0.03%	1.34%
2	Assets under management (AuM KPI)	11.94%	3.45%	-	0.19%	2.00%

1. In this template, the institution discloses the KPIs relating to off-balance-sheet exposures (financial guarantees and AuM), calculated for the covered assets on the basis of the data disclosed in template 1, using the formulas specified in this template.
2. The institutions will duplicate this template to disclose the stock and the flow KPIs for off-balance-sheet exposures.

5.1.20 Explanatory notes on the stock table above

The denominator of the stock KPI

The denominator for the ratios shown in table 5 'Stock' contains the values listed in table 1, rows 54 and 55 of column a.

5.1.21 KPI flows off-balance-sheet exposures (revenue)

5. KPI flows off-balance-sheet exposures (revenue)		a	b	c	d	e
		Disclosure reference date T				
		Climate change mitigation (CCM)				
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)			
No.	% (compared to total eligible off-balance-sheet assets)			Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	11.35%	1.44%	-	-	1.22%
2	Assets under management (AuM KPI)	7.87%	2.97%	-	0.16%	1.63%

5. KPI flows off-balance-sheet exposures (revenue)		f	g	h	i
		Disclosure reference date T			
		Climate change adaptation (CCA)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total eligible off-balance-sheet assets)			Of which specialized lending	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.01%	-	-	-
2	Assets under management (AuM KPI)	0.96%	0.03%	-	0.01%

5. KPI flows off-balance-sheet exposures (revenue)		j	k	l	m
		Disclosure reference date T			
		Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total eligible off-balance-sheet assets)			Of which specialized lending	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.01%	-	-	-
2	Assets under management (AuM KPI)	0.07%	0.02%	-	-

5. KPI flows off-balance-sheet exposures (revenue)		n	o	p	q
		Disclosure reference date T			
		Circular economy (CE)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total eligible off-balance-sheet assets)			Of which specialized lending	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.11%	-	-	-
2	Assets under management (AuM KPI)	1.30%	0.04%	-	0.02%

5. KPI flows off-balance-sheet exposures (revenue)		r	s	t	u
		Disclosure reference date T			
		Pollution (PPC)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total eligible off-balance-sheet assets)			Of which specialized lending	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-
2	Assets under management (AuM KPI)	0.83%	0.02%	-	0.01%

5. KPI flows off-balance-sheet exposures (revenue)		v	w	x	z
		Disclosure reference date T			
		Biodiversity and ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)		
No.	% (compared to total eligible off-balance-sheet assets)			Of which specialized lending	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-
2	Assets under management (AuM KPI)	0.02%	-	-	-

5. KPI flows off-balance-sheet exposures (revenue)		aa	ab	ac	ad	ae
		Disclosure reference date T				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)			
No.	% (compared to total eligible off-balance-sheet assets)			Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	11.47%	1.44%	-	-	1.22%
2	Assets under management (AuM KPI)	11.06%	3.08%	-	0.16%	1.69%

1. In this template, the institution discloses the KPIs relating to off-balance-sheet exposures (financial guarantees and AuM), calculated for the covered assets on the basis of the data disclosed in template 1, using the formulas specified in this template.
2. The institutions will duplicate this template to disclose the stock and the flow KPIs for off-balance-sheet exposures.

5.1.22 Explanatory notes on the flows table above

The denominator of the flows KPI

The denominator for the ratios in table 5 shows the inflows during the reporting year for the values listed in table 1, rows 54 and 55 of column a.

5.2 Quantitative disclosures for the DZ BANK banking group under the EU Taxonomy – additional disclosures in accordance with Annex XII of the EU Taxonomy Regulation

5.2.1 Nuclear and fossil gas related activities (balance sheet) (stock)

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NEIN
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	JA
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	JA
Z.	**Fossil gas related activities**	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	JA
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuel.	JA
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	JA

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) (BALANCE SHEET) (STOCK) (CAPEX-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7	-	7	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	9	-	9	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	-	4	-	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	-	1	-	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**427,048**	**99.99%**	**427,048**	**99.99%**	**427,070**	**100.00%**
8.	**Total applicable KPI**	**427,070**	**100.00%**	**427,070**	**100.00%**	**427,070**	**100.00%**

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) (BALANCE SHEET) (STOCK) (CAPEX-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.01%	-	0.01%	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	7	0.25%	7	0.25%	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	9	0.33%	9	0.33%	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	4	0.16%	4	0.16%	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1	0.03%	1	0.03%	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**2,766**	**99.22%**	**2,714**	**97.34%**	**52**	**1.88%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**2,788**	**100.00%**	**2,736**	**98.12%**	**52**	**1.88%**

TAXONOMY-ELIGIBLE, BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (BALANCE SHEET) (STOCK) (CAPEX-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	25	0.03%	24	0.02%	-	-
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5	0.01%	5	0.01%	-	-
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**98,346**	**99.97%**	**98,210**	**99.83%**	**135**	**0.14%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**98,376**	**100.00%**	**98,240**	**99.86%**	**136**	**0.14%**

TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES (BALANCE SHEET) (STOCK) (CAPEX-BASED)

		Figures in € million and as percentages	
Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	-
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	-
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	-
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	-
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	-
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**325,746**	**100.00%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**325,755**	**100.00%**

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) (BALANCE SHEET) (STOCK) (REVENUE-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	10	-	10	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**427,059**	**100.00%**	**427,059**	**100.00%**	**427,070**	**100.00%**
8.	**Total applicable KPI**	**427,070**	**100.00%**	**427,070**	**100.00%**	**427,070**	**100.00%**

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) (BALANCE SHEET) (STOCK) (REVENUE-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	10	0.47%	10	0.47%	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.01%	-	0.01%	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.02%	-	0.02%	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.02%	-	0.02%	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**2,094**	**99.49%**	**2,066**	**98.16%**	**28**	**1.33%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**2,105**	**100.00%**	**2,077**	**98.67%**	**28**	**1.33%**

TAXONOMY-ELIGIBLE, BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (BALANCE SHEET) (STOCK) (REVENUE-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	-	2	-	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	30	0.03%	30	0.03%	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	26	0.03%	26	0.03%	-	-
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	8	0.01%	8	0.01%	-	-
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	-	1	-	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**98,619**	**99.93%**	**98,512**	**99.82%**	**106**	**0.11%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**98,685**	**100.00%**	**98,579**	**99.89%**	**106**	**0.11%**

TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES (BALANCE SHEET) (STOCK) (REVENUE-BASED)

		Figures in € million and as percentages	
Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	-
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	-
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	-
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	-
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	-
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**326,071**	**100.0%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**326,079**	**100.0%**

5.2.2 Nuclear and fossil gas related activities (balance sheet, flows)

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NEIN
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	JA
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	JA
Z.	**Fossil gas related activities**	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	JA
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuel.	JA
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	JA

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) (BALANCE SHEET) (FLOWS) (CAPEX-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	-	1	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.01%	3	0.01%	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	-	1	-	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**33,347**	**99.99%**	**33,347**	**99.99%**	**33,352**	**100.00%**
8.	**Total applicable KPI**	**33,352**	**100.00%**	**33,352**	**100.00%**	**33,352**	**100.00%**

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) (BALANCE SHEET) (FLOWS) (CAPEX-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1	0.09%	1	0.09%	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	3	0.29%	3	0.29%	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1	0.11%	1	0.11%	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**966**	**99.50%**	**958**	**98.68%**	**8**	**0.82%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**971**	**100.00%**	**963**	**99.18%**	**8**	**0.82%**

TAXONOMY-ELIGIBLE, BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (BALANCE SHEET) (FLOWS) (CAPEX-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	18	0.14%	18	0.14%	-	-
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.02%	3	0.02%	-	-
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**13,038**	**99.84%**	**12,996**	**99.52%**	**42**	**0.32%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**13,059**	**100.00%**	**13,017**	**99.68%**	**42**	**0.32%**

TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES (BALANCE SHEET) (FLOWS) (CAPEX-BASED)

		Figures in € million and as percentages	
Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**19,245**	**99.99%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**19,246**	**100.00%**

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) (BALANCE SHEET) (FLOWS) (REVENUE-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	-	1	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**33,351**	**100.00%**	**33,351**	**100.00%**	**33,352**	**100.00%**
8.	**Total applicable KPI**	**33,352**	**100.00%**	**33,352**	**100.00%**	**33,352**	**100.00%**

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) (BALANCE SHEET) (FLOWS) (REVENUE-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1	0.15%	1	0.15%	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.02%	-	0.02%	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.01%	-	0.01%	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.01%	-	0.01%	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**667**	**99.81%**	**659**	**98.66%**	**8**	**1.15%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**668**	**100.00%**	**660**	**98.85%**	**8**	**1.15%**

TAXONOMY-ELIGIBLE, BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (BALANCE SHEET) (FLOWS) (REVENUE-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.01%	1	0.01%	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	10	0.08%	10	0.08%	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	10	0.08%	10	0.08%	-	-
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.01%	1	0.01%	-	-
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**12,989**	**99.83%**	**12,961**	**99.61%**	**28**	**0.21%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**13,011**	**100.00%**	**12,983**	**99.79%**	**28**	**0.21%**

TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES (BALANCE SHEET) (FLOWS) (REVENUE-BASED)

		Figures in € million and as percentages	
Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	-
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**19,585**	**100.0%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**19,587**	**100.0%**

5.2.3 Nuclear and fossil gas related activities (assets under management, stock)

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NEIN
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	JA
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	JA
Row	**Fossil gas related activities**	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	JA
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuel.	JA
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	JA

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) (ASSETS UNDER MANAGEMENT) (STOCK) (CAPEX-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	17	0.02%	17	0.02%	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	97	0.10%	97	0.10%	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	-	4	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	9	0.01%	9	0.01%	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**101,904**	**99.88%**	**101,904**	**99.88%**	**102,032**	**100.00%**
8.	**Total applicable KPI**	**102,032**	**100.00%**	**102,032**	**100.00%**	**102,032**	**100.00%**

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) (ASSETS UNDER MANAGEMENT) (STOCK) (CAPEX-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	17	0.29%	17	0.29%	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	97	1.63%	97	1.63%	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	4	0.07%	4	0.07%	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	9	0.15%	9	0.15%	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.01%	-	0.01%	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**5,821**	**97.86%**	**5,736**	**96.43%**	**85**	**1.43%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**5,948**	**100.00%**	**5,863**	**98.57%**	**85**	**1.43%**

TAXONOMY-ELIGIBLE, BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (ASSETS UNDER MANAGEMENT) (STOCK) (CAPEX-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.04%	3	0.04%	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	215	3.01%	212	2.96%	4	0.05%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	147	2.06%	147	2.06%	-	-
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	58	0.81%	58	0.81%	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**6,731**	**94.08%**	**5,948**	**83.14%**	**783**	**10.94%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**7,154**	**100.00%**	**6,368**	**89.01%**	**786**	**10.99%**

TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES (ASSETS UNDER MANAGEMENT) (STOCK) (CAPEX-BASED)

		Figures in € million and as percentages	
Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	25	0.03%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	130	0.15%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	45	0.05%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	224	0.26%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	242	0.28%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	52	0.06%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**86,736**	**99.18%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**87,453**	**100.00%**

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) (ASSETS UNDER MANAGEMENT) (STOCK) (REVENUE-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	-	1	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	132	0.13%	132	0.13%	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	-	1	-	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	-	1	-	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**101,897**	**99.87%**	**101,897**	**99.87%**	**102,032**	**100.00%**
8.	**Total applicable KPI**	**102,032**	**100.00%**	**102,032**	**100.00%**	**102,032**	**100.00%**

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) (ASSETS UNDER MANAGEMENT) (STOCK) (REVENUE-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1	0.03%	1	0.03%	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	132	3.86%	132	3.86%	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1	0.03%	1	0.03%	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1	0.04%	1	0.04%	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**3,276**	**96.04%**	**3,241**	**95.02%**	**35**	**1.02%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**3,411**	**100.00%**	**3,376**	**98.98%**	**35**	**1.02%**

TAXONOMY-ELIGIBLE, BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (ASSETS UNDER MANAGEMENT) (STOCK) (REVENUE-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.07%	4	0.07%	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	264	4.47%	264	4.47%	-	-
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	139	2.35%	139	2.35%	-	-
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	32	0.54%	32	0.54%	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**5,465**	**92.57%**	**4,947**	**83.79%**	**519**	**8.79%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**5,904**	**100.00%**	**5,385**	**91.21%**	**519**	**8.79%**

TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES (ASSETS UNDER MANAGEMENT) (STOCK) (REVENUE-BASED)

		Figures in € million and as percentages	
Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	25	0.0%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	54	0.1%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	55	0.1%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	208	0.2%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	239	0.3%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	52	0.1%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**89,220**	**99.3%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**89,854**	**100.0%**

5.2.4 Nuclear and fossil gas related activities (assets under management, flows)

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NEIN
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	JA
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	JA
Row	**Fossil gas related activities**	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	JA
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuel.	JA
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	JA

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) (ASSETS UNDER MANAGEMENT) (FLOWS) (CAPEX-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.01%	2	0.01%	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	12	0.07%	12	0.07%	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.01%	1	0.01%	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**17,136**	**99.91%**	**17,136**	**99.91%**	**17,151**	**100.00%**
8.	**Total applicable KPI**	**17,151**	**100.00%**	**17,151**	**100.00%**	**17,151**	**100.00%**

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) (ASSETS UNDER MANAGEMENT) (FLOWS) (CAPEX-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2	0.24%	2	0.24%	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	12	1.37%	12	1.37%	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.06%	-	0.06%	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1	0.11%	1	0.11%	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**837**	**98.21%**	**825**	**96.83%**	**12**	**1.38%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**852**	**100.00%**	**841**	**98.62%**	**12**	**1.38%**

TAXONOMY-ELIGIBLE, BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (ASSETS UNDER MANAGEMENT) (FLOWS) (CAPEX-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.07%	1	0.07%	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	17	1.63%	17	1.60%	-	0.03%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	58	5.49%	58	5.49%	-	-
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.42%	4	0.42%	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**981**	**92.38%**	**867**	**81.64%**	**114**	**10.75%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**1,062**	**100.00%**	**947**	**89.22%**	**114**	**10.78%**

TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES (ASSETS UNDER MANAGEMENT) (FLOWS) (CAPEX-BASED)

		Figures in € million and as percentages	
Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.03%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	16	0.11%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6	0.04%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	38	0.25%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	42	0.28%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	9	0.06%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**14,935**	**99.23%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**15,051**	**100.00%**

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) (ASSETS UNDER MANAGEMENT) (FLOWS) (REVENUE-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	16	0.09%	16	0.09%	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**17,134**	**99.90%**	**17,134**	**99.90%**	**17,151**	**100.00%**
8.	**Total applicable KPI**	**17,151**	**100.00%**	**17,151**	**100.00%**	**17,151**	**100.00%**

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) (ASSETS UNDER MANAGEMENT) (FLOWS) (REVENUE-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.03%	-	0.03%	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	16	3.16%	16	3.16%	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.02%	-	0.02%	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.03%	-	0.03%	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**498**	**96.76%**	**493**	**95.89%**	**4**	**0.87%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**514**	**100.00%**	**510**	**99.13%**	**4**	**0.87%**

TAXONOMY-ELIGIBLE, BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (ASSETS UNDER MANAGEMENT) (FLOWS) (REVENUE-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.08%	1	0.08%	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	23	2.33%	23	2.33%	-	-
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	59	5.89%	59	5.89%	-	-
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.25%	2	0.25%	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**915**	**91.45%**	**755**	**75.43%**	**160**	**16.01%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**1,001**	**100.00%**	**841**	**83.99%**	**160**	**16.01%**

TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES (ASSETS UNDER MANAGEMENT) (FLOWS) (REVENUE-BASED)

		Figures in € million and as percentages	
Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.0%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7	0.0%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7	0.0%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	36	0.2%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	42	0.3%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	9	0.1%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**15,150**	**99.3%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**15,254**	**100.0%**

5.2.5 Nuclear and fossil gas related activities (financial guarantees, stock)

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NEIN
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	JA
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	JA
Row	**Fossil gas related activities**	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	JA
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuel.	JA
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	JA

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) (FINANCIAL GUARANTEES) (STOCK) (CAPEX-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	9	0.32%	9	0.32%	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**2,646**	**99.68%**	**2,646**	**99.68%**	**2,654**	**100.00%**
8.	**Total applicable KPI**	**2,654**	**100.00%**	**2,654**	**100.00%**	**2,654**	**100.00%**

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) (FINANCIAL GUARANTEES) (STOCK) (CAPEX-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.03%	-	0.03%	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.01%	-	0.01%	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	9	3.54%	9	3.54%	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**233**	**96.43%**	**232**	**96.24%**	**-**	**0.19%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**241**	**100.00%**	**241**	**99.81%**	**-**	**0.19%**

TAXONOMY-ELIGIBLE, BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (FINANCIAL GUARANTEES) (STOCK) (CAPEX-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.01%	-	0.01%	-	-
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.04%	-	0.04%	-	-
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.04%	-	0.04%	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,077**	**99.92%**	**1,063**	**98.63%**	**14**	**1.29%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**1,078**	**100.00%**	**1,064**	**98.71%**	**14**	**1.29%**

TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES (FINANCIAL GUARANTEES) (STOCK) (CAPEX-BASED)

		Figures in € million and as percentages	
Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,323**	**100.00%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**1,323**	**100.00%**

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) (FINANCIAL GUARANTEES) (STOCK) (REVENUE-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.02%	-	0.02%	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**2,654**	**99.98%**	**2,654**	**99.98%**	**2,654**	**100.00%**
8.	**Total applicable KPI**	**2,654**	**100.00%**	**2,654**	**100.00%**	**2,654**	**100.00%**

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) (FINANCIAL GUARANTEES) (STOCK) (REVENUE-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.28%	-	0.28%	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**153**	**99.72%**	**153**	**99.51%**	**-**	**0.21%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**153**	**100.00%**	**153**	**99.79%**	**-**	**0.21%**

TAXONOMY-ELIGIBLE, BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (FINANCIAL GUARANTEES) (STOCK) (REVENUE-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.01%	-	0.01%	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.03%	-	0.03%	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.04%	-	0.04%	-	-
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.02%	-	0.02%	-	-
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.02%	-	0.02%	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,009**	**99.89%**	**1,000**	**99.02%**	**9**	**0.87%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**1,010**	**100.00%**	**1,001**	**99.13%**	**9**	**0.87%**

TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES (FINANCIAL GUARANTEES) (STOCK) (REVENUE-BASED)

		Figures in € million and as percentages	
Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,485**	**100.0%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**1,485**	**100.0%**

5.2.6 Nuclear and fossil gas related activities (financial guarantees, flows)

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NEIN
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	JA
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NEIN
Row	**Fossil gas related activities**	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NEIN
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuel.	NEIN
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NEIN

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) (FINANCIAL GUARANTEES) (FLOWS) (CAPEX-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**301**	**100.00%**	**301**	**100.00%**	**301**	**100.00%**
8.	**Total applicable KPI**	**301**	**100.00%**	**301**	**100.00%**	**301**	**100.00%**

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) (FINANCIAL GUARANTEES) (FLOWS) (CAPEX-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**11**	**100.00%**	**11**	**100.00%**	**-**	**-**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**11**	**100.00%**	**11**	**100.00%**	**-**	**-**

TAXONOMY-ELIGIBLE, BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (FINANCIAL GUARANTEES) (FLOWS) (CAPEX-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**93**	**100.00%**	**93**	**100.00%**	**-**	**-**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**93**	**100.00%**	**93**	**100.00%**	**-**	**-**

TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES (FINANCIAL GUARANTEES) (FLOWS) (CAPEX-BASED)

		Figures in € million and as percentages	
Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**196**	**100.00%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**196**	**100.00%**

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) (FINANCIAL GUARANTEES) (FLOWS) (REVENUE-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**301**	**100.00%**	**301**	**100.00%**	**301**	**100.00%**
8.	**Total applicable KPI**	**301**	**100.00%**	**301**	**100.00%**	**301**	**100.00%**

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) (FINANCIAL GUARANTEES) (FLOWS) (REVENUE-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**4**	**100.00%**	**4**	**100.00%**	**-**	**-**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**4**	**100.00%**	**4**	**100.00%**	**-**	**-**

TAXONOMY-ELIGIBLE, BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (FINANCIAL GUARANTEES) (FLOWS) (REVENUE-BASED)

		Figures in € million and as percentages					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.07%	-	0.07%	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**30**	**99.93%**	**30**	**99.88%**	**-**	**0.05%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**30**	**100.00%**	**30**	**99.95%**	**-**	**0.05%**

TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES (FINANCIAL GUARANTEES) (FLOWS) (REVENUE-BASED)

		Figures in € million and as percentages	
Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**267**	**100.0%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**267**	**100.0%**

Consolidated financial statements

Income statement for the period January 1 to December 31, 2024

€ million	(Note)	2024	2023
Net interest income	(33)	4,670	4,333
Interest income		15,716	13,733
Interest income calculated using the effective interest method		15,533	13,485
Interest income not calculated using the effective interest method		183	248
Current income and expense		127	101
Interest expense		-11,173	-9,501
Net fee and commission income	(34)	3,191	2,807
Fee and commission income		5,767	5,174
Fee and commission expenses		-2,575	-2,368
Gains and losses on trading activities	(35)	-842	-175
Gains and losses on investments	(36)	65	-72
Other gains and losses on valuation of financial instruments	(37)	229	298
Gains and losses from the derecognition of financial assets measured at amortized cost	(38)	40	11
Insurance service result		1,400	1,183
Insurance revenue	(88)	12,165	11,578
Insurance service expenses	(90)	-10,548	-10,317
Net income/expenses from reinsurance contracts held	(90)	-217	-78
Gains and losses on investments held by insurance companies and other insurance company gains and losses	(39)	5,094	2,998
of which interest income calculated using the effective interest method		1,936	1,664
Insurance finance income or expenses	(40)	-5,351	-3,297
Gains and losses from the derecognition of financial assets measured at amortized cost in the insurance business	(41)	4	6
Loss allowances	(42)	-845	-362
Administrative expenses	(43)	-4,552	-4,597
Other net operating income	(44)	200	56
Profit before taxes		3,303	3,189
Income taxes	(45)	-913	-955
Net profit		**2,390**	**2,234**
Attributable to:			
Shareholders of DZ BANK		2,221	2,130
Non-controlling interests		169	103

Statement of comprehensive income for the period January 1 to December 31, 2024

€ million	(Note)	2024	2023
Net profit		2,390	2,234
Other comprehensive income/loss		-16	556
Items that may be reclassified to the income statement		**97**	**566**
Gains and losses on debt instruments measured at fair value through other comprehensive income	(46)	886	4,679
Exchange differences on currency translation of foreign operations	(46)	50	-12
Insurance finance income or expenses included in other comprehensive income	(46)	-829	-3,745
Share of other comprehensive income/loss of joint ventures and associates accounted for using the equity method	(46)	5	-8
Income taxes	(47)	-16	-349
Items that will not be reclassified to the income statement		**-112**	**-9**
Gains and losses on equity instruments for which the fair value OCI option has been exercised		189	-47
Gains and losses in relation to financial liabilities for which the fair value option has been exercised, attributable to changes in own credit risk		-513	300
Gains and losses arising from remeasurement of defined benefit plans		82	-145
Income taxes	(47)	129	-117
Total comprehensive income/loss		**2,374**	**2,790**
Attributable to:			
Shareholders of DZ BANK		2,167	2,622
Non-controlling interests		208	168

Balance sheet as at December 31, 2024

ASSETS

€ million	(Note)	Dec. 31, 2024	Dec. 31, 2023
Cash and cash equivalents	(14, 48)	81,790	101,830
Loans and advances to banks	(15, 49)	143,532	128,867
Loans and advances to customers	(15, 50)	208,688	204,776
Hedging instruments (positive fair values)	(16, 51)	796	923
Financial assets held for trading	(17, 52)	30,441	34,961
Investments	(18, 53)	62,049	47,970
Investments held by insurance companies	(54, 59)	122,625	115,568
Property, plant and equipment, investment property, and right-of-use assets	(19, 55, 59)	1,828	1,870
Income tax assets	(20, 56)	4,899	4,827
Other assets	(21, 57, 59)	7,077	5,845
Loss allowances	(22, 58)	-2,843	-2,248
Non-current assets and disposal groups classified as held for sale	(23, 60)	68	1,790
Fair value changes of the hedged items in portfolio hedges of interest-rate risk		-1,310	-2,389
Total assets		**659,638**	**644,589**

EQUITY AND LIABILITIES

€ million	(Note)	Dec. 31, 2024	Dec. 31, 2023
Deposits from banks	(24, 61)	187,526	176,594
Deposits from customers	(24, 62)	154,103	157,627
Debt certificates issued including bonds	(25, 63)	109,810	103,768
Hedging instruments (negative fair values)	(16, 64)	659	624
Financial liabilities held for trading	(17, 65)	42,234	47,675
Provisions	(26, 66)	2,854	3,235
Insurance contract liabilities	(11, 67)	111,340	105,151
Income tax liabilities	(20, 56)	4,844	4,813
Other liabilities	(21, 68)	9,443	8,872
Subordinated capital	(27, 69)	4,420	4,261
Liabilities included in disposal groups classified as held for sale	(23, 60)	-	1,533
Fair value changes of the hedged items in portfolio hedges of interest-rate risk		-171	-634
Equity	(70)	32,578	31,069
Shareholders' equity		30,542	29,106
Subscribed capital		4,926	4,926
Capital reserve		5,551	5,551
Retained earnings		17,673	15,977
Reserve from other comprehensive income		-902	-642
Additional equity components		3,293	3,293
Non-controlling interests		2,036	1,963
Total equity and liabilities		**659,638**	**644,589**

Statement of changes in equity

€ million	Subscribed capital	Capital reserve	Retained earnings	Reserve from other comprehensive income	Additional equity components	**Shareholders' equity**	Non-controlling interests	**Total equity**
Equity as at Jan. 1, 2023	4,926	5,551	14,362	-1,171	2,150	25,819	1,806	27,625
Net profit	-	-	2,130	-	-	2,130	103	2,234
Other comprehensive income/loss	-	-	-94	586	-	492	64	556
Total comprehensive income/loss	-	-	**2,036**	**586**	-	**2,622**	**168**	**2,790**
Capital increase/capital repaid	-	-	-	-	1,143	1,143	-1	1,142
Acquisition/disposal of non-controlling interests	-	-	-19	-	-	-19	15	-4
Reclassifications within equity	-	-	57	-57	-	-	-	-
Dividends paid	-	-	-358	-	-	-358	-24	-382
Distribution of dividend on additional equity components	-	-	-101	-	-	-101	-	-101
Equity as at Dec. 31, 2023	4,926	5,551	15,977	-642	3,293	29,106	1,963	31,069
Net profit	-	-	2,221	-	-	2,221	169	2,390
Other comprehensive income/loss	-	-	77	-131	-	-55	39	-16
Total comprehensive income/loss	-	-	**2,298**	**-131**	-	**2,167**	**208**	**2,374**
Changes in scope of consolidation	-	-	2	-	-	2	-97	-95
Acquisition/disposal of non-controlling interests	-	-	-61	-6	-	-67	-11	-78
Reclassifications within equity	-	-	123	-123	-	-	-	-
Dividends paid	-	-	-448	-	-	-448	-28	-476
Distribution of dividend on additional equity components	-	-	-217	-	-	-217	-	-217
Equity as at Dec. 31, 2024	**4,926**	**5,551**	**17,673**	**-902**	**3,293**	**30,542**	**2,036**	**32,578**

Further information on equity is presented in note 70.

Statement of cash flows

€ million	2024	2023
Net profit	2,390	2,234
Non-cash items included in net profit and reconciliation to cash flows from operating activities		
Depreciation, amortization, impairment losses, reversals of impairment losses on assets, and other non-cash changes in financial assets and liabilities	-1,912	-1,360
Non-cash changes in provisions	94	652
Non-cash changes in insurance contract liabilities	3,673	3,194
Other non-cash income and expenses	566	1,430
Gains and losses on the disposal of assets and liabilities	-3,303	-2,299
Other adjustments (net)	-3,032	-2,567
Subtotal	-1,524	1,284
Cash changes in assets and liabilities arising from operating activities		
Loans and advances to banks	-14,647	-5,340
Loans and advances to customers	-3,932	-2,392
Other assets from operating activities	-1,221	627
Hedging instruments (positive and negative fair values)	-600	-1,165
Financial assets and financial liabilities held for trading	-970	10,239
Deposits from banks	10,913	-13,101
Deposits from customers	-3,629	2,023
Debt certificates issued including bonds	5,580	20,978
Other liabilities from operating activities	2,019	264
Interest, dividends, and operating lease payments received	15,463	13,243
Interest paid	-12,264	-10,488
Income taxes paid	-762	-615
Cash flows from operating activities	**-5,574**	**15,557**
Proceeds from the sale of investments	16,207	22,454
Proceeds from the sale of investments held by insurance companies	23,279	26,544
Proceeds from the sale of property, plant and equipment, and investment property (excluding assets subject to operating leases)	2	2
Proceeds from the sale of intangible non-current assets	1	3
Payments for the acquisition of investments	-29,489	-26,214
Payments for the acquisition of investments held by insurance companies	-23,630	-30,223
Payments for the acquisition of property, plant and equipment, and investment property (excluding assets subject to operating leases)	-69	-68
Payments for the acquisition of intangible non-current assets	-138	-137
Changes in scope of consolidation	-23	-
of which proceeds from the sale of investments in consolidated subsidiaries net of cash divested	-35	-
Cash flows from investing activities	**-13,860**	**-7,639**
Proceeds from additional equity components	-	1,143
Dividends paid to shareholders of DZ BANK	-448	-358
Dividends paid to non-controlling interests	-28	-24
Distribution of dividend on additional equity components	-217	-101
Other payments to non-controlling interests	-	-1
Net change in cash and cash equivalents from other financing activities (including subordinated capital)	-37	-340
Cash flows from financing activities	**-730**	**319**

€ million	2024	2023
Cash and cash equivalents as at January 1	101,954	93,717
Cash flows from operating activities	-5,574	15,557
Cash flows from investing activities	-13,860	-7,639
Cash flows from financing activities	-730	319
Cash and cash equivalents as at December 31	**81,790**	**101,954**

Statements of cash flows provide banks with limited useful information, which is why the DZ BANK Group's statement of cash flows is not material to the group. The group does not use the statement of cash flows for liquidity and financial planning, nor as a management tool.

The statement of cash flows shows the changes in cash and cash equivalents during the financial year. Cash and cash equivalents consist of cash on hand, balances with central banks, and cash and cash equivalents of

€0 million resulting from non-current assets and disposal groups classified as held for sale (December 31, 2023: €124 million). The cash and cash equivalents do not include any financial investments with maturities of more than 3 months at the date of acquisition. Changes in cash and cash equivalents are broken down into operating, investing, and financing activities.

Cash flows from operating activities comprise cash flows mainly arising in connection with the revenue-producing activities of the group and other activities that cannot be classified as investing or financing activities. Cash flows related to the acquisition and disposal of non-current assets are allocated to investing activities. Cash flows from financing activities include cash flows arising from transactions with equity owners and from other borrowing to finance business activities, in particular from subordinated capital.

Cash payments from lessees in repayment of lease liabilities, which are included in cash flows from financing activities, amounted to €113 million (2023: €112 million).

The first-time consolidation of newly formed subsidiaries generated a cash inflow of €12 million (2023: €0 million). The deconsolidation of subsidiaries resulted in a cash outflow of €149 million (2023: €0 million).

Notes

A General disclosures

» 01 Basis of preparation

Pursuant to *Regulation (EC) 1606/2002 of the European Parliament and of the Council of July 19, 2002*, the consolidated financial statements of DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Germany, (DZ BANK) for the 2024 financial year have been prepared in accordance with the provisions of the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU).

The provisions specified in section 315e (1) of the German Commercial Code (HGB) for companies whose securities are admitted to trading on a regulated market in the EU have also been applied in the consolidated financial statements of DZ BANK. In addition, further standards adopted by Deutsches Rechnungslegungs Standards Committee e.V. [German Accounting Standards Committee] have generally been taken into account where such standards have been published in the German Federal Gazette by the Bundesministerium der Justiz [Federal Ministry of Justice] pursuant to section 342q (2) HGB.

DZ BANK is entered in the commercial register at the Frankfurt am Main local court under the number HRB 45651.

The DZ BANK Group’s financial year is the same as the calendar year. In the interest of clarity, some items on the income statement, the statement of comprehensive income, and the balance sheet – primarily items relating to insurance contracts – have been aggregated and are explained by additional disclosures in the notes. Unless stated otherwise, all amounts are shown in millions of euros (€ million). This may result in very small discrepancies in the calculation of totals and percentages.

The consolidated financial statements of DZ BANK have been released for publication by the Board of Managing Directors following approval by the Supervisory Board on March 27, 2025.

» 02 Accounting policies and estimates

Changes in accounting policies

First-time application in 2024 of changes in IFRS
The listed amendments to IFRS are applied for the first time in DZ BANK’s consolidated financial statements for the 2024 financial year:

- *Lease Liability in a Sale and Leaseback* (Amendments to IFRS 16 Leases)
- *Classification of Liabilities as Current or Non-current* and *Non-current Liabilities with Covenants* (Amendments to IAS 1 Presentation of Financial Statements)
- *Supplier Finance Arrangements* (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)

The amendments to IFRS 16 clarify that the leaseback liability arising in a sale and leaseback transaction with variable payments that do not depend on an index or interest rate constitutes a lease liability pursuant to IFRS 16. They also clarify that the initial measurement requirements in IFRS 16.100(a) apply to the recognition of the right-of-use asset and the gain or loss from the sale and leaseback. Finally, the amendments clarify that no gain or loss relating to the retained right-of-use asset arises upon subsequent measurement of this lease liability. These amendments to IFRS 16 do not have any impact on the accounting treatment of the Group's sale-and-leaseback transactions.

The amendments to IAS 1 provide further details on how an entity must recognize debt and other liabilities on its balance sheet where the settlement date is uncertain. Debt and other liabilities must be classified as current if they are due or potentially due to be settled within one year. Debt and other liabilities must be classified as non-current if they do not have to be settled for at least one year. The amendments also aim to improve the information that an entity should provide if its right to postpone settling a debt by 12 months or more is subject to covenants. The amendments to IAS 1 have no impact on the consolidated financial statements because there is no distinction between current and non-current liabilities and between current and non-current other payables on the balance sheet.

The amendments to IFRS 16 and IAS 1 must be applied for the first time to financial years beginning on or after January 1, 2024; early adoption is permitted.

The amendments to IAS 7 and IFRS 7 define additional disclosure requirements regarding supply chain finance arrangements. The aim is to make the impact of such arrangements on liabilities, cash flows, and liquidity risk more transparent. In the future, an entity will have to describe the contractual terms and conditions of such finance arrangements under IAS 7 and IFRS 7. It will also have to indicate the associated line items and their carrying amounts at the start and end of the reporting period, disclose the range of payment due dates for the relevant transactions and for comparable other liabilities, and state any risk concentrations. These amendments must be applied to financial years beginning on or after January 1, 2024. The amendments to IAS 7 and IFRS 7 have no impact on the consolidated financial statements.

Changes in IFRS endorsed by the EU but not adopted early

The DZ BANK Group has decided against voluntary early adoption of the listed amendments to IFRS:

– *Lack of Exchangeability* (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)

The amendments to IAS 21 set out when a currency is exchangeable into another currency and when it is not. They also indicate how an entity determines the exchange rate to apply when a currency is not exchangeable and, where this is the case, what information an entity must disclose.

The amendments to IAS 21 must be applied to financial years beginning on or after January 1, 2025. These amendments have no impact on the consolidated financial statements.

Changes in IFRS that have not yet been endorsed by the EU

The following new IFRS accounting standards, amendments to IFRS accounting standards, and clarifications of IFRS accounting standards have not yet been endorsed by the EU:

- IFRS 18 *Presentation and Disclosure in Financial Statements*
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures*
- *Amendments to the Classification and Measurement of Financial Instruments* (Amendments to IFRS 9 and IFRS 7)
- *Contracts Referencing Nature-dependent Electricity* (Amendments to IFRS 9 and IFRS 7)
- *Annual Improvements to IFRS Accounting Standards – Volume 11*

The impact of the aforementioned new IFRS accounting standards, amendments to IFRS accounting standards, and clarifications of IFRS accounting standards on the consolidated financial statements is currently being examined.

Changes in presentation

In accordance with the provisions of IAS 8.41 et seq., the experience adjustments for premiums received and for insurance acquisition cash flows paid that relate to future service are shown in insurance finance income or expenses with effect from 2024. This will provide more useful information in respect of contracts with direct participation features. This retrospective change resulted in the following adjustments to the income statement:

Income statement for the period January 1 to December 31, 2023

€ million	2023 before restatement	Amount of restatement	**2023 after restatement**
(...)			
Insurance service result	1,994	-811	**1,183**
Insurance revenue	12,317	-739	**11,578**
Insurance service expenses	-10,245	-72	**-10,317**
Net income/expenses from reinsurance contracts held	-78	-	**-78**
(...)			
Insurance finance income or expenses	-4,107	811	**-3,297**
(...)			
Profit before taxes	3,189	-	3,189
Income taxes	-955	-	**-955**
Net profit	**2,234**	**-**	**2,234**

Furthermore, the aforementioned presentation change results in related adjustments to the associated disclosures in note 29 (investments in subsidiaries), note 32 (segment information), note 40 (insurance finance income or expenses), note 88 (insurance revenue), note 89 (presentation of income or expense in the insurance business), and note 90 (change in the carrying amounts of insurance contract liabilities).

In accordance with the provisions of IAS 8.41 et seq., deposits from non-monetary banks are assigned to deposits from banks with effect from 2024. They were previously shown within deposits from customers. This retrospective change resulted in the following adjustments to the balance sheet:

Balance sheet as at January 1, 2023

EQUITY AND LIABILITIES

€ million	Jan. 1, 2023 before restatement	Amount of restatement	Jan. 1, 2023 after restatement
(…)			
Deposits from banks	186,787	2,595	189,382
Deposits from customers	159,429	-2,595	156,834
(…)			
Total equity and liabilities	**628,365**	**-**	**628,365**

Balance sheet as at December 31, 2023

EQUITY AND LIABILITIES

€ million	Dec. 31, 2023 before restatement	Amount of restatement	Dec. 31, 2023 after restatement
(…)			
Deposits from banks	174,580	2,014	176,594
Deposits from customers	159,641	-2,014	157,627
(…)			
Total equity and liabilities	**644,589**	**-**	**644,589**

Furthermore, the aforementioned presentation change results in related adjustments to the statement of cash flows and to the associated disclosures in note 61 (deposits from banks), note 62 (deposits from customers), note 71 (classes, categories, and fair values of financial instruments), note 75 (assets and liabilities not measured at fair value on the balance sheet), and note 86 (maturity analysis). The changed assignment of counterparties also applies to derivatives with effect from 2024, resulting in adjustments to note 82 (derivatives), specifically in the disclosures on the counterparty structure. The adjustments have been made retrospectively.

In accordance with the provisions of IAS 8.41 et seq., the previous process for assigning securities to sale and repurchase agreements on the basis of an expert assessment is replaced by a process of assignment from economic assets in note 79 (sale and repurchase agreements, securities lending) – specifically in the disclosures on sale and repurchase agreements and on securities subject to a sale and repurchase or lending agreement that the recipient may sell or repledge as collateral with no requirement for a prior counterparty default – with effect from 2024. Furthermore, the aforementioned presentation change results in related adjustments to the associated disclosures in note 78 (offsetting of financial assets and financial liabilities). The adjustments have been made retrospectively.

In accordance with the provisions of IAS 8.41 et seq., the total of the undiscounted expected credit losses on purchased or originated credit-impaired financial assets that were recognized for the first time during the reporting period is retrospectively adjusted in note 85 (nature and extent of risks arising from financial instruments), specifically in the disclosures on loss allowances and the gross carrying amounts.

From 2024, stage 3 extensions in the presentation of gross carrying amounts and of loss allowance are no longer shown as derecognitions and repayments or as an addition/increase in loan drawdowns in note 85 (nature and extent of risks arising from financial instruments), specifically in the disclosures on loss allowances and gross carrying amounts. The aim of this change is to provide reliable and more relevant information. The adjustments have been made retrospectively. Furthermore, the aforementioned presentation change results in related adjustments to the associated disclosures in note 42 (loss allowances) and note 58 (loss allowances).

Sources of estimation uncertainty

It is sometimes necessary to make assumptions and estimates in accordance with the relevant financial reporting standards in order to determine the carrying amounts of assets, liabilities, income, and expenses recognized in the consolidated financial statements. These assumptions and estimates are based on historical experience, planning, and expectations or forecasts regarding future events.

Assumptions and estimates are used primarily in determining the fair value of financial assets and financial liabilities and in identifying any impairment of financial assets. Estimates also have a material impact on determining the impairment of goodwill or intangible assets acquired as part of business combinations. Furthermore, assumptions and estimates affect the measurement of right-of-use assets, insurance contract liabilities, other assets held by insurance companies, provisions for employee benefits, provisions for share-based payment transactions, provisions relating to building society operations, and other provisions as well as the recognition and measurement of income tax assets and income tax liabilities.

Fair values of financial assets and financial liabilities

If there are no prices available for certain financial instruments from active markets, the fair values of such financial assets and financial liabilities have to be determined on the basis of estimates, resulting in some uncertainty. Uncertainties associated with estimates arise primarily if fair values are determined using valuation techniques involving significant valuation parameters that are not observable in the market. This affects both financial instruments measured at fair value and financial instruments measured at amortized cost whose fair values are disclosed in the notes. The valuation parameter assumptions and valuation methods used to determine fair values are described in the financial instruments disclosures in notes 74 and 75.

Impairment of financial assets

When an impairment test (as described in note 05) is carried out for financial assets that constitute debt instruments or for loan commitments and financial guarantee contracts, it is necessary to determine estimated future cash flows from interest payments and the repayment of principal as well as from any recovery of collateral. This requires assessments and assumptions regarding the amount and timing of future cash flows, in turn giving rise to some uncertainty. The factors influencing impairment that are defined on the basis of judgments include economic conditions, the financial performance of the counterparty, and the value of the collateral held. When an impairment test for portfolios is carried out, parameters such as probability of default, which are calculated with the help of statistical models, are used in the assessments and assumptions.

Goodwill and intangible assets

The recognition of goodwill is largely based on estimated future income, synergies, and non-recognizable intangible assets generated by business combinations or acquired as part of business combinations. The recoverability of the carrying amount is verified by means of budget accounts that are largely based on estimates. Identifiable intangible assets acquired as part of business combinations are recognized on the basis of their future economic benefits. These benefits are assessed by management using reasonable, well-founded assumptions. The estimates applied in the case of business combinations are described in note 100.

Right-of-use assets
The measurement of right-of-use assets in connection with leases (as described in note 12) involves the use of estimates and assumptions, especially in relation to estimated future cash flows, term, and discount rate. Estimates also have a material impact on determining the impairment of right-of-use assets.

Insurance contract liabilities and other assets held by insurance companies
The measurement of insurance contract liabilities and other assets held by insurance companies involves the exercise of judgment, estimates, and assumptions, especially in relation to mortality, claims, rates of return on investment, lapse, and costs. Actuarial calculation methods, statistical estimates, blanket estimates, and measurements based on past experience are used. The basic approaches used in the measurement of insurance contract liabilities are described in the insurance business disclosures in note 11.

Provisions for employee benefits, provisions for share-based payment transactions, and other provisions
Uncertainty associated with estimates in connection with provisions for employee benefits arises primarily from the measurement of defined benefit obligations, on which actuarial assumptions have a material effect. Actuarial assumptions are based on a large number of long-term, forward-looking factors, such as salary increases, annuity trends, and average life expectancy.

In the case of provisions for share-based payment transactions, estimation uncertainty arises from the way in which fair value is determined. This fair value is based on assumptions regarding the payout amount, which in turn depends on the performance of the variables specified in the underlying agreements.

In order to measure provisions relating to building society operations, building society simulations (collective simulations) that forecast home savings customers' future behavior are used that are available for evaluation of the options. These options available to home savings customers include, for example, drawing down the home savings loan, waiving the loan after allocation, or continuing with the home savings contract. Uncertainty in connection with the measurement of the provisions may arise depending on the extent to which the assumptions about future customer behavior – taking account of various interest-rate scenarios and management measures – that were forecast using collective simulation actually materialize in the future. Building society simulations are used to determine the present value of the collective building society operations. The main inputs for the collective simulations are presented in note 26.

Actual cash outflows in the future related to items for which other provisions have been recognized may differ from the forecast utilization of the provisions.

The basis for measurement and the assumptions and estimates underlying the calculation of provisions are described in note 26.

Income tax assets and liabilities
The deferred tax assets and liabilities described in note 56 are calculated on the basis of estimates of future taxable income in taxable entities. In particular, these estimates have an effect on any assessment of the extent to which it will be possible to make use of deferred tax assets in the future. In addition, the calculation of current tax assets and liabilities for the purposes of preparing financial statements involves assessing details relevant to income tax.

Climate-related matters
Climate-related matters impact on the familiar assumptions and estimates. No additional estimation uncertainty has arisen with regard to the calculation of the carrying amounts of assets and liabilities and the

calculation of income and expenses. Estimation uncertainty and the related judgments in respect of climate-related matters primarily arise when determining the fair value of financial assets and financial liabilities, identifying any impairment of financial assets, and measuring insurance contract liabilities. Climate-related matters did not result in any explicit adjustments being made in the determination of the fair value of financial assets and financial liabilities in the reporting period. To some extent, however, climate-related matters are factored into the pertinent models implicitly. The consideration of climate-related matters when identifying impairment of financial assets during the reporting period is explained in note 85, specifically in the information on the impact of macroeconomic conditions. When measuring insurance contract liabilities, climate-related matters are taken into account by making prudent additions to the liability for incurred claims and maintaining an extensive reinsurance program that comes into effect when a defined claims threshold is exceeded and thus limits financial risk.

» 03 Scope of consolidation

In addition to DZ BANK as the parent, the consolidated financial statements for the year ended December 31, 2024 include 14 subsidiaries (December 31, 2023: 16) and 5 subgroups (December 31, 2023: 5) comprising a total of 83 subsidiaries (December 31, 2023: 90).

The main change to the scope of consolidation in 2024 was the deconsolidation of Immobilien-Gesellschaft ‘DG Bank-Turm, Frankfurt am Main, Westend’ mbH & Co. KG des genossenschaftlichen Verbundes, Frankfurt am Main, which was liquidated in the reporting year.

The consolidated financial statements include 7 joint arrangements in the form of joint ventures with at least one other entity outside the group (December 31, 2023: 5) and 24 associates (December 31, 2023: 23) over which DZ BANK has significant influence. These entities are accounted for using the equity method. There are currently no joint arrangements classified as joint operations.

The shareholdings of the DZ BANK Group are listed in full in note 115.

» 04 Procedures of consolidation

Financial information in the consolidated financial statements contains data from the parent company, which incorporates data from its consolidated subsidiaries. The parent company and the consolidated subsidiaries are presented as a single economic entity.

An investee is included in the scope of consolidation as a subsidiary from the date on which DZ BANK obtains control over it. DZ BANK controls an investee when DZ BANK directly or indirectly has power over the investee, is therefore exposed to significant variable returns from its involvement with the investee, and has the ability to affect the variable returns from the investee through this power. Unless otherwise contractually agreed, DZ BANK controls an entity if it holds more than half of the voting rights, either directly or indirectly. The assessment of whether control exists also takes account of potential voting rights, provided they are considered substantial.

DZ BANK also considers itself to have control over an entity in cases where it does not hold the majority of the voting rights but does have the ability to unilaterally direct the relevant activities of the entity concerned. It is sometimes necessary to make judgments, taking all of the relevant facts and circumstances into consideration, when making such a determination. This is particularly applicable to principal/agent relationships, which require an assessment of whether DZ BANK or other parties with decision-making rights are acting as principal or as an agent. With regard to principal/agent relationships, considerable judgments have to be made in order to assess the appropriateness of contractually agreed remuneration and of the level of the variable returns received.

A review is carried out at least once every six months to decide which subsidiaries are to be consolidated.

The financial statements of the entities consolidated in the DZ BANK Group have been prepared using uniform accounting policies. When preparing the consolidated financial statements, uniform accounting policies are used for like transactions.

The consolidated subsidiaries prepared their financial statements on the basis of a financial year ended December 31, 2024. With 20 (December 31, 2023: 19) exceptions, the separate financial statements of the entities accounted for using the equity method are prepared to the same balance sheet date as that of the parent company. There is no resulting material impact in respect of the subsidiaries and associates concerned, and therefore no interim financial statements have been prepared.

Intragroup assets and liabilities, as well as intragroup income and expenses, are eliminated in full. Intragroup profits or losses resulting from transactions within the group are also eliminated in full.

When a subsidiary is consolidated, the carrying amount of the investment in the subsidiary is offset against the proportionate equity of the subsidiary. Any share of a subsidiary's equity not attributable to the parent company is reported under equity as non-controlling interests.

Where an entity is controlled without there being an investment in the equity of the controlled entity, the subsidiary's entire equity is recognized as non-controlling interests under equity. If the subsidiary's equity does not qualify as equity pursuant to IAS 32, it is recognized under liabilities.

Goodwill resulting from offsetting the acquisition cost of a subsidiary against the equity remeasured at fair value on the acquisition date is recognized as goodwill when the acquisition method is applied. It is recognized under other assets. Goodwill is tested for impairment at least once a year. Any negative goodwill is recognized in profit or loss on the acquisition date.

If DZ BANK loses control over a subsidiary, the assets and liabilities of this former subsidiary, together with the carrying amount of any non-controlling interests in the former subsidiary, are derecognized when control is lost. The fair value of any consideration received is recognized at the same time. The gain or loss arising in connection with the loss of control is recognized in profit or loss.

Entities under joint control with at least one other entity outside the group are accounted for as joint ventures in the consolidated financial statements. DZ BANK has joint control over an arrangement when there is a contractual agreement in place that requires decisions about the arrangement's relevant activities to be reached with the unanimous consent of all the parties sharing control.

DZ BANK has a significant influence over an investee if it can participate in the financial and operating policy decisions of the investee without having control or joint control over it. Unless it can be proved otherwise, this is assumed to be the case where between 20 and 50 percent of the voting shares are held.

Investments in joint ventures and associates are accounted for using the equity method and reported on the balance sheet under investments or investments held by insurance companies.

Under the equity method, the DZ BANK Group's investments in associates and joint ventures are initially recognized at cost. Subsequently, the carrying amount is increased or decreased to recognize the group's share of the profit/loss or other changes to the net assets of the associate or joint venture after the acquisition.

If significant influence over an associate or joint venture is lost, the gain or loss arising from the disposal of the investment accounted for under the equity method is recognized in profit or loss.

» 05 Financial instruments

Categories of financial instruments

Financial assets measured at fair value through profit or loss (fair value PL)
Financial assets that are not measured at amortized cost or at fair value through other comprehensive income are classified as 'financial assets measured at fair value through profit or loss'. This category is broken down into the following subcategories:

Financial assets mandatorily measured at fair value through profit or loss
The subcategory 'financial assets mandatorily measured at fair value through profit or loss' covers financial assets that do not meet the IFRS 9 SPPI criterion and financial assets that were acquired for the purpose of selling them in the near term. This subcategory also includes financial assets that are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives that are not designated as hedging instruments are included in this subcategory too.

In the category 'financial assets mandatorily measured at fair value through profit or loss', all changes in fair value are recognized in profit or loss.

Contingent considerations in a business combination
This subcategory covers contingent considerations that the acquirer has classified as financial assets in the context of a business combination.

In the subcategory 'contingent considerations in a business combination', all changes in fair value are recognized in profit or loss.

Financial assets designated as at fair value through profit or loss (fair value option)
Financial assets may be assigned to the subcategory 'financial assets designated as at fair value through profit or loss' by exercising the fair value option, provided that the application of this option eliminates or significantly reduces measurement or recognition inconsistencies (accounting mismatches). The fair value option is applied to eliminate or significantly reduce accounting mismatches that arise if non-derivative financial instruments and related derivatives used to hedge such instruments are measured differently. Derivatives are measured at fair value through profit or loss, whereas non-derivative financial instruments are measured at amortized cost or changes in fair value may be recognized in other comprehensive income. If no hedge accounting takes place, this gives rise to accounting mismatches that can be significantly reduced by applying the fair value option. The fair value option is used in the context of financial assets to prevent accounting mismatches that could arise in connection with loans and advances to banks and customers and bearer bonds.

In the subcategory 'financial assets designated as at fair value through profit or loss', all changes in fair value are recognized in profit or loss.

Financial assets measured at fair value through other comprehensive income (fair value OCI)
This category is broken down into the following subcategories:

Financial assets mandatorily measured at fair value through other comprehensive income
A financial asset is assigned to this subcategory if it is held in accordance with a business model aimed both at collecting contractual cash flows and at selling financial assets. Moreover, the contractual terms of the financial asset must give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI criterion).

Because of the SPPI criterion, these financial assets only comprise debt instruments. They are measured at fair value. Interest income, loss allowances, and currency translation effects must be recognized in profit or loss. Any differences between the amortized cost and the fair value that do not result from loss allowances or currency translation are recognized in other comprehensive income. The amounts recognized in other comprehensive income must be recycled to the income statement upon derecognition.

Financial assets designated as at fair value through other comprehensive income (fair value OCI option)
There is an irrevocable option to designate equity instruments as 'financial assets designated as at fair value through other comprehensive income' (fair value OCI option) upon initial recognition. Changes in fair value are recognized in other comprehensive income, except in the case of dividends that do not constitute repayment of capital. The cumulative other comprehensive income is not subsequently recycled to the income statement, e.g. due to derecognition of the instrument. After derecognition of these equity instruments, the cumulative other comprehensive income is reclassified to retained earnings. The fair value OCI option can generally only be exercised for equity instruments that are not held for trading and do not constitute contingent consideration recognized by the acquirer in a business combination pursuant to IFRS 3.

Financial assets measured at amortized cost (AC)
A financial asset is assigned to this category if it is held in accordance with a business model aimed at holding financial assets for the purpose of collecting contractual cash flows. The contractual terms of the financial asset must give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Because of the SPPI criterion, financial assets in this category only comprise debt instruments. They are measured at amortized cost using the effective interest method. Interest income (using the effective interest method), loss allowances, and currency translation effects are recognized in profit or loss.

Financial liabilities measured at fair value through profit or loss (fair value PL)
Financial liabilities that are not measured at amortized cost are classified as 'financial liabilities measured at fair value through profit or loss'. This category is broken down into the following subcategories:

Financial liabilities mandatorily measured at fair value through profit or loss
The subcategory 'financial liabilities mandatorily measured at fair value through profit or loss' covers financial liabilities that are issued with the intention of repaying them in the near term and financial liabilities that are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives that are not designated as hedging instruments are included in this subcategory too.

In the subcategory 'financial liabilities mandatorily measured at fair value through profit or loss', all changes in fair value are recognized in profit or loss.

Contingent considerations in a business combination

This subcategory covers contingent considerations that the acquirer has classified as financial liabilities in the context of a business combination.

In the subcategory 'contingent considerations in a business combination', all changes in fair value are recognized in profit or loss.

Financial liabilities designated as at fair value through profit or loss (fair value option)

Financial liabilities may be assigned to the 'financial liabilities designated as at fair value through profit or loss' subcategory by exercising the fair value option, provided that the application of this option eliminates or significantly reduces measurement or recognition inconsistencies (accounting mismatches), the financial liabilities are managed as a portfolio on a fair value basis, or they include one or more embedded derivatives required to be separated from the host contract.

In the case of financial liabilities, the fair value option is exercised to eliminate or significantly reduce accounting mismatches for loan liabilities to banks and customers, issued registered or bearer Pfandbriefe, other bonds and commercial paper, and registered or bearer subordinated liabilities. Some of the promissory notes and bonds issued are structured financial instruments containing derivatives for which bifurcation is not required. The derivative components of these instruments are subject to economic hedging that does not meet the criteria for the application of hedge accounting.

The fair value option is also applied to structured financial liabilities containing embedded derivatives requiring bifurcation, provided that the embedded derivatives cannot be measured separately and the financial liabilities are not designated as held for trading.

As regards financial liabilities designated as at fair value through profit or loss, any gains/losses resulting from a change in the fair value of a financial liability that is attributable to a change in the liability's credit risk must be recognized in other comprehensive income. The rest of the change in the fair value of this liability is recognized in profit or loss. The amounts recognized in other comprehensive income are reclassified to retained earnings on derecognition of the relevant financial liability.

Financial liabilities measured at amortized cost (AC)

For measurement subsequent to initial recognition, financial liabilities are generally categorized as 'financial liabilities measured at amortized cost'.

The following are not included in this category: Financial liabilities measured at fair value through profit or loss, financial liabilities that arise when a transfer of a financial asset does not satisfy the condition for derecognition or accounting treatment is based on a continuing involvement, financial guarantee contracts, loan commitments with an interest rate below the market interest rate, and contingent considerations recognized by the acquirer in a business combination pursuant to IFRS 3.

In accordance with IAS 32, shares in partnerships are normally categorized as debt instruments. Given their subordinated status compared with the liabilities of the partnerships concerned, non-controlling interests in partnerships are reported as subordinated capital. Profit attributable to non-controlling interests in partnerships that has not yet been distributed is recognized under other liabilities, provided that the resulting liability is not of a subordinated nature. The capital and profit of partnerships attributable to non-controlling interests in partnerships are classified as 'share capital repayable on demand' under subordinated capital and other liabilities and are assigned to the 'financial liabilities measured at amortized cost' category.

This category also includes liabilities under compensation payment obligations owed to non-controlling interests in consolidated subsidiaries. These liabilities arise if DZ BANK or some other entity controlled by

DZ BANK has concluded a profit transfer agreement with a subsidiary in accordance with section 291 (1) of the German Stock Corporation Act (AktG) under which there are non-controlling interests. Liabilities under compensation payment obligations are recognized at the amount of the discounted obligation.

In addition, this category includes liabilities from investment contracts that are not designated as unit-linked insurance products. There is no significant transfer of insurance risk in these investment contracts and they do not therefore satisfy the criteria for an insurance contract under IFRS 17. As a consequence, they need to be treated as financial instruments in accordance with IFRS 9.

Interest expense (using the effective interest method) and currency translation effects are recognized in profit or loss.

Other financial instruments

Hedging instruments

The designation of derivative and non-derivative financial assets and liabilities as hedging instruments is governed by IFRS 9. The recognition and measurement of these hedging instruments is described in note 16.

Liabilities from financial guarantee contracts

Liabilities from financial guarantee contracts measured in accordance with IFRS 9 must be recognized as a liability at fair value by the issuer of the guarantee at the date of issue. At the date of issue, the fair value is normally equivalent to the present value of the consideration received for issuing the financial guarantee contract. In any subsequent measurement, the obligation must be measured at the higher of the amount determined in accordance with the impairment model and the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the principles of IFRS 15. In the presentation of financial guarantee contracts, the guarantee commission receivables due from the beneficiary to the DZ BANK Group as the issuer of the guarantee are offset against guarantee obligations (net method).

Finance lease receivables and lease liabilities

Finance lease receivables and lease liabilities fall within the scope of IFRS 16.

Financial assets and financial liabilities specific to insurance business

In addition to financial instruments that fall within the scope of IFRS 9, other assets and liabilities are held in the context of the insurance business.

Deposits with ceding insurers are recognized at their nominal amounts. Receivables arising out of direct insurance operations and receivables arising out of reinsurance operations are recognized at their nominal amounts net of payments made. Impairment losses on receivables arising out of direct insurance operations and on receivables arising out of reinsurance operations are recognized directly in the carrying amounts. Assets related to unit-linked contracts are measured at fair value through profit or loss on the basis of the underlying investments.

Deposits received from reinsurers, payables arising out of direct insurance operations, and payables arising out of reinsurance operations are recognized at their nominal amounts.

Deposits with ceding insurers as well as assets related to unit-linked contracts are reported on the balance sheet under investments held by insurance companies. Deposits received from reinsurers, receivables and payables arising out of direct insurance operations, and receivables and payables arising out of reinsurance operations are recognized under other assets or other liabilities.

Initial recognition and derecognition of financial assets and financial liabilities

Derivatives are initially recognized and derecognized on the trade date. Regular way purchases and sales of non-derivative financial assets and liabilities are generally recognized and derecognized using settlement date accounting. Consolidated investment funds are recognized on the trade date. Changes in fair value between the trade date and settlement date are recognized in accordance with the categorization of the financial assets and financial liabilities.

All financial instruments are generally measured at fair value on initial recognition. In the case of financial assets or financial liabilities not subsequently measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of the financial asset or issue of the financial liability concerned are added or deducted on initial recognition.

Differences between transaction prices and fair values are recognized in profit or loss on initial recognition if the fair values correspond to the price quoted in an active market for an identical asset or identical liability or are based on a valuation technique that only uses data from observable markets. If, however, the calculation of the fair value is not substantiated by a price quoted in an active market for an identical asset or identical liability or if the calculation is not based on a valuation technique that only uses data from observable markets, they are initially recognized at fair value on the balance sheet, plus the unrecognized day-one profit or loss. Any differences not recognized in profit or loss at the time of initial recognition are amortized to profit or loss over the maturity period or at the time that all inputs factored into the valuation models are observable.

Financial assets are derecognized if the contractual rights to the cash flows from the financial assets have expired or these rights have been transferred to third parties, and substantially no risks or rewards of ownership in the financial assets remain. If only some of the risks and rewards are transferred and control is partly retained, the financial asset is derecognized only up to the amount of the continuing involvement. If the criteria for derecognizing financial assets are not satisfied, the transfer to third parties is recognized as a secured loan. Financial liabilities are derecognized when the contractual obligations have been settled, extinguished or have expired.

Gains and losses from the derecognition of financial assets measured at amortized cost are reported as a separate line item in the income statement.

Loss allowances for financial assets

Under IFRS 9, loss allowances are recognized for those financial assets that constitute debt instruments and for loan commitments and financial guarantee contracts. Derivatives and equity instruments do not fall within the scope of the IFRS 9 impairment model. Loss allowances are recognized in respect of the following financial assets:

- Financial assets in the IFRS 9 category ‘financial assets measured at amortized cost’
- Financial assets (only debt instruments) in the IFRS 9 category ‘financial assets measured at fair value through other comprehensive income’
- Finance lease receivables that fall within the scope of IFRS 16, and
- Trade receivables and contract assets that fall within the scope of IFRS 15

and for:

- Loan commitments where there is a current legal obligation to grant credit (irrevocable loan commitments), provided they are not measured at fair value through profit or loss, and
- Financial guarantee contracts, provided they are not measured at fair value through profit or loss

All financial assets are, as a rule, assigned to stage 1 upon initial recognition. An exception to this rule are financial assets that fall into the category of 'purchased or originated credit-impaired assets' (POCI assets). Other exceptions are trade receivables and contract assets that fall within the scope of IFRS 15, which are allocated directly to stage 2 (simplified approach).

Loss allowances for assets in stage 1 must be recognized in an amount equal to the 12-month expected credit loss. Loss allowances for financial assets measured at amortized cost and finance lease receivables are presented in the loss allowances line item on the assets side of the balance sheet. For financial assets measured at fair value through other comprehensive income, loss allowances are recognized in the reserve from other comprehensive income on the equity and liabilities side. Loss allowances for loan commitments and financial guarantee contracts are recognized on the equity and liabilities side under provisions.

Financial assets subject to the IFRS 9 impairment rules must be reviewed at every balance sheet date to ascertain whether one or more events have occurred, or are still occurring, with an adverse impact on the estimated future cash flows of these financial assets.

At each balance sheet date, assets are assigned to stage 2 if their credit risk has significantly increased since initial recognition but there is no objective evidence of impairment, which would require their assignment to stage 3. For these assets, the loss allowances are measured at the amount of the lifetime expected credit losses.

To simplify matters, it can be assumed that the credit risk of a financial instrument has not increased significantly since initial recognition if – for example, on the basis of investment-grade credit ratings – the financial instrument has a low credit risk at the balance sheet date (low credit risk exemption). The low credit risk exemption is applied to securities.

Financial assets deemed to be impaired on the basis of objective evidence are assigned to stage 3. For these assets, the loss allowances are measured at the amount of the lifetime expected credit losses.

Financial assets that are purchased or originated credit-impaired assets (POCI assets) are initially recognized at their carrying amount less the lifetime expected credit losses and amortized using a risk-adjusted effective interest rate. At the balance sheet date, only the cumulative changes to the lifetime expected credit losses since initial recognition are recognized as a loss allowance. Stage allocation is not required for these assets. Please refer to note 85 for more detailed information on loss allowances for financial assets.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative financial instrument (host contract), with the effect that some of the cash flows of the combined financial instrument vary in a way similar to those of a standalone derivative. A derivative that is attached to a financial instrument but is contractually transferable independently of that instrument, or has a different counterparty, is not an embedded derivative, but a separate financial instrument.

If a hybrid contract contains a host contract that is a financial asset within the scope of IFRS 9, the categorization rules for financial assets are applied to the entire hybrid contract.

If a hybrid contract contains a host contract that is not a financial asset within the scope of IFRS 9, an embedded derivative is separated from the host contract and accounted for separately if:

- the economic characteristics and risks of the derivative are not closely related to the economic characteristics and risks of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the hybrid contract is not measured at fair value through profit or loss.

If the embedded derivative does not meet all of these conditions, it may not be separated from the host contract. When an embedded derivative is separated, the host contract is accounted for separately in accordance with the pertinent rules.

If a contract includes one or more embedded derivatives and the host contract is not a financial asset within the scope of IFRS 9, the entire hybrid contract can be categorized as measured at fair value through profit or loss. This is not the case where embedded derivatives only have an insignificant impact on the contractually specified cash flows or, upon initial comparison with similar hybrid instruments, it is evident without – or with only minor – analysis that separation of the embedded derivative is not permitted.

Classes of financial instruments

For the purposes of the disclosures on the importance of financial instruments to financial position and financial performance, financial instruments falling within the scope of IFRS 7 are classified using the 7 classes of financial instruments described below.

Classes of financial assets

Financial assets measured at fair value

The class of financial assets measured at fair value comprises the following categories defined by IFRS 9:

- 'Financial assets measured at fair value through profit or loss' with the subcategories 'financial assets mandatorily measured at fair value through profit or loss', 'contingent considerations in a business combination' ('contingent considerations'), and 'financial assets designated as at fair value through profit or loss' (fair value option)
- 'Financial assets measured at fair value through other comprehensive income' with the subcategories 'financial assets mandatorily measured at fair value through other comprehensive income' and 'financial assets designated as at fair value through other comprehensive income' (fair value OCI option)

In addition to the financial assets in the categories specified above, this class of financial assets measured at fair value includes derivatives used for hedging (positive fair values).

Financial assets measured at amortized cost

The 'financial assets measured at amortized cost' class includes, in particular, cash and cash equivalents measured at amortized cost, loans and advances to banks and customers measured at amortized cost, and investments measured at amortized cost.

Finance leases

The 'finance leases' class comprises solely finance lease receivables.

Classes of financial liabilities

Financial liabilities measured at fair value

The 'financial liabilities measured at fair value' class comprises financial liabilities in the category 'financial liabilities measured at fair value through profit or loss' with the subcategories 'financial liabilities mandatorily measured at fair value through profit or loss', 'contingent considerations in a business combination' ('contingent considerations'), 'financial liabilities designated as at fair value through profit or loss' (fair value option), and derivatives used for hedging (negative fair values).

Financial liabilities measured at amortized cost

The class known as 'financial liabilities measured at amortized cost' is identical to the category of financial liabilities of the same name.

Leases

The 'leases' class comprises solely lease liabilities.

Financial guarantee contracts and loan commitments

Provisions for financial guarantee contracts and provisions for loan commitments within the scope of IAS 37 are aggregated in the class 'financial guarantee contracts and loan commitments'.

» 06 Hedge accounting

General information on hedge accounting

As an integral part of its risk management strategy, the DZ BANK Group hedges against risks arising in connection with financial instruments.

If the hedging of risk in connection with financial instruments gives rise to accounting mismatches between the hedged item and the hedging instrument used, the DZ BANK Group designates the hedging transaction as a hedge in accordance with the hedge accounting requirements of IFRS 9 in order to eliminate or reduce such mismatches. In exercise of the option available under IFRS 9.6.1.3, the DZ BANK Group continues to account for portfolio hedges in application of the rules under IAS 39.

Fair value hedges

A fair value hedge is intended to ensure that changes in the fair value of the hedged item are offset by countervailing changes in the fair value of the hedging instrument. Changes in the fair value of the hedged item attributable to the hedged risk and changes in the fair value of the hedging instrument are recognized in profit or loss. Where equity instruments are hedged whose changes in fair value are recognized in other comprehensive income, the changes in the fair value of the hedging instruments are also recognized in other comprehensive income. Risks may be hedged by designating hedges either on an individual basis in accordance with IFRS 9 or on a portfolio basis in accordance with IAS 39.

Hedged items categorized as 'financial assets measured at amortized cost' or 'financial liabilities measured at amortized cost' are measured in accordance with the general measurement principles for these financial instruments. The values are adjusted for the change in fair value attributable to the hedged risk. Hedged items categorized as 'financial assets measured at fair value through other comprehensive income' are measured at fair value, although only changes not attributable to the hedged changes in fair value are recognized in other comprehensive income. Interest income and interest expense arising from hedged items or hedging instruments are recognized under net interest income.

If the fair value is hedged against interest-rate risks on a portfolio basis, the cumulative changes in fair value attributable to the hedged risk are reported on the balance sheet under fair value changes of the hedged items in portfolio hedges of interest-rate risk, either under assets or liabilities depending on whether the portfolio comprises financial assets or financial liabilities.

In fully effective hedges, the changes in fair value (attributable to the hedged risk) recognized in profit or loss over the lifetime of the hedge completely cancel each other out. Any changes in fair value recognized in the carrying amount of the hedged items are amortized through profit or loss by the time the hedge has been terminated.

Cash flow hedges

The purpose of cash flow hedges is to ensure that changes in uncertain future cash flows from hedged items are offset by changes in cash flows from hedging instruments.

Hedging instruments are measured at fair value. Changes in fair value attributable to the effective portion of the hedge are recognized in other comprehensive income. Changes in fair value attributable to the ineffective portion of the hedge are recognized in profit or loss. Hedged items are recognized and measured in accordance with the general principles for the relevant measurement category. At the end of a hedging relationship, any changes in fair value recognized in other comprehensive income must be reclassified to profit or loss on the date on which the hedged items or transactions are also recognized in profit or loss.

Hedges of net investments in foreign operations

The purpose of hedges of net investments in foreign operations is to offset exchange differences resulting from net investments denominated in foreign currency.

Hedges of net investments in foreign operations are accounted for in the same way as cash flow hedges.

» 07 Currency translation

All monetary assets and liabilities, together with unsettled spot transactions, are translated at the closing rate into the relevant functional currency of the entities in the DZ BANK Group. Cash in foreign currency is translated using the buying rate for cash on the balance sheet date. The translation of non-monetary assets and liabilities depends on the way in which these assets and liabilities are measured. If non-monetary assets are measured at amortized cost, they are translated using the historical exchange rate. Non-monetary assets measured at fair value are translated at the closing rate. Income, expenses, gains, and losses are translated on the date they are recognized either in profit or loss or in other comprehensive income.

If the functional currency of subsidiaries consolidated in the DZ BANK Group is different from the group's reporting currency (euros), all assets and liabilities are translated at the closing rate. Equity (with the exception of the revaluation reserve) is translated at the historical rate. Income and expenses are translated at the spot rate on the transaction date or, in a simplified procedure, at the average rate. The closing rate can also be used if there is no material impact compared with the use of average rates. Any differences arising from currency translation are reported in the currency translation reserve. In most cases, the functional currency of the entities included in the consolidated financial statements is the euro, i.e. the group reporting currency.

» 08 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and reported as a net amount on the balance sheet if the group currently has a legally enforceable right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The legal right of set-off cannot be contingent on a future event and must be exercisable in the normal course of business, in the event of default, and in the event of insolvency of the entity or any of the counterparties.

» 09 Sale and repurchase agreements, securities lending

Sale and repurchase agreements (repos) are transactions in which the parties agree the sale and subsequent repurchase of securities at a fixed price and time. The risks and rewards of ownership of the sold securities remain in full with the original seller, provided that the buyer is under an obligation to sell back the securities. If the DZ BANK Group enters into repos as the original seller, the securities sold continue to be recognized on the balance sheet because the derecognition criteria in IFRS 9.3 et seq. are not satisfied. A liability corresponding to the amount of the purchase price received is recognized. If the group enters into reverse repos as a buyer, the securities purchased must not be recognized on the balance sheet. A receivable corresponding to the amount of the purchase price paid is recognized.

Securities lending transactions are transactions in which the lender provides the borrower with securities for use over a defined period of time. Securities lent as part of securities lending transactions remain on the balance sheet. Where collateral is received in this regard, and this collateral is in cash, a liability is recognized. Borrowed securities do not meet the recognition criteria set out in IFRS 9.1 et seq. and must therefore not be recognized on the balance sheet. Any cash collateral furnished in connection with borrowed securities is reported as a receivable.

Sale and repurchase agreements and securities lending transactions result in transfers in which the transferred assets remain on the balance sheet in their entirety. The DZ BANK Group is not involved in any transfers in which the transferred assets are recognized according to the extent of continuing involvement or transfers of financial assets with a continuing involvement that are fully derecognized.

» 10 Collateral

Receivables are recognized for assets pledged as collateral in the form of cash deposits. Other assets pledged as collateral continue to be reported on the balance sheet unchanged. Where collateral is received, and this collateral is in cash, a liability for a corresponding amount is recognized. Other financial or non-financial assets received as collateral are not recognized on the balance sheet unless the assets are obtained in connection with the recovery of collateral or a purchase of real estate that was previously held as collateral.

» 11 Insurance business

General information on the accounting treatment of insurance business

The insurance business comprises insurance contracts, investment contracts, and service contracts. It also includes financial guarantee contracts with policyholders.

Under an insurance contract, the issuer accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if an uncertain future event adversely affects the policyholder. Insurance contracts are recognized in accordance with the requirements of IFRS 17. Investment contracts are mainly pension fund contracts based on defined benefit plans or contracts to protect semi-retirement employment models. Investment contracts are classified as financial instruments within the scope of IFRS 9. Service contracts comprise, in particular, separable components of insurance contracts that contain services other than services pursuant to IFRS 17. Such service contracts are subject to the revenue recognition requirements specified in IFRS 15. Any financial guarantee contracts in connection with insurance business are recognized in accordance with the accounting requirements applicable to insurance contracts.

The insurance business is reported under specific insurance items in the income statement and on the balance sheet. Material components of the specific insurance items are described below.

Financial assets and financial liabilities

Financial assets and financial liabilities held or acquired as part of insurance business are accounted for in accordance with the accounting policies for financial instruments described in note 05. These financial assets and financial liabilities are reported under investments held by insurance companies, other assets held by insurance companies, and other liabilities of insurance companies. Any loss allowances related to financial assets reported under investments held by insurance companies or other assets held by insurance companies are recognized for the categories ‘financial assets measured at amortized cost’ and ‘financial assets measured at fair value through other comprehensive income’ and are applied as a deduction within the relevant line item on the assets side of the balance sheet or are reported in the reserve from other comprehensive income. Loss allowances are presented on a net basis for investments held by insurance companies measured at amortized cost and for other assets held by insurance companies. However, in the notes on these balance sheet items, the loss allowances are presented on a gross basis.

Other liabilities of insurance companies include the performance obligations under investment contracts for which no material insurance risk is assumed when the policy is concluded. These are reported under liabilities from investment contracts within payables and residual other liabilities. The underlying financial instruments in these contracts are reported as part of assets related to unit-linked contracts under investments held by insurance companies.

Investment property

The investment property included in the investments held by insurance companies is measured at amortized cost in accordance with the cost model. On subsequent measurement, straight-line depreciation is applied over the asset’s useful life on the basis of cost.

Any expenditure that increases value and extends the useful life of real estate or results in a significant improvement in the fabric of a building is capitalized. Maintenance and repair costs are expensed as incurred.

Recoverable amounts are determined for real estate so that this information can be used in impairment tests and provided in the disclosures required in the notes to the financial statements in accordance with the provisions of IFRS 13. For this purpose, standard valuation methods are generally used that are based on the requirements of the German Real Estate Valuation Guidelines (WertR 2006) and the German Building Code (BauGB). Accordingly, the current value of real estate is determined by using the sales comparison approach, income approach, or cost approach and taking into account the provisions of any relevant contracts.

Advantages gained from low-interest, non-interest-bearing, or forgivable loans, including development loans, are recognized in the same way as government grants. The amount of financial assistance or any government grant is deducted when the carrying amount of the asset is identified and is then recognized in profit or loss over the period covered by the assistance or grant by means of a reduced depreciation charge.

General measurement methods

IFRS 17 includes 3 measurement methods, the main one being the general measurement model. The second approach is the premium allocation approach. This simplified approach is used if no material differences in the measurement of the liability for remaining coverage are expected compared with the general measurement model. It is also used for short-term business of a maximum of one year. The third approach is the variable fee approach for insurance contracts with direct participation features. All of the measurement models are used. However, the degree to which the measurement models are used in the individual business segments varies due to the differences in the nature of the aggregated business segments.

General measurement model

For the general measurement model, IFRS 17 specifies that the liability for remaining coverage for a group of insurance contracts (GIC) at initial recognition is calculated as the sum of the fulfillment cash flows and the contractual service margin (CSM). The fulfillment cash flows comprise the probability-weighted estimate of future cash flows, adjusted for the time value of money and for financial and non-financial risk. All relevant uncertainties arising from financial risk are factored into the estimate of the cash flows. An adjustment for non-financial risk is also made. The CSM is the unearned profit that will be recognized in the future during the coverage period. It is recognized in profit or loss in accordance with an amortization pattern. In the general measurement model, measurement is based on GICs instead of individual contracts. To form the GICs, portfolios are defined that comprise contracts that are subject to similar risks and managed together. These portfolios are divided into GICs based on profitability, measurement approach, and annual cohorts.

On subsequent measurement, the carrying amount of a GIC at the end of each reporting period is the sum of the liability for future coverage and the liability for incurred claims. On subsequent measurement of the liability for remaining coverage, each GIC is remeasured using current assumptions and parameters. As a result, the CSM incorporates changes to non-financial estimates regarding future coverage and new business margins and is updated in line with the provision of services. The liability for remaining coverage is calculated at each balance sheet date from the sum of the present value of the estimated cash outflows, the risk adjustment for non-financial risk, and the CSM.

The general measurement model is used for inward reinsurance and for reinsurance contracts held (with the exception of the fire, property, and hail portfolios in inward reinsurance), the risk part of the casualty insurance with premium refund business in non-life insurance, and credit insurance as part of the personal insurance business.

Premium allocation approach

The measurement of a GIC may be simplified using the premium allocation approach, provided that certain criteria are met. This simplification can be applied upon initial recognition of a GIC if an entity reasonably expects that use of the premium allocation approach will result in a measurement of the liability for future coverage that is not materially different from its measurement under the general measurement model or if the coverage period of each contract in the GIC is one year or less. When comparing the different possible measurements, the impact of the time value of money and the different amortization patterns of the liability for remaining coverage on profit or loss is taken into account. In view of the nature of the underlying business, no significant variability in the fulfillment cash flows before claims are incurred is expected.

At initial recognition of each group of insurance contracts measured using the premium allocation approach, the carrying amount of the liability for remaining coverage is measured on the basis of the premiums received at initial recognition less any insurance acquisition cash flows that have been allocated to the GIC. The carrying amount is also adjusted for any amounts arising from the derecognition of any assets or liabilities that were previously recognized for cash flows related to the GIC, including any assets for insurance acquisition cash flows.

Reinsurance contracts held are measured on the same basis as the underlying insurance contracts. If a loss is recognized at initial recognition of a group of onerous underlying insurance contracts or if further onerous underlying insurance contracts are added to a GIC, a loss recovery component is calculated, provided that corresponding reinsurance is in place. It is calculated by multiplying the loss recognized for the underlying contracts by the percentage of claims from the reinsurance contracts held.

On subsequent measurement, the carrying amount of the liability for remaining coverage is increased by premiums received and by the amortization of the insurance acquisition cash flows, which are recognized as an expense, and is reduced by the amount recognized as insurance revenue for services provided and by all additional insurance acquisition cash flows allocated after initial recognition. The same applies to subsequent measurement of reinsurance contracts held, with the exception of insurance acquisition cash flows recognized that are not available for these contracts.

The premium allocation approach is used for the non-life insurance business (except for casualty insurance with premium refund), for the fire, property, and hail portfolios in inward reinsurance, for international travel healthcare insurance in personal insurance, and for reinsurance contracts held.

Variable fee approach

Insurance contracts with direct participation features are measured in accordance with the rules of the variable fee approach. Initial measurement is the same as under the general measurement model, whereas subsequent measurement – particularly regarding the updating of the CSM – takes policyholder participation features into account.

The annual cohort rule under IFRS 17.22 as endorsed by the EU is optional; this option is exercised. The European Commission permits users in the EU to choose whether to apply the requirement under IFRS 17.22 for certain contracts or not. This decision affects the portfolios pursuant to article 2 letter a) of Regulation (EU) 2023/1803. These comprise GICs with direct participation features, groups of investment contracts with discretionary participation features, and insurance contracts with cash flows that affect or are affected by other insurance contracts in accordance with IFRS 17.B67 and IFRS 17.B68 (mutualization). This mutualization takes place across annual cohorts. In the personal insurance business involving contracts with direct participation features and with mutualization, and in casualty insurance business with premium refund involving endowment life insurance, annual cohorts are generally not formed.

On subsequent measurement of a GIC with direct participation features, the fulfillment cash flows for the entirety of the changes to the obligation to pay policyholders are adjusted by an amount corresponding to the change in the fair value of the underlying items. These changes do not relate to future services and are therefore recognized in profit or loss. The CSM is then adjusted by the changes to the entity's share of the fair value of the underlying items that relate to future services.

The variable fee approach is used for the personal insurance business (except for credit insurance and international travel healthcare insurance) and for the savings component in casualty insurance with premium refund in the non-life insurance business.

Insurance contract assets and liabilities

Liability for remaining coverage

Fulfillment cash flows

For the non-life portfolios, cash flows – calculated using the general measurement model – for estimated future claims and the associated premiums and costs are needed to be able to determine the liability for remaining coverage. The estimated future cash flows are determined using estimated ratios, realization patterns, estimated premiums written, and estimated premiums earned.

The following ratios are modeled:

– Estimated ultimate claims rates in order to model the future claims expenses for compensation payments, recourse, excess proceeds, and loss sharing agreements as well as external claim settlement costs
– Expected ratios for internal claim settlement costs, insurance acquisition cash flows, administration costs, fire protection taxes, premium refunds, and lapse

Various realization patterns are modeled for settlement purposes. The payment pattern for future compensation payments, recourse, excess proceeds, loss sharing agreements and claim settlement costs is derived from the settlement pattern used in the recognition of claims provisions. In addition, various payment patterns for the insurance acquisition cash flows, administration costs, fire protection taxes, and premium refunds are modeled.

In the personal insurance business, the fulfillment cash flows are based on a projection of future cash flows within the contract boundaries. This takes account of all cash inflows and outflows that are needed to settle the insurance liabilities during their term to maturity. These comprise premium payments and related cash flows, all payments to policyholders and beneficiaries (including future policyholder participation), and all expenses incurred in order to fulfill the insurance obligations, where these can be allocated directly.

Premiums, guaranteed benefits, and costs are projected for the main portfolios on an individual contract basis until expiry. The stochastic measurement is primarily based on these deterministic cash flows, with other factors such as dynamic policyholder behavior also taken into account. Business that is not modeled on an individual contract basis is taken into account using an appropriate scaling approach.

In addition to the product and portfolio data at the start of the projection, assumptions about changes in the portfolio over the course of the projection are also incorporated. These are assumptions about biometrics and policyholder behavior, such as second-order mortality probabilities, probabilities for lump-sum payments, and lapse probabilities. Inflation assumptions are taken into account in the cost projection.

To measure the policyholder participation payments, the policyholder participation is allocated for each year of the projection depending on the funds available from the provision for premium refunds under HGB. The HGB provision for premium refunds is updated in accordance with the German Minimum Allocation Regulation (MindZV).

The value of the options and guarantees is determined using stochastic simulation.

In inward reinsurance, the fulfillment cash flows – both for the liability for remaining coverage and for the liability for incurred claims – are measured using estimates of future cash flows determined in accordance with IFRS 17.33-35 and taking account of IFRS 17.B65, B66, and B66(a). A distinction is made in the modeling between cash flows related to premiums, cash flows related to benefits, and cash flows related to costs. The costs modeled are the administration costs that can be allocated and other insurance-related costs. IFRS 17.59(a) applies only if insurance acquisition cash flows within the meaning of IFRS 17 exist.

The estimates of future cash flows are determined for each GIC, broken down into items relating to premiums, claims, and costs, using a multi-stage model as a best estimate on the basis of past data and future forecasts. The future cash flows of the outstanding payments are generated using actuarial payment flow patterns. Changes to estimates of future cash flows are predominantly based on information from previous insurers and on historic and current data. Changes to estimates that are based on the exercise of judgment are documented separately. The modeling of the estimated cash flows is based on the 5 biggest currencies in terms of volume (euro, US dollar, pound sterling, Japanese yen, and South African rand).

The outstanding cash flows are then divided into those for coverage already provided (liability for incurred claims) and those for coverage still outstanding (liability for remaining coverage). The future cash flows are determined on an underwriting year basis, although forecasts of future claims and the settlement of claims incurred are combined. It is therefore necessary to allocate the remaining claims provision to future coverage and past coverage. The basis for this distribution draws on the breakdown of the total estimate of premiums at each balance sheet date. Analysis of the settlement year enables the premium payments to be allocated to the actual coverage provided by the previous insurer.

Risk adjustment for non-financial risks

A confidence level technique is used to determine the risk adjustment for non-financial risk. A confidence level of 75 percent has been set for the Group. The option to not split the change in the risk adjustment into an insurance service component and an insurance finance component is not exercised. When determining the risk adjustment for each GIC, no risk compensation effects are taken into account that go beyond the level of the individual legal entity.

Discount rates

All cash flows are discounted with a risk-free yield curve that has been adjusted to reflect the liquidity characteristics of the insurance contracts. The liquidity of an insurance contract is determined by the predictability of its cash flows. The amount of the liquidity premium is derived from the liquidity of the reference market. Uncertainties in determining the discount rates and, in particular, the differences between different insurance contracts are taken into account in the measurement of the fulfillment cash flows at another point and are thus not taken into account by adjusting the yield curve. The relevant uncertainties arising from financial risk are factored into the estimate of the cash flows as part of a stochastic measurement that is based on up-to-date market prices of relevant hedging instruments. Non-financial uncertainties are reflected in the risk adjustment for non-financial risks. No further differentiation in terms of liquidity is therefore made in the measurement yield curve. The yield curve is determined for each currency using a bottom-up approach. In a two-step process, the risk-free and liquid basic yield curve is determined and then adjusted for an illiquidity premium.

The risk-free, liquid basic yield curve is determined using the risk-free, liquid swap rates based on 6M Euribor, which are derived from observable market prices and which are extrapolated for maturities for which no observable market prices can be determined. The Nelson Siegel method is used for the extrapolation. If no suitable discount rates are observable in the market, they have to be estimated in accordance with IFRS 17.B78. Market data that is fundamentally observable but cannot be obtained from liquid markets with sufficient transaction volumes is not regarded as reliable. In this case, judgment has to be exercised in order to assess the degree of similarity between the features of the insurance contracts to be measured and the observable market prices.

To reflect the liquidity characteristics of the insurance contracts, the risk-free, liquid basic yield curve is adjusted for an illiquidity premium. As the complete illiquidity of a cash flow is, by definition, not observable in the market, it is determined only approximately from observable market data. This process of determination results in a lower-end barrier for the complete illiquidity premium and thus in an abstract, risk-free, and completely illiquid yield curve pursuant to IFRS 17.B84. Higher illiquidity premiums cannot be established due to a lack of available data and are thus not estimated on the basis of reliable data. To determine the illiquidity premium from market data, the yield differential between German Pfandbriefe and German government securities with 1, 5, and 10-year maturities as at the reporting date are used, with interpolation between these maturities. Estimation uncertainties are also taken into account for longer yield differentials.

In inward reinsurance, there are transactions in foreign currencies for which yield curves for discounting are also provided in the following main currencies: US dollar, pound sterling, Japanese yen, and South African rand. The foreign currency curves are determined using a methodology that involves determining the difference between the risk-free interest rates and the risk-free euro yield curve and adjusting the euro IFRS 17 discount curve by the individual maturity-related interest-rate differentials.

Investment component

The investment component of a contract is determined by calculating the amount that has to be repaid to the policyholder in all scenarios that have commercial substance, irrespective of the occurrence of an insured event. Investment component payments are not recognized as part of insurance revenue or insurance service expenses.

In personal insurance, the investment component is calculated as the cash surrender value defined in the contract terms and conditions less any fees due. Policyholder participation in the form of the interest-bearing accumulated amount or unit-linked policyholder participation also constitutes an investment component.

In inward reinsurance, the amount of the guaranteed payment to the ceding insurer and thus the investment component is calculated as the minimum of the benefit and the contractual agreements if no claim is made. Owing to the nature of the reinsurance business, it is assumed that the guaranteed benefit if no claim is made is smaller than the benefits in a loss event. As the contractual terms and conditions are clearly defined, the amount of the investment component can be unequivocally determined when the contract is signed.

Contractual service margin

At initial measurement, the CSM of a GIC essentially represents the unearned profit that will be recognized as the entity provides services under the insurance contracts in the group.

In the case of insurance contracts without direct participation features, the CSM is calculated at each reporting date from the carrying amount at the end of the preceding reporting period, adjusted by the following:

- The CSM for all new contracts added to the GIC over the course of the year
- The interest accreted on the carrying amount of the CSM during the reporting period
- The changes to the fulfillment cash flows relating to future services
- The effect of any currency exchange differences on the CSM
- The amount recognized as insurance revenue on the basis of the services performed during the year

In the case of insurance contracts with direct participation features, the CSM is calculated at each reporting date from the carrying amount at the end of the preceding reporting period, adjusted by the following:

- The CSM for all new contracts added to the GIC over the course of the year
- The change in the amount of the entity's share of the fair value of the underlying items
- The changes to the fulfillment cash flows relating to future services
- The effect of any currency exchange differences on the CSM
- The amount recognized as insurance revenue on the basis of the services performed during the year

In each period, a share of the CSM of a GIC is recognized in profit or loss in order to reflect the services provided on the basis of the number of coverage units provided in the year. At each reporting date, the coverage units are reviewed and updated for each contract, taking account of the scope of the services provided and the expected coverage period.

The projected risk result, which can be applied consistently across all life insurance product types, is used as a measure of the benefits provided by insurance coverage in life insurance. In health insurance, the total value – calculated for each rate scale – of the profile of benefit drawdown normalized to a single age is used. Both the projected risk result and the rate-scale-specific benefit drawdown constitute an adequate approximation for the rate-scale-specific insurance benefit payment. For investment-related services, the amounts invested in the capital markets are used. The projected benefit reserve under HGB is an equivalent value derived from the setting of insurance rates and HGB accounting principles.

In the case of biometric products, the relative weighting between the benefits provided by insurance coverage and the investment-related service is significantly different from that for savings-focused products. This difference reflects the character of the service being provided. Biometric protection predominates in the case of biometric products. By contrast, the investment-related service is a more important aspect in the case of savings-focused products, although biometric protection is not to be regarded as immaterial.

In the personal insurance business, policyholders of insurance contracts with direct participation features share in both the risk result and the gains and losses on investments. This participation can be structured as a variable fee paid to the entity for the services to be provided. The insurance coverage protection is weighted using the projected risk result, with the weighting determined in line with MindZV. The weighting of the investment-based service is based on the range determined for shareholders' historical share of gains and losses on investments held by insurance companies from the projected HGB benefit reserve. Finally, the weighting factors are used to determine the ratio of the fees for the benefits provided by insurance coverage to the investment-related service.

In inward reinsurance, the settlement pattern for premiums earned is used to measure the coverage units and amortize the CSM. Due to the contract-specific, complex structure of reinsurance products, there is not a more objective method of quantifying the insurance benefit payment that could be used to compare and contrast the individual contracts. Using premiums earned rather than premiums written ensures that amounts are accrued and recognized accordingly.

Liability for incurred claims

In non-life insurance, the liability for incurred claims in respect of a GIC is recognized in the amount of the fulfillment cash flows related to claims incurred. The future cash flows are discounted at current discount rates.

To calculate the liability for incurred claims, the following 3 components must be measured:

Claims provision

Claims provisions are provisions for known claims and claims incurred but not reported. The final amount of the claims and the timing of payment are not known. Claims provisions contain compensation payments, annuities that have not been accepted, external claim settlement costs, internal claim settlement costs, recourse, excess proceeds, and loss sharing agreements.

Claims provisions are mainly calculated using the chain ladder method or other actuarial loss reserving technique. The chain ladder method is an actuarial method of calculating claims provisions on the basis of claim payments and claims expenses. This multiplicative reserving technique is the market standard in non-life insurance. It is based on the assumption that historical claim settlement patterns are indicative of future claim settlement patterns. It is also assumed that the individual years in which claims are incurred are independent of each other. Settlement for a particular year is based on a settlement pattern that is identical for all years. This settlement pattern is then used to estimate the expected future cash flows.

The very short period for the settlement of claims in the personal insurance business means that the claims provision in this business is calculated in the amount of the nominal values of the expected payments for claims incurred. In the life insurance business, benefits paid due to occupational incapacity or total unfitness for work are part of the liability for remaining coverage.

For calculation of the claims provision in inward reinsurance, please refer to the section on the liability for remaining coverage and the information on the difference between the liability for remaining coverage and the liability for incurred claims.

Provision for accepted annuities

Provisions for accepted annuities cover obligations from claims that previously had to be recognized in the claims provisions and were annuitized. Annuities can arise in the liability insurance, casualty insurance, and motor vehicle liability insurance businesses. These annuities are measured in the same way as in the life insurance business.

Risk adjustment

A confidence level technique is used to determine the risk adjustment. A confidence level of 75 percent has been set for the Group. The necessary distribution assumptions are determined on the basis of stochastic simulations and using market-standard distributions, particularly log-normal distribution. The parameters used include the expected values and the forecasting errors in the recognition of claims provisions.

Recognition of onerous business on the balance sheet

If, for contracts not measured using the premium allocation approach, the increase in the fulfillment cash flows resulting from changes in estimates relating to remaining coverage exceeds the amount of the CSM, a loss is recognized in profit or loss in the amount of this difference. The loss component is recognized as part of the liability for remaining coverage and reduced to zero on a systematic basis over the coverage period. If, for contracts measured using the premium allocation approach, facts and circumstances indicate at any time during the coverage period that a GIC is onerous, the loss is recognized in profit or loss. The liability for remaining coverage is increased by the amount by which the current estimates of the fulfillment cash flows relating to remaining coverage exceed the carrying amount of the liability for remaining coverage. This difference is also reduced to zero on a systematic basis over the coverage period.

The change in the liability for remaining coverage due to onerous contracts also results in a pro rata change in the loss recovery component from reinsurance contracts held.

Option of recognition in other comprehensive income

The accounting policy choice to disaggregate and recognize the total insurance finance income or expenses in profit or loss and in other comprehensive income is exercised ('option of recognition in other comprehensive income'). Where this option pursuant to IFRS 17.89(b) is exercised for insurance contracts with direct participation features, the amount recognized in other comprehensive income is equal to the cumulative amount of the underlying items recognized in other comprehensive income. On subsequent measurement, insurance finance income or expenses is disaggregated in such a way that this amount combined with the income and expenses recognized in profit or loss for the underlying items gives a balance of nil for the items presented separately in profit or loss. Exercising the option of recognition in other comprehensive income in accordance with IFRS 17.88(b) for insurance contracts without direct participation features, the amount recognized in other comprehensive income in accordance with IFRS 17.C19(b)(i) is calculated on the basis of the discount rates determined at initial recognition of a GIC. On subsequent measurement, insurance finance income or expenses is disaggregated in such a way that the cumulative amount recognized in other comprehensive income always corresponds to the difference between the carrying amount of the GIC applying the yield curve valid as at the reporting date and the carrying amount of the GIC applying the yield curve valid at the time of initial recognition of the GIC (locked-in yield curve). The locked-in yield curve to be used for the claims provision for insurance contracts under the premium allocation approach is determined on the basis of when the claim is incurred.

» 12 Leases

DZ BANK Group as lessor

A lease is classified as a finance lease if substantially all the risks and rewards incidental to the ownership of an asset are transferred to the lessee. If the risks and rewards remain substantially with the lessor, the lease is an operating lease.

If a lease is classified as a finance lease, a receivable due from the lessee must be recognized. The receivable is measured at an amount equal to the net investment in the lease at the inception of the lease. Lease payments are apportioned into a payment of interest and repayment of principal. The interest portion based on the lessor's internal discount rate for a constant periodic rate of return is recognized as interest income, whereas the repayment of principal reduces the carrying amount of the receivable.

If a lease is classified as an operating lease, the entities in the DZ BANK Group retain beneficial ownership of the leased asset. These leased assets are reported as assets. The leased assets are measured at cost less depreciation and any impairment losses. Unless another systematic basis is more representative of the pattern of income over time, the lease payments received are recognized in profit or loss on a straight-line basis over the term of the lease and reported under other net operating income.

DZ BANK Group as lessee

For every lease, the lessee recognizes a right-of-use asset for a leased asset as well as a corresponding lease liability. The only exceptions are short-term leases (term of less than one year from the commencement date) and leases for low-value assets (cost of new purchase of up to €5,000 net); in these cases, the lease payments are recognized as an expense.

The amount of the right-of-use asset initially corresponds to the amount of the lease liability. In subsequent periods, the right-of-use asset is measured at amortized cost. Depreciation is recognized on a straight-line basis over the entire lease term and reported as an administrative expense.

The lease liability is measured as the present value of the future lease payments and is shown under other liabilities. Lease payments must be broken down into an interest portion and a repayment portion. The interest portion based on the internal discount rate or the incremental borrowing rate of interest is recognized as interest expense, whereas the repayment of principal reduces the liability.

The DZ BANK Group uses the practical expedient that enables a lessee to elect not to separate non-lease components from lease components and instead account for all components as a lease.

» 13 Income

Interest and dividends received

Interest is recognized in the relevant period. If the effective interest method is used to calculate interest income, such income is reported under interest income calculated using the effective interest method.

The cash flows used to calculate the effective interest rate take into account contractual agreements in connection with the financial assets and financial liabilities concerned.

Premiums and discounts are allocated over the expected life of financial instruments using the effective interest method. Any additional costs incurred that are directly connected with the acquisition or sale of a financial asset or financial liability, and thus can be directly assigned to the transaction, are factored into the calculation of the effective interest rate. Such costs include sales charges directly associated with the origination of home savings contracts and commitment fees for loans.

Dividends are recognized as soon as a legal entitlement to the payment of such a dividend is established.

Interest income and interest expense arising in connection with derivatives that were not entered into for trading purposes are reported under net interest income. Interest income and interest expense arising in connection with derivatives that were entered into for trading purposes are reported under gains and losses on trading activities.

Recognition of fair value gains and losses when exercising the fair value option

If, to avoid accounting mismatches, hedged items are allocated to the category 'financial assets designated as at fair value through profit or loss' (FVO hedged items), the effects of changes in market prices are reported under other gains and losses on financial instruments unless the effects of changes in market prices relate to derivatives whose gains and losses are reported under gains and losses on trading activities. In this case, the effects of changes in the market prices of the affected financial instruments are reported under gains and losses on trading activities. Credit rating effects arising from FVO hedged items are generally reported under other gains and losses on valuation of financial instruments.

As a rule, fair value gains and losses on derivatives that are classified as FVO hedged items and not reported under gains and losses on trading activities are recognized as an element of other gains and losses on valuation of financial instruments under gains and losses on financial instruments designated as at fair value through profit or loss. Otherwise, the fair value gains and losses on derivatives that are classified as FVO hedged items are recognized under gains and losses on trading activities.

Revenue from contracts with customers

Revenue from contracts with customers is recognized when the underlying services have been performed, it is probable that the economic benefits will flow to the group, and the amount of the revenue can be reliably measured.

In the DZ BANK Group, revenue from contracts with customers primarily consists of fee and commission income. Revenue from contracts with customers is also included in gains and losses on investments held by insurance companies and other insurance company gains and losses as well as in other net operating income.

The main components of fee and commission income are fee and commission income from securities business, fee and commission income from payments processing (including card processing), fee and commission income from lending and trust activities, and fee and commission income from asset management.

Fee and commission income from securities business is generated from funds business and brokerage, and also includes custody charges. The income is generally recognized as soon as the service has been performed. Fee and commission income from payments processing (including card processing) and fee and commission income from lending and trust activities is recognized immediately after the service has been provided.

Fees and commissions earned over the period in which a service is performed include certain types of fees for administration and safe custody as part of the securities business and asset management, and fees in connection with the furnishing of financial guarantees. In the case of performance-related management fees, income is recognized when the contractually agreed performance criteria have been satisfied. This is either when the service is contracted (brokering of life insurance or fund contracts, or brokering of home savings loans) or when the service is performed (fee and commission income from building society operations).

Fees and charges that form an integral part of the effective interest rate do not fall within the scope of IFRS 15 and are accounted for in accordance with IFRS 9 regardless of whether the financial assets are measured at fair value or at amortized cost.

The DZ BANK Group applies the following practical expedients as permitted by IFRS 15: it applies the standard to a portfolio of contracts, does not adjust the promised amount of consideration for the effects of a significant financing component, recognizes the incremental costs of obtaining a contract as an expense when incurred, and does not disclose certain information for some performance obligations.

Insurance business

The amounts recognized in the income statement and statement of comprehensive income are disaggregated into an insurance service result – comprising insurance revenue, insurance service expenses, and net income/expenses from reinsurance contracts held – and insurance finance income or expenses. Insurance revenue is the amount recognized to depict the provision of services relating to the GIC in an amount that reflects the consideration to which the entity expects to be entitled in exchange for these services. Amounts resulting from experience adjustments for premiums earned and for insurance acquisition cash flows that do not relate to future periods are recognized in insurance revenue. The insurance revenue and insurance service expenses recognized in profit or loss must not contain any investment components.

Insurance finance income or expenses generally comprises the changes in the carrying amount of the GIC arising from the effect of the time value of money, the effect of financial risk, and changes in these effects. The accounting policy choices of partial presentation in other comprehensive income pursuant to IFRS 17.88(b) and IFRS 17.89(b) are exercised consistently throughout the group.

» 14 Cash and cash equivalents

Cash and cash equivalents are cash on hand and balances with central banks.

Cash on hand comprises euros and foreign currencies. Cash in euros is measured at nominal value; foreign currency cash is translated at the buying rate. Balances with central banks are allocated to the ‘financial assets measured at amortized cost’ category. Interest income on cash and cash equivalents is recognized as interest income from lending and money market business.

» 15 Loans and advances to banks and customers

All receivables attributable to registered debtors (banks and customers) that are categorized as ‘financial assets measured at amortized cost’, ‘financial assets measured at fair value through profit or loss’, or ‘financial assets measured at fair value through other comprehensive income’ are recognized as loans and advances to banks and customers. To eliminate or significantly reduce accounting mismatches, certain loans and advances are designated as at fair value through profit or loss. In addition to fixed-term receivables and receivables payable on demand in connection with lending, lease, and money market business, loans and advances to banks and to customers include promissory notes and registered bonds.

Loans and advances to banks and customers are measured predominantly at amortized cost using the effective interest method. In fair value hedges, the carrying amounts of hedged receivables are adjusted for the change in fair value attributable to the hedged risk. The resulting hedge adjustments are recognized within other gains and losses on valuation of financial instruments under gains and losses arising on hedging transactions. Finance lease receivables are recognized and measured in accordance with the requirements for the accounting treatment of leases.

Loss allowances for loans and advances to banks and customers are determined on the basis of the IFRS 9 requirements applicable to the relevant category of financial assets. Depending on these requirements, the loss allowances are reported as a separate line item that is applied as a deduction on the assets side of the balance sheet or are reported in the reserve from other comprehensive income. Finance lease receivables are also subject to the IFRS 9 impairment requirements.

Interest income on loans and advances to banks and customers is recognized as interest income from lending and money market business. This also includes the amortization of hedge adjustments to carrying amounts due to fair value hedges. Realized gains and losses on loans and advances to banks and customers that are categorized as financial assets measured at amortized cost are included in the gains and losses from the derecognition of financial assets measured at amortized cost.

» 16 Hedging instruments (positive and negative fair values)

The carrying amounts of financial instruments designated as hedging instruments in effective and documented hedging relationships are reported under either hedging instruments (positive fair values) or hedging instruments (negative fair values).

These financial instruments are measured at fair value. Changes in the fair value of hedging instruments in the categories 'financial assets measured at fair value through profit or loss' and 'financial liabilities measured at fair value through profit or loss' used in fair value hedges are recognized in the income statement as an element of other gains and losses on valuation of financial instruments under gains and losses from hedge accounting. If the hedged item is an equity instrument in which changes in fair value are recognized in other comprehensive income, the changes in the fair value of the hedging instruments are also recognized in other comprehensive income.

In the case of financial instruments used for cash flow hedges or hedges of net investments in foreign operations, changes in fair value attributable to the effective portion of the hedges are recognized in other comprehensive income. The cumulative amounts are recognized in the reserve from other comprehensive income as part of equity. Changes in fair value attributable to the ineffective portion of hedges are included in other gains and losses on valuation of financial instruments under gains and losses from hedge accounting.

» 17 Financial assets and financial liabilities held for trading

Financial assets and financial liabilities held for trading comprise financial assets and financial liabilities that are held for trading purposes.

Derivatives with positive fair values are classified as financial assets held for trading if they were entered into for trading purposes or, despite being intended to be used as hedges, do not meet the requirements for an accounting treatment as hedging instruments. Financial assets held for trading also include bonds and other fixed-income securities, shares and other variable-yield securities, and receivables held for trading purposes.

Financial liabilities held for trading include short positions, bonds and other debt certificates issued, and other liabilities held for trading purposes. The procedure for classifying derivatives with negative fair values as financial liabilities held for trading is the same as that used for financial assets held for trading.

Financial instruments reported as financial assets or financial liabilities held for trading are always measured at fair value through profit or loss. Gains and losses on valuation, interest income and expense, and dividends arising from financial assets and financial liabilities held for trading are recognized under gains and losses on trading activities, provided that there is an actual intent to trade the instruments concerned.

» 18 Investments

The following are recognized as investments: bearer bonds and other fixed-income securities, shares and other variable-yield securities, investment fund units, and other bearer or registered shareholdings in entities in which the DZ BANK Group has no significant influence, provided that these securities or shares are not held for trading purposes. Investments also include investments in non-material subsidiaries and investments in joint ventures and associates.

Investments are initially recognized at fair value. Investments in joint ventures and associates that are accounted for using the equity method are initially recognized at cost. These investments are subsequently measured in accordance with the principles applicable to the relevant measurement category. In the case of investments in joint ventures and associates, the equity method is used for subsequent measurement.

Impairment losses on investments are determined on the basis of the IFRS 9 requirements applicable to the relevant category of financial assets or on the basis of accounting standards relevant to the financial assets concerned. They are generally reported as a separate line item that is applied as a deduction on the assets side of the balance sheet or are reported in the reserve from other comprehensive income.

Interest and any investment premiums or discounts amortized over the maturity of the investment using the effective interest method are recognized under net interest income. Dividends derived from equity instruments are recognized as current income under net interest income. Current income and expense arising from use of the equity method is also reported under net interest income.

Gains and losses realized on the sale of investments that are not categorized as financial assets measured at amortized cost, as well as impairment losses and reversals thereof on investments in associates and joint ventures that are accounted for using the equity method, are reported under gains and losses on investments. Realized gains and losses on investments that are categorized as financial assets measured at amortized cost are included in the gains and losses from the derecognition of financial assets measured at amortized cost.

Fair value gains and losses on investments that are mandatorily measured at fair value through profit or loss are reported under other gains and losses on valuation of financial instruments.

» 19 Property, plant and equipment, investment property, and right-of-use assets

Property, plant and equipment, investment property, and right-of-use assets comprises land and buildings as well as office furniture and equipment with an estimated useful life of more than one year used by the entities in the DZ BANK Group. This item also includes right-of-use assets arising from leases. Investment property is real estate held for the purposes of generating rental income or capital appreciation.

Property, plant and equipment, and investment property is measured at cost and subsequently at cost less cumulative depreciation and cumulative impairment losses. Depreciation is largely recognized on a straight-line basis over the useful life of the asset. As a rule, external valuations are used to measure recoverability.

Right-of-use assets arising from leases are measured in accordance with the lease accounting provisions and subsequently reduced by cumulative depreciation and cumulative impairment losses. Depreciation is largely recognized on a straight-line basis over the useful life of the asset.

If facts or circumstances give rise to indications that property, plant and equipment, investment property, or right-of-use assets might be impaired, the recoverable amount is determined. An impairment loss is recognized if the recoverable amount is lower than the asset’s carrying amount. The recoverable amount is the higher of fair value less costs to sell and value in use.

Borrowing costs directly assignable to property, plant and equipment, and investment property are capitalized as part of the asset cost, provided that the asset concerned is a qualifying asset.

Depreciation on property, plant and equipment, investment property, and right-of-use assets is reported as an administrative expense. Impairment losses and reversals of impairment losses are reported under other net operating income.

» 20 Income tax assets and liabilities

Current and deferred tax assets are shown under the income tax assets balance sheet item; current and deferred tax liabilities are reported under income tax liabilities. Current income tax assets and liabilities are recognized in the amount of any expected refund or future payment.

Deferred tax assets and liabilities are recognized for temporary differences between the IFRS carrying amounts of the assets or liabilities and their carrying amounts for tax purposes. Deferred tax assets are also recognized in respect of as yet unused tax loss carryforwards, provided that utilization of these loss carryforwards is sufficiently probable. Deferred tax assets are measured using the national and entity-specific tax rates expected to apply at the time of recovery. A uniform tax rate is applied in the case of group companies forming a tax group with DZ BANK.

Deferred tax assets and liabilities are not discounted. Where temporary differences arise in relation to items recognized in other comprehensive income, the resulting deferred tax assets and liabilities are also recognized in other comprehensive income. Current and deferred tax income and expense to be recognized through profit or loss are reported under income taxes in the income statement.

In accordance with the exception set out in IAS 12.88A, deferred tax assets and liabilities related to the global minimum tax requirements are not recognized, nor is any information about them disclosed.

The DZ BANK Group is covered by the scope of legal provisions that have been enacted or substantively enacted to introduce global minimum tax (Global Anti-Base Erosion Rules Pillar Two). In Germany, Council Directive (EU) 2022/2523 on ensuring a global minimum level of taxation is transposed into national law by means of the Minimum Tax Act (MinStG), which has been in force since the financial year beginning January 1, 2024. No tax expense has arisen for the DZ BANK Group under MinStG or under foreign minimum tax laws.

» 21 Other assets and other liabilities

The other assets and other liabilities line items are used to report assets and liabilities that cannot be allocated to any of the other asset or liability line items.

Other assets held by insurance companies, intangible assets, and contract assets are reported under other assets. Intangible assets are recognized at cost. In the subsequent measurement of software, acquired customer relationships, and other intangible assets with a finite useful life, carrying amounts are reduced by cumulative amortization and cumulative impairment losses. Goodwill and other intangible assets with an indefinite useful life are not amortized but are subject to an impairment test at least once during the financial year.

If the group has satisfied its performance obligation in respect of a customer, but the customer has not yet paid the consideration and payment of the consideration still depends on a condition other than simply a due date, then the group recognizes a contract asset on the balance sheet in place of a receivable. As soon as an unconditional right to the consideration arises, the contract asset is reclassified as a receivable. Contract assets are not amortized, but are included in the calculation of the loss allowances in accordance with IFRS 9.

Other liabilities include other liabilities of insurance companies, accrued expenses, and lease liabilities.

» 22 Loss allowances

Loss allowances for cash and cash equivalents, loans and advances to banks and customers, investments, and other assets that are measured at amortized cost or designated as finance leases are reported as a separate line item on the assets side of the balance sheet. Additions to loss allowances for these balance sheet items, and any reversals of such allowances, are recognized under loss allowances in the income statement.

Loss allowances for investments held by insurance companies and other assets held by insurance companies measured at amortized cost are netted with the carrying amounts of these assets within the investments held by insurance companies and other assets held by insurance companies line items on the balance sheet. Additions to loss allowances for these balance sheet items, and any reversals of such allowances, are recognized under gains and losses on investments held by insurance companies and other insurance company gains and losses in the income statement.

Loss allowances for loans and advances to banks and customers, for investments, and for investments held by insurance companies that are measured at fair value through other comprehensive income are not applied as a deduction on the assets side of the balance sheet but instead are reported in the reserve from other comprehensive income. Additions to loss allowances for these balance sheet items are recognized under loss allowances in the income statement; any reversals of such allowances are recognized under gains and losses on investments held by insurance companies and other insurance company gains and losses in the income statement.

Any additions to, or reversals of, provisions for loan commitments and financial guarantee contracts and other provisions for loans and advances are also recognized in profit or loss under loss allowances.

» 23 Non-current assets and disposal groups classified as held for sale

The carrying amount of non-current assets or disposal groups for which a sale is planned is recovered principally through a sale transaction rather than through their continuing use. These assets and disposal groups therefore need to be classified as held for sale if the criteria set out below are satisfied.

To be classified as held for sale, the assets or disposal groups must be available for immediate sale in their present condition subject only to terms that are usual and customary for sales of such assets or disposal groups, and it must be highly probable that a sale will take place. A sale is deemed to be highly probable if there is a commitment to a plan to sell the asset or disposal group and an active program to locate a buyer and complete the plan has been initiated. In addition, the asset or disposal group must be actively marketed for sale at a price that is reasonable in relation to the current fair value. A sale must be expected to be completed within one year of the date on which the asset or disposal group is classified as held for sale.

Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. The assets are no longer depreciated from the date on which they are classified as held for sale.

Assets and disposal groups classified as held for sale are shown separately on the balance sheet under non-current assets and disposal groups classified as held for sale and liabilities included in disposal groups classified as held for sale. Gains and losses arising on measurement as well as gains and losses on the sale of these assets or disposal groups that do not belong to a discontinued operation are recognized in the income statement under other net operating income. If the assets or disposal groups belong to discontinued operations, all gains and losses arising from these assets and disposal groups must be shown separately as ‘profit/loss from discontinued operations, net of tax’.

» 24 Deposits from banks and customers

All liabilities attributable to registered creditors (banks and customers) not classified as 'financial liabilities mandatorily measured at fair value through profit or loss' are recognized as deposits from banks and customers.

In addition to fixed-maturity liabilities and liabilities repayable on demand arising from the deposit, home savings and loan, and money market businesses, these liabilities also include, in particular, registered bonds and promissory notes issued.

Deposits from banks and customers are measured at amortized cost using the effective interest method. Where deposits from banks and customers are designated as a hedged item in an effective fair value hedge, the carrying amount is adjusted for any change in the fair value attributable to the hedged risk. If, to eliminate or significantly reduce accounting mismatches, the fair value option is applied for deposits from banks and customers, the liabilities are measured at fair value as at the balance sheet date.

Interest expense on deposits from banks and customers is recognized separately under net interest income. Interest expense also includes gains and losses on early redemptions and the amortization of hedge adjustments to carrying amounts due to fair value hedges. Hedge adjustments to the carrying amount due to fair value hedges are reported within other gains and losses on valuation of financial instruments under gains and losses from hedge accounting.

» 25 Debt certificates issued including bonds

Debt certificates issued including bonds cover 'Pfandbriefe', other bonds, and commercial paper for which transferable bearer certificates have been issued.

Debt certificates issued including bonds are measured in the same way as deposits from banks and customers.

» 26 Provisions

Provisions for employee benefits

Pension plans agreed with the employees of the entities in the DZ BANK Group are based on various types of pension schemes that depend on the legal, economic, and tax situation in each country and include both defined contribution plans and defined benefit plans.

Where a commitment is made to defined contribution plans, fixed contributions are paid to external pension providers. The amount of the contributions and the income earned from the pension assets determine the amount of future pension benefits. The risks arising from the obligation to pay such benefits in the future lie with the pension provider. No provisions are recognized for these defined contribution pension commitments. The contributions paid are recognized as pension and other post-employment benefit expenses under administrative expenses.

Under a defined benefit plan, the employer promises a specific benefit and bears all the risks arising from this promise. Defined benefit obligations are measured on the basis of the projected unit credit method. The measurement depends on various actuarial assumptions. These include, in particular, assumptions about long-term salary and annuity trends and average life expectancy. Assumptions about the salary trend are based on past trends and take into account expectations regarding future changes in the labor market. Assumptions about the annuity trend are based on expected changes in the inflation rate. The 2018 G mortality tables published by Professor Dr. Klaus Heubeck are used to estimate average life expectancy in Germany; outside Germany, the relevant country-specific mortality tables are used. The discount rate used to discount future payment obligations in the eurozone is an appropriate market interest rate for investment-grade fixed-income corporate bonds with a maturity equivalent to that of the defined benefit obligations. The discount rate depends on the obligation structure (duration) and is determined using a portfolio of high-quality corporate bonds that must satisfy certain quality criteria. One of the notable quality criteria is a credit rating of AA from at least one of the two rating agencies with the greatest coverage in the currency area in question. For the eurozone, these are Moody's Investors Service and Standard & Poor's, both New York. Bonds with existing call options in the form of embedded derivatives are not included in this process.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions regarding the defined benefit obligations, together with gains and losses arising from the remeasurement of plan assets and reimbursement rights, are recognized in other comprehensive income in the reporting period in which they occur.

In addition to the provisions for defined benefit pension plans, the provisions for employee benefits include provisions for other long-term employee benefits, provisions for termination benefits, and provisions for short-term employee benefits.

Provisions for other long-term employee benefits are recognized, in particular, to cover semi-retirement (Altersteilzeit) and long-service bonuses. Provisions for early retirement are included under the provisions for termination benefits.

Provisions for termination benefits linked with restructuring are reported separately from other restructuring provisions.

Provisions for employee benefits are generally recognized as a charge to administrative expenses, although reversals of such provisions are reported under other net operating income. As an exception to the rule, the expense for the recognition of provisions for restructuring is included in other net operating income.

Provisions for share-based payment transactions

The entities in the DZ BANK Group have entered into various agreements covering variable remuneration components to be paid to members of the Board of Managing Directors and certain other salaried employees. The amount and timing of such remuneration depends on a number of factors, not least the performance of the entity concerned. These agreements are classified as cash-settled share-based payment transactions.

Provisions for share-based payment transactions are recognized (at fair value) if it is sufficiently probable that the remuneration will be paid out in the future. Where payment transactions are linked to targets relating to a multi-year, retrospective performance period, the provision is recognized on the basis of the underlying performance period. The timing of initial recognition is therefore before the grant date and before any payout in subsequent years. This results in discrepancies compared with the nominal amounts disclosed in note 109 for share-based payments granted but not yet paid out.

Provisions for share-based payment transactions are also subsequently measured at fair value. Any changes in fair value are recognized in profit or loss under administrative expenses.

Other provisions

Provisions are liabilities in which the amounts or due dates are uncertain. Provisions are recognized for present obligations arising out of past events, in which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be reliably estimated.

The provisions are recognized and measured using the best estimate of the present value of their anticipated utilization. This estimate takes account of future events as well as the risks and uncertainties relating to the issue concerned. The underlying assumptions and estimates used include figures based on past experience as well as expectations and forecasts relating to future trends and developments.

Provisions for irrevocable loan commitments and provisions for financial guarantee contracts are recognized with the same model used for financial assets and in the amount of the expected credit losses.

Other provisions for loans and advances factor in the usual sector-specific level of uncertainty.

Subject to various criteria being met, the building society's terms and conditions provide for bonuses for home savings customers in the form of a reimbursement of some of the sales charge or in the form of interest bonuses on deposits. The bonuses constitute independent payment obligations and are measured and recognized in accordance with IAS 37. In line with the building society's terms and conditions, the granting of bonuses to home savings customers is tied to various conditions, such as the selection of the interest bonus option by the home savings customer, adherence to a lock-up period that, after the option has been selected, starts on the valuation date on which the target valuation and a certain minimum volume of home savings deposits are reached, the achievement of a minimum term for the home savings contract, or a decision not to draw down the allocated home savings loan. In order to measure provisions relating to building society operations, building society simulations (collective simulations) that forecast home savings customers' future behavior are used to evaluate these options. The parameters for collective simulation, including the probabilities of the options being exercised by home savings customers, are set using the exercise rate determined from customer behavior observed in the past and using current market interest rates. The collective simulations form the basis for cash flow projections that are used to measure the provisions relating to building society operations. These cash flow projections are carried out at portfolio level for a projection period of 50 years. Uncertainty in connection with the measurement of the provisions may arise depending on the extent to which the assumptions about future customer behavior – taking account of various interest-rate scenarios and management assessments – that were forecast using collective simulation actually materialize in the future. Unconditional bonuses in the form of additional interest credit are recognized as part of the amortized cost of the home savings deposits in accordance with IFRS 9.5.3.1 in conjunction with IFRS 9.4.2.1.

Provisions that cover the possible resulting losses are recognized for risks arising from ongoing legal disputes and for pre-litigation risks, including in relation to tax matters. Such provisions are recognized when the reasons indicating that a legal dispute will result in a payment obligation for an entity in the DZ BANK Group are stronger than those indicating the opposite. Any concentration risk owing to similarities between individual cases is taken into consideration.

The amount in which provisions are recognized for risks arising from ongoing legal disputes and for pre-litigation risks is based on the information available at the time and is subject to assumptions and discretion in how a dispute is assessed. For example, this may be because the entity in the DZ BANK Group does not yet have at its disposal all the information required to make a final assessment of the legal dispute, particularly during the early stages of proceedings. Moreover, predictions made by entities in the DZ BANK Group in relation to changes to legal circumstances, changes to official interpretations, or – in the case of court cases – to procedural orders, decisions by the courts, or the arguments expected to be put forward by the opponent in the case may later turn out to be unfounded.

The expense incurred by the unwinding of the discount on provisions is recognized as interest expense under net interest income.

» 27 Subordinated capital

Subordinated capital comprises all registered or bearer debt instruments that, in the event of insolvency or liquidation, are repaid only after settlement of all unsubordinated liabilities but before distribution to shareholders of any proceeds from the insolvency or liquidation.

Subordinated liabilities largely comprise subordinated bearer bonds and promissory notes. Profit-sharing rights outstanding comprise registered and bearer profit-participation certificates in issue. Regulatory Tier 1 capital that does not meet IFRS equity criteria is recognized as other hybrid capital. Non-controlling interests in partnerships controlled by entities in the DZ BANK Group that must be classified as subordinated are recognized as share capital repayable on demand.

Subordinated capital is measured in the same way as deposits from banks and customers.

» 28 Contingent liabilities

Contingent liabilities are possible obligations arising from past events. The existence of these obligations will only be confirmed by future events outside the control of the entities in the DZ BANK Group. Present obligations arising out of past events but not recognized as provisions because of the improbability of an outflow of resources embodying economic benefits or because the amount cannot be measured with sufficient reliability also constitute contingent liabilities.

The amount of contingent liabilities is disclosed in the notes unless the probability of an outflow of resources embodying economic benefits is remote. Contingent liabilities are measured at the best estimate of possible future outflows of resources embodying economic benefits.

Contingent liabilities in respect of litigation risk are reported when the reasons indicating that there is no current obligation are stronger than those indicating the opposite, but there is still a likelihood that a legal dispute will result in a payment obligation for an entity in the DZ BANK Group. Risks arising from legal disputes are assessed according to how likely they are to occur.

B Disclosure of interests in other entities

» 29 Investments in subsidiaries

Proportion of the DZ BANK Group's activities and cash flow attributable to non-controlling interests

In the DZ BANK Group, material non-controlling interests in the capital and profit exist in the following subsidiaries and subgroups:

€ million	Dec. 31, 2024	Dec. 31, 2023
Bausparkasse Schwäbisch Hall subgroup	96	191
DZ PRIVATBANK	83	77
R+V Versicherung subgroup	1,554	1,423
Union Asset Management Holding subgroup	132	110
Other	170	162
Total	**2,036**	**1,963**

Bausparkasse Schwäbisch Hall
Bausparkasse Schwäbisch Hall AG – Bausparkasse der Volksbanken und Raiffeisenbanken, Schwäbisch Hall, (BSH) is the parent company of the BSH subgroup. BSH is headquartered in Schwäbisch Hall. DZ BANK directly holds 97.60 percent of the shares in BSH (December 31, 2023: 97.59 percent). The share of voting rights is equal to the shareholding. Non-controlling interests account for 2.40 percent of the voting rights and shares (December 31, 2023: 2.41 percent). As was the case a year earlier, most of these non-controlling interests are held by local cooperative banks.

In the DZ BANK Group, the net income for the year attributable to the non-controlling interests was €2 million (2023: €13 million). Nearly all of this amount was accounted for by the net income for the year attributable to non-controlling interests within the BSH subgroup of €2 million (2023: €13 million). The carrying amount of the non-controlling interests in the DZ BANK Group was €96 million (December 31, 2023: €191 million). As at the reporting date, there were no non-controlling interests within the BSH subgroup (December 31, 2023: €98 million). DZ BANK has entered into a profit-transfer agreement with BSH. This guarantees a cash settlement of €6.97 per non-par-value share (after corporation tax and ancillary taxes) for the outside shareholders of BSH until the end of the 2025 financial year. After the end of the 2025 financial year, the profit transfer agreement will be extended automatically by one year at a time until December 31, 2030 at the latest, unless the agreement is terminated by giving notice no later than 6 months before it is due to end. Guaranteed dividends of €1 million were paid to outside shareholders of BSH in 2024 (2023: €1 million).

Aggregated financial information for the BSH subgroup:

€ million	Dec. 31, 2024	Dec. 31, 2023
Assets	82,684	84,369
Liabilities	78,272	79,916

€ million	2024	2023
Interest income and fee and commission income	1,534	1,543
Net loss	-38	-36
Other comprehensive income	92	277
Total comprehensive income	53	241
Cash flow	-	-80

DZ PRIVATBANK

DZ PRIVATBANK S.A., Strassen, Luxembourg, (DZ PRIVATBANK S.A.), headquartered in Luxembourg, together with its wholly owned subsidiaries DZ PRIVATBANK (Schweiz) AG, Zurich, Switzerland, (DZ PRIVATBANK Schweiz), IPConcept (Luxemburg) S.A., Strassen, Luxembourg, (IPC Luxemburg), and IPConcept (Schweiz) AG, Zurich, Switzerland, (IPC Schweiz) is the cooperative center of excellence for the private banking business of the local cooperative banks in Germany.

DZ BANK directly holds 91.84 percent (December 31, 2023: 91.83 percent) of the shares in DZ PRIVATBANK S.A. The share of voting rights is equal to the shareholding. Non-controlling interests account for 8.16 percent (December 31, 2023: 8.17 percent) and are held by local cooperative banks and investment companies in the cooperative sector.

The net income for the year attributable to the non-controlling interests was €7 million (2023: €7 million). The carrying amount of the non-controlling interests was €83 million (December 31, 2023: €77 million). The dividend distributed to the non-controlling interests came to €1 million in 2024 (2023: €1 million).

Aggregated financial information for DZ PRIVATBANK:

€ million	Dec. 31, 2024	Dec. 31, 2023
Assets	21,681	26,190
Liabilities	20,404	24,969

€ million	2024	2023
Interest income and fee and commission income	1,545	1,386
Net profit	93	60
Other comprehensive income/loss	-3	11
Total comprehensive income	90	71
Cash flow	-5,414	1,445

R+V Versicherung

R+V Versicherung AG, Wiesbaden, (R+V) is the parent company of the R+V subgroup. R+V is headquartered in Wiesbaden. DZ BANK directly holds 92.32 percent of the shares in R+V (December 31, 2023: 92.31 percent). The share of voting rights is equal to the shareholding. Non-controlling interests account for 7.68 percent of the voting rights and shares (December 31, 2023: 7.69 percent). Within this figure, local cooperative banks hold 5.92 percent (December 31, 2023: 5.93 percent). The other 1.75 percent (December 31, 2023: 1.75 percent) is held by other entities in the cooperative sector.

In the DZ BANK Group, the net income for the year attributable to the non-controlling interests was €108 million (2023: €40 million). This included the net income for the year attributable to non-controlling interests within the R+V subgroup of €38 million (2023: net loss of €14 million). The carrying amount of the non-controlling interests in the DZ BANK Group was €1,554 million (December 31, 2023: €1,423 million). Of this amount, €819 million was attributable to non-controlling interests within the R+V subgroup (December 31, 2023: €774 million). DZ BANK entered into a profit-transfer agreement with R+V in 2022. This guarantees an annual cash settlement of €7.32 per non-par-value share (after corporation tax and ancillary taxes) for the outside shareholders of R+V until the end of the 2026 financial year. After the end of the agreement, it can be extended by one year at a time until 2031. Guaranteed dividends of €8 million were paid to outside shareholders of R+V in 2024 (2023: €8 million). In the R+V subgroup, dividends of €10 million were paid to non-controlling interests (2023: €9 million).

Aggregated financial information for the R+V subgroup:

€ million	Dec. 31, 2024	Dec. 31, 2023
Assets	134,737	127,039
Liabilities	124,246	117,631

€ million	2024	2023
Insurance service result	1,371	1,162
Net profit	843	573
Other comprehensive income	318	277
Total comprehensive income	1,161	850

Union Asset Management Holding

Union Asset Management Holding AG, Frankfurt am Main, (UMH) is the parent company of the UMH subgroup. UMH is headquartered in Frankfurt am Main. Other major locations are Hamburg and Luxembourg. DZ BANK’s aggregated shareholding in UMH is 96.60 percent (December 31, 2023: 96.59 percent). The share of voting rights is equal to the aggregated shareholding. Non-controlling interests account for 3.40 percent of the shares (December 31, 2023: 3.41 percent). Most of these non-controlling interests are held by local cooperative banks. The proportion held indirectly by DZ BANK is 95.83 percent (December 31, 2023: 95.82 percent).

The carrying amount of the non-controlling interests within the DZ BANK Group was €132 million (December 31, 2023: €110 million) and related to the multiplicative share of the capital of UMH. Of this amount, €30 million was attributable to non-controlling interests within the UMH subgroup (December 31, 2023: €31 million). In the DZ BANK Group, the net income for the year attributable to the non-controlling interests was €36 million (2023: €29 million). This included the net income for the year attributable to non-controlling interests within the UMH subgroup of €8 million (2023: €6 million). The dividend distributed to the non-controlling interests totaled €15 million in 2024 (2023: €13 million). €8 million of this amount was paid as dividends to non-controlling interests in the UMH subgroup (2023: €7 million).

Aggregated financial information for the UMH subgroup:

€ million	Dec. 31, 2024	Dec. 31, 2023
Assets	5,935	5,156
Liabilities	2,336	2,115

€ million	2024	2023
Interest income and fee and commission income	3,988	3,487
Net profit	840	684
Other comprehensive income/loss	26	-32
Total comprehensive income	866	652

Nature and extent of significant restrictions

National regulatory requirements, contractual provisions, and provisions of company law restrict the DZ BANK Group's ability to transfer assets within the group. Where these restrictions can be specifically assigned to individual line items on the balance sheet, the assets and liabilities subject to restrictions on the balance sheet date are shown in the following table:

€ million	Dec. 31, 2024	Dec. 31, 2023
Assets	**104,540**	**110,433**
Loans and advances to banks	336	431
Loans and advances to customers	6,869	4,974
Investments	596	731
Investments held by insurance companies	96,240	103,852
Other assets	499	445
Liabilities	**153,395**	**162,409**
Deposits from banks	824	962
Deposits from customers	62,493	63,708
Provisions	833	913
Insurance contract liabilities	89,244	96,825

» 30 Interests in joint arrangements and associates

Nature, extent, and financial effects of interests in joint arrangements

Prvá stavebná sporiteľňa

Prvá stavebná sporiteľňa a.s., Bratislava, Slovakia, (PSS) is a joint venture between BSH and its partners Raiffeisen Bausparkassen Holding GmbH, Vienna, Austria, Slovenská sporiteľňa a.s., Bratislava, Slovakia, and Erste Group Bank AG, Vienna, Austria. PSS is headquartered in Bratislava, Slovakia. BSH's shareholding in PSS was 32.50 percent on the balance sheet date, as it had been at December 31, 2023. In the DZ BANK Group, the interests in PSS are accounted for using the equity method. PSS did not pay a dividend to BSH in 2024, as had also been the case in the previous year.

Aggregated financial information for PSS:

€ million	Dec. 31, 2024	Dec. 31, 2023
Current assets	115	518
of which cash and cash equivalents	5	13
Non-current assets	2,904	2,608
Current liabilities	714	787
of which financial liabilities	695	771
Non-current liabilities	1,980	2,027
of which financial liabilities	1,953	1,999

€ million	2024	2023
Interest income	103	96
Interest expense	-43	-35
Fee and commission income	14	11
Fee and commission expenses	-1	-1
Administrative expenses	-42	-41
Income taxes	-5	-4
Profit from continuing operations, net of tax	12	21
Total comprehensive income	13	21

Reconciliation from the aggregated financial information to the carrying amount of the interests in PSS:

€ million	Dec. 31, 2024	Dec. 31, 2023
Total net assets	**324**	**312**
Share of net assets	**105**	**101**
Cumulative impairment losses on the carrying amount of the investment	-35	-35
Carrying amount under the equity method	**71**	**67**

Zhong De Zuh Fang Chu Xu Yin Hang (Sino-German-Bausparkasse)

Zhong De Zuh Fang Chu Xu Yin Hang (Sino-German-Bausparkasse), Tianjin, China, (SGB) is a joint venture between BSH and China Construction Bank Corporation, Beijing, China. SGB is headquartered in Tianjin, China. BSH’s shareholding in this Chinese building society was 24.90 percent on the balance sheet date, as it had been at December 31, 2023. In the DZ BANK Group, the interests in SGB are accounted for using the equity method. SGB did not pay a dividend to BSH in 2024, as had also been the case in the previous year.

Aggregated financial information for SGB:

€ million	Dec. 31, 2024	Dec. 31, 2023
Current assets	2,288	1,681
of which cash and cash equivalents	330	332
Non-current assets	3,169	3,111
Current liabilities	3,931	3,345
of which financial liabilities	3,877	3,129
Non-current liabilities	1,113	1,058
of which financial liabilities	1,113	1,058

€ million	2024	2023
Interest income	161	149
Interest expense	-93	-85
Fee and commission income	1	5
Fee and commission expenses	-11	-12
Administrative expenses	-39	-40
Income taxes	1	-2
Profit from continuing operations, net of tax	11	10
Other comprehensive income/loss	14	-26
Total comprehensive income/loss	25	-16

Reconciliation from the aggregated financial information to the carrying amount of the interests in SGB:

€ million	Dec. 31, 2024	Dec. 31, 2023
Total net assets	**413**	**388**
Share of net assets	**103**	**97**
Cumulative impairment losses on the carrying amount of the investment	-75	-75
Carrying amount under the equity method	**28**	**21**

Deutsche WertpapierService Bank

Deutsche WertpapierService Bank AG, Frankfurt am Main, (dwpbank) is a joint venture of DZ BANK with Westfälisch-Lippische Sparkassen- und Giroverband, Münster, Rheinischer Sparkassen- und Giroverband, Düsseldorf, and 3 other banks in Germany and is accounted for in the DZ BANK Group’s financial statements using the equity method. dwpbank is headquartered in Frankfurt am Main. Its capital is divided into 20,000,000 voting registered shares with transfer restrictions. DZ BANK holds a 50.00 percent stake in dwpbank, as it did at December 31, 2023. The equity method is applied to dwpbank on the basis of financial statements prepared in accordance with HGB because the difference compared with financial statements prepared in accordance with IFRS is not material.

The shares in dwpbank are not traded in an active market. dwpbank did not pay a dividend to DZ BANK in 2024, as had also been the case in the previous year.

Aggregated financial information for dwpbank:

€ million	Dec. 31, 2024	Dec. 31, 2023
Assets	904	635
Liabilities	514	301
of which financial liabilities	272	91

dwpbank only has a small amount of cash and cash equivalents.

€ million	2024	2023
Interest income	10	7
Interest expense	-3	-2
Fee and commission income	429	403
Fee and commission expenses	-103	-94
Administrative expenses	-286	-264
Income taxes	-18	-25
Profit from continuing operations, net of tax	55	49
Total comprehensive income	55	49

Reconciliation from the aggregated financial information to the carrying amount of the interests in dwpbank:

€ million	Dec. 31, 2024	Dec. 31, 2023
Total net assets	**390**	334
Share of net assets	**195**	167
Capitalization of goodwill	29	29
Carrying amount under the equity method	**224**	197

Other joint ventures

The carrying amount of the equity-accounted joint ventures that, individually, are not material totaled €63 million on the balance sheet date (December 31, 2023: €27 million).

The share of profit (loss) from continuing operations, net of tax, and the share of total comprehensive income were not material in 2024, as had also been the case in 2023.

Nature, extent, and financial effects of investments in associates

Other associates

The carrying amount of the equity-accounted associates that, individually, are not material totaled €163 million on the balance sheet date (December 31, 2023: €139 million).

Aggregated financial information for equity-accounted associates that, individually, are not material:

€ million	2024	2023
Share of profit/loss from continuing operations, net of tax	-2	-1
Share of total comprehensive income/loss	-2	-1

» 31 Interests in unconsolidated structured entities

Structured entities are entities that have been designed so that voting rights or similar rights are not the dominant factor in deciding who controls the entity. The DZ BANK Group distinguishes between the following types of interests in unconsolidated structured entities, based on their design and the related risks:

- Interests in investment funds issued by the DZ BANK Group
- Interests in investment funds not issued by the DZ BANK Group
- Interests in securitization vehicles

Interests in investment funds issued by the DZ BANK Group

The interests in the investment funds issued by the DZ BANK Group largely comprise investment funds issued by entities in the UMH subgroup in accordance with the contractual form model without voting rights and, to a lesser extent, those that are structured as a company with a separate legal personality. The number of unit/share types and volume of investment funds issued and managed by entities in the UMH subgroup can be broken down as follows:

	Dec. 31, 2024		Dec. 31, 2023	
€ million	Volume	Number	Volume	Number
Mutual funds	273,887	342	240,449	337
of which guarantee funds	108	4	282	6
Special funds	161,053	507	152,181	517
Total	**434,940**	**849**	**392,630**	**854**

The maximum exposure of the investment funds issued and managed by the DZ BANK Group is shown in the following tables as a gross value, excluding deduction of available collateral:

AS AT DECEMBER 31, 2024

€ million	Mutual funds	of which guarantee funds	Special funds	Total
Assets	**3,124**	**-**	**219**	**3,344**
Loans and advances to customers	2	-	17	18
Investments	2,723	-	33	2,755
Investments held by insurance companies	33	-	154	187
Property, plant and equipment, investment property, and right-of-use assets	98	-	-	98
Other assets	249	-	16	265
Non-current assets and disposal groups classified as held for sale	21	-	-	21
Liabilities	**116**	**4**	**-**	**116**
Financial liabilities held for trading	4	4	-	4
Other liabilities	111	-	-	112
Net exposure recognized on the balance sheet	3,009	-4	219	3,228
Financial guarantee contracts, loan commitments and other obligations	**109**	**109**	**-**	**109**
Other obligations	109	109	-	109
Maximum exposure	**3,118**	**105**	**219**	**3,337**

AS AT DECEMBER 31, 2023

€ million	Mutual funds	of which guarantee funds	Special funds	Total
Assets	**2,786**	**-**	**154**	**2,940**
Loans and advances to customers	2	-	14	16
Investments	2,402	-	27	2,429
Investments held by insurance companies	30	-	98	128
Property, plant and equipment, investment property, and right-of-use assets	110	-	-	110
Other assets	194	-	14	208
Non-current assets and disposal groups classified as held for sale	48	-	-	48
Liabilities	**128**	**7**	**-**	**128**
Financial liabilities held for trading	7	7	-	7
Other liabilities	121	-	-	121
Net exposure recognized on the balance sheet	2,658	-7	154	2,812
Financial guarantee contracts, loan commitments and other obligations	**290**	**290**	**-**	**290**
Other obligations	290	290	-	290
Maximum exposure	**2,948**	**283**	**154**	**3,102**

The maximum exposure for market price guarantees for the guarantee funds does not represent the economic risk of this product type because the economic risk also has to reflect these guarantee funds' net assets on the reporting date and the management model used with these products to safeguard the minimum payment commitments. The benefit under a market price guarantee is triggered if the fair value of the affected units does not reach the specified guaranteed level on particular dates. As at the balance sheet date, the UMH subgroup managed guarantee funds with a volume of €108 million (net asset value) (December 31, 2023: €282 million) and a nominal amount of minimum payment commitments of €109 million (December 31, 2023: €290 million). The put options embedded in the guarantee funds were measured at €4 million as at the balance sheet date (December 31, 2023: €7 million) and are reported as derivatives (negative fair values) under equity and liabilities on the balance sheet.

In addition, there were investment funds issued by the group in connection with unit-linked life insurance amounting to €5,668 million (December 31, 2023: €5,064 million) that, however, do not result in a maximum exposure.

The earnings generated from investment funds issued by the DZ BANK Group were as follows:

2024

€ million	Mutual funds	of which guarantee funds	Special funds	**Total**
Interest income and current income and expense	63	-	2	65
Fee and commission income	3,299	1	276	3,575
Gains and losses on investments	14	-	-	13
Other gains and losses on valuation of financial instruments	46	-2	1	46
Gains and losses on investments held by insurance companies and other insurance company gains and losses	3	-	4	7
Losses	-7	-3	-	-7
Total	**3,418**	**-4**	**282**	**3,700**

2023

€ million	Mutual funds	of which guarantee funds	Special funds	**Total**
Interest income and current income and expense	13	-	1	15
Fee and commission income	2,853	1	265	3,118
Gains and losses on investments	-2	-	-	-2
Other gains and losses on valuation of financial instruments	55	6	7	62
Gains and losses on investments held by insurance companies and other insurance company gains and losses	3	-	8	11
Losses	-4	-	-	-4
Total	**2,918**	**7**	**281**	**3,199**

Distributions in 2024 relating to each investment fund were offset in the calculation of the losses incurred in respect of each fund.

Interests in investment funds not issued by the DZ BANK Group

The interests in the investment funds not issued by the DZ BANK Group above all comprise investment funds managed by entities in the UMH subgroup within the scope of their own decision-making powers that have been issued by entities outside the DZ BANK Group and parts of such investment funds. Their total volume amounted to €39,900 million (December 31, 2023: €38,100 million). The DZ BANK Group also extends loans to investment funds in order to generate interest income.

In addition, there were investment funds issued by entities outside the group in connection with unit-linked life insurance amounting to €19,091 million (December 31, 2023: €15,428 million) that, however, do not result in a maximum exposure.

The maximum exposure arising from the investment funds not issued by the DZ BANK Group is shown as a gross value, excluding deduction of available collateral. The following assets and liabilities have been recognized on the DZ BANK Group's balance sheet in connection with interests in investment funds not issued by the DZ BANK Group:

€ million	Dec. 31, 2024	Dec. 31, 2023
Assets	**10,030**	**9,889**
Loans and advances to banks	1	-
Loans and advances to customers	7,719	7,731
Investments held by insurance companies	2,311	2,158
Net exposure recognized on the balance sheet	10,030	9,889
Financial guarantee contracts, loan commitments and other obligations	**102**	**355**
Financial guarantee contracts	41	38
Loan commitments	62	317
Maximum exposure	**10,132**	**10,244**

The earnings generated from interests in investment funds not issued by the DZ BANK Group were as follows:

€ million	2024	2023
Interest income and current income	170	139
Fee and commission income	70	69
Gains and losses on investments held by insurance companies and other insurance company gains and losses	197	185
Gains and losses from loss allowances	-1	2
Total	**436**	**396**

Interests in securitization vehicles

The interests in securitization vehicles are interests in vehicles where the DZ BANK Group's involvement goes beyond that of an investor. The assets and liabilities listed below have been recognized on the DZ BANK Group's balance sheet in connection with these interests. There is also an additional exposure from contingent liabilities and from financial guarantee contracts, loan commitments, and other obligations, which are shown at their nominal amounts. Only financial guarantee contracts, loan commitments, and other obligations for which no liability or contingent liability has been recognized are included. The maximum exposure is determined as a gross value, excluding deduction of available collateral.

€ million	Dec. 31, 2024	Dec. 31, 2023
Assets	**3,671**	**3,851**
Loans and advances to customers	2,463	2,337
Financial assets held for trading	67	52
Investments	128	106
Investments held by insurance companies	1,013	1,355
Liabilities	**38**	**28**
Financial liabilities held for trading	26	26
Provisions	11	2
Net exposure recognized on the balance sheet	3,633	3,823
Financial guarantee contracts, loan commitments and other obligations	**4,729**	**3,712**
Loan commitments	4,729	3,712
Maximum exposure	**8,362**	**7,535**

In 2024, interests in securitization vehicles resulted in income of €22 million that was recognized in other comprehensive income (2023: €39 million).

The earnings generated from interests in securitization vehicles were as follows:

€ million	2024	2023
Interest income	108	88
Fee and commission income	111	83
Gains and losses on trading activities	-7	-
Gains and losses on investments	4	4
Gains and losses on investments held by insurance companies and other insurance company gains and losses	65	60
Gains and losses from loss allowances	-9	-
Total	**273**	236

The material interests in securitization vehicles comprise DZ BANK’s two multi-seller asset-backed commercial paper (ABCP) programs CORAL and AUTOBAHN as well as R+V’s asset-backed securities (ABSs).

DZ BANK acts as sponsor and program agent for both programs. It is also the program administrator for the AUTOBAHN program. As sponsor, DZ BANK was involved in setting up the structured entities and provides various services for them. Under the CORAL program, customers of the bank sell assets to separate special-purpose entities. The assets purchased essentially consist of trade receivables, loans, and lease receivables. Under the AUTOBAHN program, assets of North American customers are sold to specially established special-purpose entities and funded through the issuing company by means of ABCP issues.

The special-purpose entities are unconsolidated structured entities. Owing to the cellular structure of the transactions, there are no investee companies to be assessed. DZ BANK does not have control over the individual silos because it acts as agent and not as principal.

The purchase of the assets is funded using liquidity lines and by issuing money market-linked ABCPs. DZ BANK is a liquidity agent for the program, which involves making liquidity facilities available.

In 2024, DZ BANK did not provide either of the programs with any non-contractual support. Moreover, it currently has no intention to provide financial or other support. Because the ABCP programs are fully supported programs, DZ BANK bears all the credit risk.

The current carrying amount of the ABSs held by R+V represents the maximum downside risk.

C Disclosures relating to the income statement and the statement of comprehensive income

» 32 Segment information

Information on operating segments

2024

€ million	BSH	R+V	TeamBank	UMH
Net interest income	537	-	534	101
Net fee and commission income	-14	-	-37	2,309
Gains and losses on trading activities	-	-	-	-
Gains and losses on investments	-	-	-	14
Other gains and losses on valuation of financial instruments	-4	-	-	85
Gains and losses from the derecognition of financial assets measured at amortized cost	-	-	-	-
Insurance service result	-	1,371	-	-
Gains and losses on investments held by insurance companies and other insurance company gains and losses	-	5,210	-	-
Insurance finance income or expenses	-	-5,351	-	-
Gains and losses from the derecognition of financial assets measured at amortized cost in the insurance business	-	1	-	-
Loss allowances	-24	-	-205	-
Administrative expenses	-491	-	-283	-1,263
Other net operating income	60	8	13	-6
Profit/loss before taxes	**64**	**1,240**	**23**	**1,241**
Cost/income ratio (%)	84.8	-	55.5	50.5
Regulatory RORAC (%)	5.1	13.0	4.4	>100.0
Average own funds/solvency requirement	1,260	9,575	529	670
Total assets/total equity and liabilities as at Dec. 31, 2024	82,684	134,737	10,857	5,935

	DZ BANK – CICB	DZ HYP	DZ PRIVAT-BANK	VR Smart Finanz	DZ BANK – holding function	Other/ Consolidation	**Total**
	1,552	795	176	141	-158	992	4,670
	632	6	235	-35	-	95	3,191
	7	-	23	-	-	-872	-842
	12	4	-	-	-	35	65
	134	-8	-24	-	-	46	229
	43	-	-3	-	-	-	40
	-	-	-	-	-	29	1,400
	-	-	-	-	-	-116	5,094
	-	-	-	-	-	-	-5,351
	-	-	-	-	-	3	4
	-457	-90	-17	-52	-	-	-845
	-1,452	-246	-295	-78	-215	-229	-4,552
	-3	19	16	-	-	93	200
	468	**479**	**112**	**-23**	**-373**	**72**	**3,303**
	61.1	30.1	69.7	73.6	-	-	52.3
	8.2	34.9	32.0	-14.0	-	-	16.8
	5,708	1,373	350	164	-	-	19,628
	386,178	85,931	21,681	3,618	23,412	-95,395	659,638

2023

€ million	BSH	R+V	TeamBank	UMH
Net interest income	550	-	530	71
Net fee and commission income	-13	-	-39	2,018
Gains and losses on trading activities	-	-	-	-
Gains and losses on investments	-	-	-	-31
Other gains and losses on valuation of financial instruments	1	-	-2	197
Gains and losses from the derecognition of financial assets measured at amortized cost	-2	-	-	-
Insurance service result	-	1,162	-	-
Gains and losses on investments held by insurance companies and other insurance company gains and losses	-	3,136	-	-
Insurance finance income or expenses	-	-3,297	-	-
Gains and losses from the derecognition of financial assets measured at amortized cost in the insurance business	-	6	-	-
Loss allowances	-18	-	-133	-1
Administrative expenses	-536	-	-285	-1,231
Other net operating income	38	-	10	-50
Profit/loss before taxes	**20**	**1,008**	**81**	**974**
Cost/income ratio (%)	93.4	-	57.1	55.8
Regulatory RORAC (%)	1.6	11.3	16.3	>100.0
Average own funds/solvency requirement	1,276	8,955	495	647
Total assets/total equity and liabilities as at Dec. 31, 2023	84,369	127,039	10,640	5,156

	DZ BANK – CICB	DZ HYP	DZ PRIVAT-BANK	VR Smart Finanz	DZ BANK – holding function	Other/ Consolidation	**Total**
	1,483	721	147	123	-103	811	**4,333**
	544	9	220	-29	-	97	**2,807**
	674	-1	16	-	-	-864	**-175**
	-42	-	-	-	-	1	**-72**
	-93	87	17	-	-	91	**298**
	-35	-	-7	-	-	55	**11**
	-	-	-	-	-	21	**1,183**
	-	-	-	-	-	-138	**2,998**
	-	-	-	-	-	-	**-3,297**
	-	-	-	-	-	-	**6**
	-82	-111	-1	-18	-	2	**-362**
	-1,455	-247	-293	-73	-253	-224	**-4,597**
	41	19	-16	-2	-	16	**56**
	1,035	**476**	**83**	**1**	**-356**	**-133**	**3,189**
	56.6	29.6	77.7	79.3	-	-	**56.4**
	18.9	35.2	25.3	0.7	-	-	**17.1**
	5,474	1,355	328	161	-	-	**18,690**
	375,464	87,410	26,190	3,454	23,077	-98,210	**644,589**

General information on operating segments
The information on operating segments has been prepared using the management approach in accordance with IFRS 8. Under this standard, external reporting must include segment information that is used internally for the management of the entity and for the purposes of quantitative reporting to the chief operating decision-makers. The information on operating segments has therefore been prepared on the basis of the internal management reporting system.

Definition of operating segments
Segmentation is fundamentally based on the integrated risk and capital management system, the function of which is to create transparency, notably in respect of the risk structure and risk-bearing capacity of the individual management units. The segment information presents separate disclosures for the management units DZ HYP AG, Hamburg/Münster, (DZ HYP), TeamBank AG Nürnberg, Nuremberg, (TeamBank), DZ PRIVATBANK, and the BSH, R+V, UMH, and VR Smart Finanz subgroups. DZ BANK is broken down into the central institution and corporate bank (DZ BANK – CICB) and the group management function (DZ BANK – holding function) in line with the internal financial reporting structure. The DZ BANK – CICB operating segment comprises the cooperative central institution function, which supports the operating activities of the local cooperative banks, and the corporate bank function. DZ BANK – holding function is mainly used to pool tasks carried out on behalf of the DZ BANK Group in relation to commercial law, tax, and prudential supervision. The total assets of DZ BANK – holding function include the equity, plus a number of other items such as a notional carrying amount for the long-term equity investment in DZ BANK – CICB, together with the carrying amounts of the long-term equity investments in the other management units. The notional long-term equity investment in DZ BANK – CICB is measured in an amount equating to 11 percent of the risk-weighted assets of DZ BANK – CICB. DZ BANK – holding function does not constitute an operating segment within the meaning of IFRS 8.5 but is presented separately in line with the internal reporting structure. All other companies in the DZ BANK Group, which are not required to provide regular quantitative reports to the chief operating decision-makers, and the consolidations are reported on an aggregated basis under Other/Consolidation.

Presentation of operating segments
Interest income and associated interest expenses generated by the operating segments are offset and reported as net interest income in the information on operating segments because, from a group perspective, the operating segments are managed solely on the basis of the net figure.

Measurement
Internal reporting to the chief operating decision-makers is primarily based on the IFRS accounting and measurement principles applicable to the DZ BANK Group.

Intragroup transactions between operating segments and internal transactions in the DZ BANK – CICB operating segment are carried out on an arm's-length basis. These transactions are predominantly reported internally using the financial reporting standards applied to external financial reporting.

The key indicators for assessing the performance of the operating segments are profit/loss before taxes, the cost/income ratio, and the return on risk-adjusted capital (regulatory RORAC).

The cost/income ratio shows the ratio of administrative expenses to operating income and reflects the economic efficiency of the operating segment concerned.

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

Regulatory RORAC is a risk-adjusted performance measure. It reflects the relationship between profit before taxes and the average own funds for the year (calculated as an average of the monthly figures) in accordance with the own funds/solvency requirements for the financial conglomerate. It therefore shows the return on the regulatory risk capital employed.

Other/Consolidation

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

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

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

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

DZ BANK Group-wide disclosures

Information about geographical areas

Operating income was generated in the following geographical areas:

€ million	2024	2023
Germany	7,878	7,392
Rest of Europe	975	808
Rest of World	220	135
Consolidation/reconciliation	-373	-186
Total	**8,700**	**8,149**

Information on geographical areas is presented according to the home countries of the companies included in the consolidated financial statements.

This information does not include the separate disclosure of certain non-current (largely tangible) assets because these assets are of minor significance in the DZ BANK Group’s business model.

Information about products and services

Information on products and services is included in the income statement disclosures below.

» 33 Net interest income

€ million	2024	2023
INTEREST INCOME AND CURRENT INCOME AND EXPENSE	**15,843**	**13,834**
Interest income from	**15,716**	**13,733**
Lending and money market business	12,861	11,423
of which relating to mortgage loans	1,524	1,340
of which relating to money market business	4,765	4,262
of which relating to home savings loans advanced by building society	1,105	1,063
of which relating to pass-through loans	762	617
of which relating to registered securities	472	435
of which relating to finance leases	19	20
Bonds and other fixed-income securities	1,356	916
Portfolio hedges of interest-rate risk	1,502	1,405
Financial assets with a negative effective interest rate	-5	-11
Other assets	3	-
Current income and expense from	**127**	**101**
Shares and other variable-yield securities	79	57
of which income from other shareholdings	14	14
Investments in subsidiaries	8	4
Entities accounted for using the equity method	32	34
of which relating to investments in joint ventures	34	34
of which relating to investments in associates	-2	-
Income from profit-pooling, profit-transfer and partial profit-transfer agreements	6	7
INTEREST EXPENSE ON	**-11,173**	**-9,501**
Deposits from banks and customers	-7,872	-7,180
of which relating to home savings deposits	-661	-746
Debt certificates issued including bonds	-2,834	-1,754
Subordinated capital	-161	-151
Portfolio hedges of interest-rate risk	-322	-421
Financial liabilities with a positive effective interest rate	15	20
Provisions and other liabilities	1	-15
Total	**4,670**	**4,333**

The interest income from other assets included gains from non-credit-risk-related modifications of €1 million (2023: €3 million) and losses from non-credit-risk-related modifications of €0 million (2023: €3 million), such gains and losses resulting from financial assets. The interest expense on provisions and other liabilities included interest expense on lease liabilities of €8 million (2023: €7 million).

» 34 Net fee and commission income

€ million	2024	2023
Fee and commission income	**5,767**	**5,174**
Securities business	4,443	3,964
Asset management	392	334
Payments processing including card processing	372	368
Lending business and trust activities	209	178
Financial guarantee contracts and loan commitments	115	96
International business	13	13
Building society operations	37	35
Other	184	186
Fee and commission expenses	**-2,575**	**-2,368**
Securities business	-1,834	-1,656
Asset management	-245	-201
Payments processing including card processing	-199	-224
Lending business	-83	-79
Financial guarantee contracts and loan commitments	-12	-12
Building society operations	-80	-73
Other	-122	-122
Total	**3,191**	**2,807**

Fee and commission income included revenue from contracts with customers pursuant to IFRS 15 in an amount of €5,767 million (2023: €5,166 million); see note 102.

» 35 Gains and losses on trading activities

€ million	2024	2023
Gains and losses on non-derivative financial instruments and embedded derivatives	-1,331	-2,430
of which gains and losses on financial instruments designated as at fair value through profit or loss that are related to derivatives held for trading purposes	-393	-975
Gains and losses on derivatives	341	2,193
Gains and losses on exchange differences	148	62
Total	**-842**	**-175**

Gains and losses on exchange differences included currency translation gains of €36 million on financial instruments not measured at fair value through profit or loss (2023: €5 million).

» 36 Gains and losses on investments

€ million	2024	2023
Gains and losses on the disposal of bonds and other fixed-income securities	**16**	**-36**
Gains and losses on the disposal of shares and other variable-yield securities	**17**	**-2**
Gains and losses on investments in joint ventures	**1**	**-28**
Impairment losses	-	-28
Reversals of impairment losses	1	-
Gains and losses on investments in associates	**32**	**-5**
Disposals	35	-
Impairment losses	-3	-11
Reversals of impairment losses	-	5
Total	**65**	**-72**

» 37 Other gains and losses on valuation of financial instruments

€ million	2024	2023
Gains and losses from fair value hedge accounting	52	-44
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	-11	-162
Gains and losses on derivatives used for purposes other than trading	109	433
Gains and losses on financial assets mandatorily measured at fair value through profit or loss	80	71
Total	229	298

Gains and losses on derivatives used for purposes other than trading result from the recognition and measurement of derivatives that are used for economic hedging or are related to financial instruments designated as at fair value through profit or loss but are not included in hedge accounting.

» 38 Gains and losses from the derecognition of financial assets measured at amortized cost

€ million	2024	2023
Gains from the derecognition of financial assets measured at amortized cost	**83**	**122**
Loans and advances to banks and customers	1	2
Investments	3	4
Fair value changes of the hedged items in portfolio hedges of interest-rate risk	79	117
Losses on derecognition of financial assets measured at amortized cost	**-43**	**-111**
Loans and advances to banks and customers	-24	-70
Investments	-11	-21
Fair value changes of the hedged items in portfolio hedges of interest-rate risk	-8	-21
Total	40	11

The derecognition of financial assets measured at amortized cost was primarily attributable to the sale of impaired loans and advances to customers and early redemptions at the request of customers.

» 39 Gains and losses on investments held by insurance companies and other insurance company gains and losses

€ million	2024	2023
Income from investments held by insurance companies	**9,158**	**7,117**
Interest income and current income	3,055	2,535
Income from reversals of impairment losses and reversals of loss allowances, and unrealized gains	1,143	342
Gains on valuation through profit or loss of investments held by insurance companies	4,295	3,833
Gains on disposals	666	407
Expenses in connection with investments held by insurance companies	**-3,361**	**-3,589**
Administrative expenses	-175	-156
Depreciation/amortization expense, additions to loss allowances, and impairment losses and unrealized losses	-612	-859
Losses on valuation through profit or loss of investments held by insurance companies	-1,407	-1,899
Losses on disposals	-1,168	-675
Other non-insurance gains and losses	**-704**	**-530**
Total	5,094	2,998

Other non-insurance gains and losses included interest expenses on lease liabilities amounting to €2 million (2023: €2 million).

Income from and expenses in connection with investments held by insurance companies and other non-insurance gains and losses included currency translation gains of €48 million on financial instruments not measured at fair value through profit or loss (2023: losses of €9 million).

Income from and expenses in connection with investments held by insurance companies and other non-insurance gains and losses included additions to loss allowances of €49 million (2023: €100 million) and reversals of loss allowances of €67 million (2023: €39 million).

» 40 Insurance finance income or expenses

€ million	2024	2023
Insurance finance income or expenses from insurance contracts	-5,356	-3,298
Insurance finance income or expenses from reinsurance contracts held	5	2
Total	**-5,351**	**-3,297**

» 41 Gains and losses from the derecognition of financial assets measured at amortized cost in the insurance business

The derecognition of financial assets measured at amortized cost in the insurance business gave rise to gains of €5 million (2023: €8 million) and losses of €1 million (2023: €1 million).

» 42 Loss allowances

€ million	2024	2023
Loss allowances for loans and advances to banks	**-4**	**14**
Additions	-48	-36
Reversals	36	45
Recoveries on loans and advances to banks previously impaired	8	4
Loss allowances for loans and advances to customers	**-729**	**-374**
Additions	-2,288	-1,940
Reversals	1,495	1,480
Directly recognized impairment losses	-55	-53
Recoveries on loans and advances to customers previously impaired	89	105
Other	30	33
Loss allowances for investments	**-2**	**2**
Additions	-20	-21
Reversals	18	23
Loss allowances for other assets	**-1**	**-1**
Reversals	1	1
Directly recognized impairment losses	-1	-2
Other loss allowances for loans and advances	**-110**	**-3**
Additions to and reversals of provisions for loan commitments	-108	9
Additions to and reversals of provisions for financial guarantee contracts	-27	-14
Additions to and reversals of other provisions for loans and advances	25	2
Total	**-845**	**-362**

Gains and losses from credit-risk-related modifications and other gains and losses on POCI assets are reported under the 'Other' line item. Other gains and losses on POCI assets consist of the changes in the loss allowances for these assets within the reporting period.

» 43 Administrative expenses

€ million	2024	2023
Staff expenses	**-2,201**	**-2,174**
Wages and salaries	-1,851	-1,812
Social security contributions	-251	-239
Pension and other post-employment benefit expenses	-84	-105
Expenses for share-based payment transactions	-15	-18
General and administrative expenses	**-2,058**	**-2,128**
Expenses for temporary staff	-32	-28
Contributions and fees	-156	-284
of which contributions to the resolution fund for CRR credit institutions	-	-114
Consultancy	-516	-509
Office expenses	-159	-162
IT expenses	-668	-624
Property and occupancy costs	-126	-120
Information procurement	-112	-109
Public relations and marketing	-166	-168
Other general and administrative expenses	-119	-120
Expenses for administrative bodies	-4	-4
Depreciation and amortization	**-293**	**-295**
Property, plant and equipment, and investment property	-79	-81
Right-of-use assets	-88	-89
Other assets	-126	-125
Total	**-4,552**	**-4,597**

» 44 Other net operating income

€ million	2024	2023
Income from the reversal of provisions and accruals	151	175
Restructuring expenses	-48	-94
Gains and losses on non-current assets and disposal groups classified as held for sale	30	25
Gains on the disposal of other assets	25	21
Income and expense from impairment losses on other intangible assets, and reversals thereof	-7	-53
Residual other net operating income	48	-18
Total	**200**	**56**

Gains and losses on non-current assets and disposal groups classified as held for sale only included realized gains on disposals.

Restructuring expenses included additions of €36 million to provisions for termination benefits linked with restructuring (2023: €70 million).

Residual other net operating income included rental income from investment property of €18 million (2023: €17 million) and directly assignable expenses of €6 million for the management of investment property (2023: €4 million).

» 45 Income taxes

€ million	2024	2023
Current tax expense	-792	-986
Deferred tax expense/income	-121	31
Total	**-913**	**-955**

The total for current taxes includes income of €38 million (2023: expenses of €302 million) attributable to previous years. Deferred taxes include expenses of €52 million (2023: income of €4 million) related to temporary differences and their reversal.

Current taxes in relation to the German limited companies in the group are calculated using an effective corporation tax rate of 15.825 percent (2023: 15.825 percent) based on a corporation tax rate of 15.0 percent (2023: 15.0 percent) plus the solidarity surcharge. The effective rate of trade tax for DZ BANK and subsidiaries that are members of its tax group was 15.540 percent (2023: 15.470 percent).

Deferred taxes must be calculated using tax rates expected to apply when the tax asset is recovered or liability settled. The tax rates used are therefore those that are valid or have been announced for the periods in question as at the balance sheet date.

The following table shows a reconciliation from expected income taxes to recognized income taxes based on application of the current tax law in Germany:

€ million	2024	2023
Profit before taxes	**3,303**	3,189
Group income tax rate	31.365%	31.295%
Expected income taxes	**-1,036**	-998
Income tax effects	**123**	43
Impact of tax-exempt income and non-deductible expenses	-85	-50
Adjustments resulting from other types of income tax, other trade tax multipliers, and changes in tax rates	116	76
Tax rate differences on income subject to taxation in other countries	37	26
Current and deferred taxes relating to prior years	42	-38
Change in impairment losses on deferred tax assets	-2	38
Other effects	15	-10
Recognized income taxes	**-913**	**-955**

» 46 Items reclassified to the income statement

The following amounts were recognized in other comprehensive income/loss or reclassified from other comprehensive income/loss to the income statement in the reporting period:

€ million	2024	2023
Gains and losses on debt instruments measured at fair value through other comprehensive income	**886**	**4,679**
Gains (+)/losses (-) arising during the reporting period	303	4,338
Gains (-)/losses (+) reclassified to the income statement during the reporting period	583	341
Exchange differences on currency translation of foreign operations	**50**	**-12**
Gains (+)/losses (-) arising during the reporting period	27	-12
Gains (-)/losses (+) reclassified to the income statement during the reporting period	22	-
Insurance finance income or expenses included in other comprehensive income	**-829**	**-3,745**
Gains (+)/losses (-) arising during the reporting period	-829	-3,745
Share of other comprehensive income/loss of joint ventures and associates accounted for using the equity method	**5**	**-8**
Gains (+)/losses (-) arising during the reporting period	5	-8

» 47 Income taxes relating to components of other comprehensive income

The table below shows the income taxes on the various components of other comprehensive income:

	2024			2023		
€ million	Amount before taxes	Income taxes	Amount after taxes	Amount before taxes	Income taxes	Amount after taxes
Items that may be reclassified to the income statement	**113**	**-16**	**97**	**914**	**-349**	**566**
Gains and losses on debt instruments measured at fair value through other comprehensive income	886	-241	645	4,679	-1,460	3,219
Exchange differences on currency translation of foreign operations	50	-8	41	-12	5	-7
Insurance finance income or expenses included in other comprehensive income	-829	233	-595	-3,745	1,106	-2,638
Share of other comprehensive income/loss of joint ventures and associates accounted for using the equity method	5	-	5	-8	-	-8
Items that will not be reclassified to the income statement	**-241**	**129**	**-112**	**108**	**-117**	**-9**
Gains and losses on equity instruments for which the fair value OCI option has been exercised	189	-29	161	-47	-71	-118
Gains and losses in relation to financial liabilities for which the fair value option has been exercised, attributable to changes in own credit risk	-513	161	-352	300	-94	206
Gains and losses arising from remeasurement of defined benefit plans	82	-3	79	-145	48	-98
Total	**-129**	**113**	**-16**	**1,022**	**-465**	**556**

D Balance sheet disclosures

» 48 Cash and cash equivalents

€ million	Dec. 31, 2024	Dec. 31, 2023
Cash on hand	446	366
Balances with central banks	81,344	101,463
Total	**81,790**	**101,830**

The average target minimum reserve for 2024 was €4,207 million (2023: €4,134 million).

» 49 Loans and advances to banks

	Repayable on demand		Other loans and advances		Total	
€ million	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Domestic banks	**3,745**	4,945	**124,122**	117,557	**127,867**	122,502
Affiliated banks	1,936	2,831	116,031	115,153	117,967	117,984
Other banks	1,809	2,115	8,091	2,404	9,900	4,519
Foreign banks	**1,830**	2,108	**13,835**	4,256	**15,665**	6,364
Total	**5,575**	**7,054**	**137,957**	**121,813**	**143,532**	**128,867**

The following table shows the breakdown of loans and advances to banks by type of business:

€ million	Dec. 31, 2024	Dec. 31, 2023
Mortgage loans	58	56
Home savings loans advanced by building society	158	103
Registered securities	11,549	11,502
Pass-through loans	69,372	69,065
Other bank loans	29,410	27,175
Money market placements	30,124	17,847
Current account debit balances	1,930	2,075
Other loans and advances	932	1,044
Total	**143,532**	**128,867**

» 50 Loans and advances to customers

€ million	Dec. 31, 2024	Dec. 31, 2023
Loans and advances to domestic customers	178,565	178,389
Loans and advances to foreign customers	30,123	26,388
Total	**208,688**	**204,776**

The following table shows the breakdown of loans and advances to customers by type of business:

€ million	Dec. 31, 2024	Dec. 31, 2023
Mortgage loans	57,288	57,227
Home savings loans advanced by building society	65,298	64,631
Finance leases	385	463
Registered securities	6,891	7,605
Pass-through loans	8,350	8,378
Other bank loans	53,027	49,643
Money market placements	2,973	2,165
Current account debit balances	5,827	5,686
Other loans and advances	8,648	8,979
Total	**208,688**	**204,776**

» 51 Hedging instruments (positive fair values)

Hedging instruments (positive fair values) amounted to €796 million (December 31, 2023: €923 million) and resulted solely from derivatives used as fair value hedges.

» 52 Financial assets held for trading

€ million	Dec. 31, 2024	Dec. 31, 2023
DERIVATIVES (POSITIVE FAIR VALUES)	**16,231**	**16,482**
Interest-linked contracts	12,752	13,799
Currency-linked contracts	2,686	1,759
Share-/index-linked contracts	571	688
Credit derivatives	222	225
Other contracts	1	11
BONDS AND OTHER FIXED-INCOME SECURITIES	**10,441**	**8,334**
Money market instruments	1,361	60
Bonds	9,080	8,275
SHARES AND OTHER VARIABLE-YIELD SECURITIES	**2,102**	**1,329**
Shares	2,102	1,325
Investment fund units	-	4
RECEIVABLES	**1,666**	**8,815**
of which from affiliated banks	516	816
of which from other banks	598	7,522
Money market placements	**680**	**7,815**
with banks	680	7,798
with customers	-	17
Promissory notes and registered bonds	**986**	**1,000**
from banks	434	539
from customers	552	461
Total	**30,441**	**34,961**

» 53 Investments

€ million	Dec. 31, 2024	Dec. 31, 2023
Bonds and other fixed-income securities	**58,076**	**44,453**
Money market instruments	2,082	925
Bonds	55,995	43,527
Shares and other variable-yield securities	**3,184**	**2,880**
Shares and other shareholdings	357	388
Investment fund units	2,826	2,492
Investments in subsidiaries	**217**	**180**
Investments in joint ventures	**386**	**312**
Investments in associates	**186**	**145**
Total	**62,049**	**47,970**

The carrying amount of investments in joint ventures accounted for using the equity method totaled €386 million (December 31, 2023: €312 million). €163 million of the investments in associates has been accounted for using the equity method (December 31, 2023: €139 million).

» 54 Investments held by insurance companies

€ million	Dec. 31, 2024	Dec. 31, 2023
Investment property	3,655	3,866
Investments in subsidiaries	761	810
Investments in joint ventures	76	62
Investments in associates	20	-
Mortgage loans	12,685	12,008
Promissory notes and loans	5,991	5,996
Registered bonds	5,729	5,531
Other loans	906	1,014
Variable-yield securities	12,257	11,871
Fixed-income securities	55,403	53,647
Derivatives (positive fair values)	60	159
Deposits with ceding insurers and other investments	223	40
Assets related to unit-linked contracts	24,859	20,563
Total	**122,625**	**115,568**

The fair value of investment property was €5,438 million as at the balance sheet date (December 31, 2023: €5,643 million).

Some investment property has been pledged as collateral and is subject to restrictions on disposal, the total furnished collateral value of the property being €1,175 million (December 31, 2023: €1,242 million). The group also has capital expenditure commitments amounting to €56 million (December 31, 2023: €48 million). A total of €51 million was spent on the repair and maintenance of investment property in 2024 (2023: €35 million). Vacant property resulted in repair and maintenance expenses of €5 million (2023: €3 million).

» 55 Property, plant and equipment, investment property, and right-of-use assets

€ million	Dec. 31, 2024	Dec. 31, 2023
Land and buildings	841	858
Office furniture and equipment	187	178
Investment property	285	280
Right-of-use assets	515	554
Total	**1,828**	**1,870**

The fair value of investment property was €354 million as at the balance sheet date (December 31, 2023: €345 million). Payments in advance are allocated to the relevant item of property, plant and equipment.

» 56 Income tax assets and liabilities

€ million	Dec. 31, 2024	Dec. 31, 2023
Income tax assets	**4,899**	**4,827**
Current income tax assets	385	329
Deferred tax assets	4,514	4,497
Income tax liabilities	**4,844**	**4,813**
Current income tax liabilities	671	662
Deferred tax liabilities	4,173	4,151

In addition to deferred tax assets recognized for tax loss carryforwards, deferred tax assets and liabilities are also recognized for temporary differences in respect of the items shown below:

	Deferred tax assets		Deferred tax liabilities	
€ million	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Tax loss carryforwards	49	118		
Loans and advances to banks and customers	76	33	218	222
Financial assets and liabilities held for trading, hedging instruments (positive and negative fair values)	792	812	47	29
Investments	466	635	22	5
Loss allowances	407	262	-	-
Investments held by insurance companies	2,506	2,745	240	223
Property, plant and equipment, investment property, and right-of-use assets	11	10	200	207
Deposits from banks and customers	203	196	193	310
Debt certificates issued including bonds	1	2	400	713
Provisions for employee benefits and for share-based payment transactions	592	583	100	70
Other provisions	369	361	34	33
Insurance contract liabilities	1,204	1,162	4,929	4,746
Other balance sheet items	632	461	584	476
Total (gross)	7,308	7,380	6,968	7,034
Netting of deferred tax assets and deferred tax liabilities	-2,795	-2,883	-2,795	-2,883
Total (net)	**4,514**	**4,497**	**4,173**	**4,151**

Deferred tax assets for temporary differences and tax loss carryforwards are only recognized if it is sufficiently probable that the asset can be recovered in the future. No deferred tax assets have been recognized for corporation tax loss carryforwards amounting to €212 million (December 31, 2023: €182 million), which can be carried forward indefinitely, or for trade tax loss carryforwards amounting to €157 million (December 31, 2023: €148 million). There remained foreign loss carryforwards of €64 million (December 31, 2023: €95 million) for which no deferred tax assets are recognized. Of this total, €64 million can be used indefinitely (December 31, 2023: €85 million).

As regards companies (or permanent establishments of companies) in the DZ BANK Group that suffered tax losses in 2024 or 2023 in their tax jurisdiction, it will be possible to utilize deferred tax assets amounting to €4,178 million (December 31, 2023: €4,219 million) in the future if a corresponding level of taxable income is available. It is assumed that this will in fact be the case based on information available from planning of taxable income.

Overall, there was a net deferred tax asset recognized through other comprehensive income of €731 million (December 31, 2023: €615 million).

Deferred tax assets of €3,241 million (December 31, 2023: €3,347 million) and deferred tax liabilities of €3,044 million (December 31, 2023: €3,064 million) are expected to be realized only after a period of 12 months.

As at December 31, 2024, no deferred tax liabilities were recognized for temporary differences of €208 million (December 31, 2023: €182 million) relating to investments in subsidiaries.

» 57 Other assets

€ million	Dec. 31, 2024	Dec. 31, 2023
Other assets held by insurance companies	3,983	3,578
Goodwill	155	155
Other intangible assets	440	437
of which software	389	388
of which acquired customer relationships	2	10
Other loans and advances	639	526
Residual other assets	1,860	1,149
Total	**7,077**	**5,845**

Other intangible assets include internally generated intangible assets amounting to €13 million (December 31, 2023: €16 million).

Residual other assets included initial margins from client clearing of €1,321 million (December 31, 2023: €522 million).

The breakdown of other assets held by insurance companies is as follows:

€ million	Dec. 31, 2024	Dec. 31, 2023
Intangible assets	**187**	**160**
Reinsurance contract assets	**312**	**368**
Liability for remaining coverage	32	34
Liability for incurred claims	279	334
Insurance contract assets	**-**	**1**
Liability for remaining coverage	1	1
Receivables	**1,119**	**1,028**
Receivables arising out of direct insurance operations	134	114
Receivables arising out of reinsurance operations	21	41
Other receivables	964	873
Credit balances with banks, checks and cash on hand	**1,029**	**647**
Property, plant and equipment	**465**	**424**
Land and buildings	358	298
Office furniture and equipment	51	61
Right-of-use assets held by insurance companies	57	64
Residual other assets	**872**	**952**
Prepaid expenses	63	53
Remaining assets held by insurance companies	809	899
Loss allowances	**-2**	**-2**
Total	**3,983**	**3,578**

The intangible assets in the other assets held by insurance companies include internally generated intangible assets amounting to €36 million (December 31, 2023: €24 million).

Trustee’s blocking notes have been entered in the land register for land and buildings held by companies offering personal insurance of €205 million (December 31, 2023: €176 million).

» 58 Loss allowances

Loss allowances for loans and advances to banks and for loans and advances to customers also comprise the loss allowances recognized for finance lease receivables.

The following table shows the changes in loss allowances, which are reported on the assets side of the balance sheet, broken down by individual balance sheet item:

	Loans and advances to banks			Loans and advances to customers			
€ million	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	POCI assets
Balance as at Jan. 1, 2023	17	5	32	244	535	1,157	18
Additions	26	2	8	275	920	713	31
Utilizations	-	-	-	-	-2	-199	-5
Reversals	-29	-4	-13	-472	-592	-393	-21
Other changes	-	-	-1	196	-357	152	-5
Balance as at Dec. 31, 2023	15	2	26	243	504	1,430	18
Additions	28	2	18	235	958	1,033	59
Utilizations	-	-	-	-	-2	-255	-5
Reversals	-29	-1	-6	-382	-560	-497	-52
Other changes	-	-3	-2	152	-345	253	-
Balance as at Dec. 31, 2024	**15**	**1**	**36**	**248**	**555**	**1,965**	**20**

	Investments			Other assets	Total
€ million	Stage 1	Stage 2	Stage 3	Stage 1	
Balance as at Jan. 1, 2023	4	11	4	2	2,029
Additions	2	2	1	-	1,980
Utilizations	-	-	-	-	-205
Reversals	-10	-4	-2	-1	-1,541
Other changes	8	-8	-	-	-15
Balance as at Dec. 31, 2023	3	1	4	1	2,248
Additions	3	2	4	-	2,342
Utilizations	-	-	-3	-	-265
Reversals	-2	-3	-5	-	-1,539
Other changes	-	-	-	-	57
Balance as at Dec. 31, 2024	**4**	**-**	**-**	**-**	**2,843**

» 59 Changes in non-current assets

The following table shows the changes in investment property included in the investments held by insurance companies, the changes in property, plant and equipment, and investment property, and the changes in intangible assets included in other assets:

	Investments held by insurance companies	
€ million	Investment property	
Carrying amounts as at Jan. 1, 2023	4,028	
Cost as at Jan. 1, 2023	4,869	
Additions	29	
Reclassifications	-	
Reclassifications to/from non-current assets and disposal groups classified as held for sale	-25	
Disposals	-5	
Changes attributable to currency translation	-	
Changes in scope of consolidation	-	
Cost as at Dec. 31, 2023	**4,867**	
Reversals of impairment losses as at Jan. 1, 2023	28	
Additions	-	
Reversals of impairment losses as at Dec. 31, 2023	**28**	
Depreciation/amortization and impairment losses as at Jan. 1, 2023	-869	
Depreciation/amortization expense for the year	-88	
Impairment losses for the year	-84	
Reclassifications	-	
Reclassifications to/from non-current assets and disposal groups classified as held for sale	12	
Disposals	1	
Changes attributable to currency translation	-	
Depreciation/amortization and impairment losses as at Dec. 31, 2023	**-1,029**	
Carrying amounts as at Dec. 31, 2023	3,866	
Cost as at Jan. 1, 2024	4,867	
Additions	18	
Reclassifications	-	
Reclassifications to/from non-current assets and disposal groups classified as held for sale	-127	
Disposals	-37	
Changes attributable to currency translation	-	
Cost as at Dec. 31, 2024	**4,722**	
Reversals of impairment losses as at Jan. 1, 2024	28	
Additions	1	
Reclassifications to/from non-current assets and disposal groups classified as held for sale	-2	
Disposals	-12	
Reversals of impairment losses as at Dec. 31, 2024	**15**	
Depreciation/amortization and impairment losses as at Jan. 1, 2024	-1,029	
Depreciation/amortization expense for the year	-85	
Impairment losses for the year	-58	
Reclassifications	-	
Reclassifications to/from non-current assets and disposal groups classified as held for sale	56	
Disposals	34	
Changes attributable to currency translation	-	
Depreciation/amortization and impairment losses as at Dec. 31, 2024	**-1,082**	
Carrying amounts as at Dec. 31, 2024	**3,655**	

	Property, plant and equipment, and investment property			Other assets	
	Land and buildings	Office furniture and equipment	Investment property	Goodwill	Other intangible assets
	867	179	293	155	508
	1,303	594	339	356	2,133
	535	61	2	-	137
	3	-2	-1	-	-
	-	-22	-	-	-48
	-	-42	-	-	-24
	-	1	-	-	3
	-521	-	-	-	-
	1,320	**590**	**340**	**356**	**2,200**
	18	-	6	-	4
	-	2	-	-	2
	18	**2**	**6**	**-**	**6**
	-454	-416	-52	-202	-1,628
	-24	-51	-6	-	-128
	-1	-	-8	-	-55
	-1	1	-	-	-
	-	13	-	-	23
	-	41	-	-	21
	-	-1	-	-	-2
	-480	**-413**	**-66**	**-202**	**-1,769**
	858	178	280	155	437
	1,320	590	340	356	2,200
	11	62	6	-	138
	-8	2	6	-	-
	-	-	-	-	-
	-2	-24	-	-	-157
	1	1	-	-	-
	1,322	**629**	**352**	**356**	**2,181**
	18	2	6	-	6
	-	-	-	-	1
	-	-	-	-	-
	-	-	-	-	-
	18	**2**	**6**	**-**	**7**
	-480	-413	-66	-202	-1,769
	-22	-52	-6	-	-127
	-	-	-	-	-8
	2	-1	-1	-	-
	-	-	-	-	-
	2	22	-	-	156
	-1	-	-	-	-
	-499	**-444**	**-73**	**-202**	**-1,748**
	841	**187**	**285**	**155**	**440**

€ million	Other assets of which other assets held by insurance companies Land and buildings	Office furniture and equipment	Intangible assets
Carrying amounts as at Jan. 1, 2023	281	65	145
Cost as at Jan. 1, 2023	514	228	771
Additions	30	19	78
Reclassifications	-	-	-2
Reclassifications to/from non-current assets and disposal groups classified as held for sale	-8	-	-
Disposals	-	-20	-81
Cost as at Dec. 31, 2023	**536**	**227**	**767**
Reversals of impairment losses as at Jan. 1, 2023	10	-	-
Reversals of impairment losses as at Dec. 31, 2023	**10**	**-**	**-**
Depreciation/amortization and impairment losses as at Jan. 1, 2023	-243	-163	-626
Depreciation/amortization expense for the year	-8	-22	-56
Impairment losses for the year	-4	-	-
Reclassifications	-	-	2
Reclassifications to/from non-current assets and disposal groups classified as held for sale	7	-	-
Disposals	-	20	73
Depreciation/amortization and impairment losses as at Dec. 31, 2023	**-247**	**-166**	**-607**
Carrying amounts as at Dec. 31, 2023	298	61	160
Cost as at Jan. 1, 2024	536	227	767
Additions	70	11	77
Disposals	-5	-47	-12
Cost as at Dec. 31, 2024	**601**	**190**	**833**
Reversals of impairment losses as at Jan. 1, 2024	10	-	-
Disposals	-3	-	-
Reversals of impairment losses as at Dec. 31, 2024	**7**	**-**	**-**
Depreciation/amortization and impairment losses as at Jan. 1, 2024	-247	-166	-607
Depreciation/amortization expense for the year	-7	-20	-49
Impairment losses for the year	-2	-	-
Disposals	5	47	11
Depreciation/amortization and impairment losses as at Dec. 31, 2024	**-251**	**-139**	**-645**
Carrying amounts as at Dec. 31, 2024	**358**	**51**	**187**

In 2024 and 2023, the useful life of the assets ranged from 2 to 60 years for buildings and from 1 to 25 years for office furniture and equipment. As had been the case in 2023, the useful life for investment property was 1 to 80 years. Software included in other intangible assets was amortized over a useful life of 1 to 10 years in both 2024 and 2023. Acquired customer relationships were amortized over a useful life of 10 to 20 years, as had also been the case in 2023. Depreciation and amortization are recognized on a straight-line basis over the useful life of the asset.

Payments in advance are allocated to the relevant item of property, plant and equipment.

Disclosures regarding the changes in goodwill are included in note 100.

Other intangible assets include acquired customer relationships amounting to €2 million (December 31, 2023: €10 million). The associated amortization expense came to €1 million (2023: €2 million) and the associated impairment losses to €7 million (2023: €50 million).

The changes in right-of-use assets are described in note 101.

» 60 Non-current assets and disposal groups classified as held for sale

The non-current assets and disposal groups classified as held for sale include individual non-current assets together with assets and liabilities from disposal groups not qualifying as discontinued operations, as described below.

The disposal groups not qualifying as discontinued operations include units in various investment funds with a carrying amount of €21 million. The sale is expected to take place within a year.

The individual non-current assets classified as held for sale comprise real estate with a carrying amount of €46 million and other shareholdings of €1 million. The sale of these individual non-current assets classified as held for sale is expected to take place within a year.

At the level of the BSH subgroup, shares in the Hungarian subsidiary Fundamenta-Laskáskassza Lakástrakarékpénztár Zrt., Budapest, Hungary (FLK) were sold to MBH Bank Nyrt, Budapest, Hungary, which is part of Magyar Bankholding, on March 27, 2024. FLK constitutes a disposal group not qualifying as a discontinued operation. The gain on disposal amounted to €1 million and was recognized under other net operating income.

The sale of individual non-current assets classified as held for sale gave rise to income of €29 million in the year under review, which was recognized under other net operating income.

» 61 Deposits from banks

	Repayable on demand		With agreed maturity or notice period		Total	
€ million	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Domestic banks	**53,177**	49,823	**110,890**	109,078	**164,066**	158,901
Affiliated banks	48,921	44,407	28,511	27,644	77,432	72,052
Other banks	4,256	5,415	82,379	81,434	86,634	86,849
Foreign banks	**8,798**	9,698	**14,661**	7,995	**23,459**	17,694
Total	**61,975**	59,521	**125,551**	117,073	**187,526**	176,594

The following table shows the breakdown of deposits from banks by type of business:

€ million	Dec. 31, 2024	Dec. 31, 2023
Home savings deposits	194	433
Money market deposits	52,970	44,959
Other deposits	134,362	131,203
Total	**187,526**	176,594

» 62 Deposits from customers

	Repayable on demand		With agreed maturity or notice period		Total	
€ million	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Domestic customers	36,793	37,126	96,782	97,628	133,575	134,754
Foreign customers	18,063	19,049	2,465	3,824	20,528	22,874
Total	**54,856**	**56,176**	**99,247**	**101,452**	**154,103**	**157,627**

The following table shows the breakdown of deposits from customers by type of business:

€ million	Dec. 31, 2024	Dec. 31, 2023
Home savings deposits	62,487	63,702
Money market deposits	42,771	39,598
Other deposits	48,845	54,327
Total	**154,103**	**157,627**

» 63 Debt certificates issued including bonds

€ million	Dec. 31, 2024	Dec. 31, 2023
Bonds issued	**88,139**	**88,011**
Mortgage Pfandbriefe	32,551	31,859
Public-sector Pfandbriefe	2,759	1,696
Other bonds	52,829	54,457
Other debt certificates issued	**21,672**	**15,757**
Total	**109,810**	**103,768**

As was also the case a year earlier, all other debt certificates issued are commercial paper.

» 64 Hedging instruments (negative fair values)

Hedging instruments (negative fair values) amounted to €659 million (December 31, 2023: €624 million) and resulted solely from derivatives used as fair value hedges.

» 65 Financial liabilities held for trading

€ million	Dec. 31, 2024	Dec. 31, 2023
DERIVATIVES (NEGATIVE FAIR VALUES)	**14,997**	**17,131**
Interest-linked contracts	11,148	13,687
Currency-linked contracts	2,314	1,897
Share-/index-linked contracts	1,397	1,362
Other contracts	61	112
Credit derivatives	77	73
SHORT POSITIONS	**2,379**	**701**
BONDS ISSUED	**20,961**	**20,836**
DEPOSITS	**3,898**	**9,007**
of which from affiliated banks	3,773	3,688
of which from other banks	59	4,943
Money market deposits	**3,754**	**8,854**
from banks	3,742	8,571
from customers	13	284
Promissory notes and registered bonds issued	**143**	**153**
to banks	90	60
to customers	53	93
Total	**42,234**	**47,675**

As was also the case a year earlier, bonds issued mainly comprise share certificates and index-linked certificates.

» 66 Provisions

€ million	Dec. 31, 2024	Dec. 31, 2023
Provisions for employee benefits	**1,170**	**1,508**
Provisions for defined benefit plans	729	1,045
Provisions for other long-term employee benefits	216	213
of which for semi-retirement schemes	83	79
Provisions for termination benefits	193	221
of which for early retirement schemes	23	26
of which for restructuring	151	156
Provisions for short-term employee benefits	32	29
Provisions for share-based payment transactions	**59**	**58**
Other provisions	**1,625**	**1,669**
Provisions for onerous contracts	15	10
Provisions for restructuring	25	31
Provisions for loan commitments	243	138
Provisions for financial guarantee contracts	128	105
Other provisions for loans and advances	27	52
Provisions relating to building society operations	833	913
Residual provisions	353	420
Total	**2,854**	**3,235**

The underlying discount rate used to measure the defined benefit obligations rose from 3.20 percent as at December 31, 2023 to 3.40 percent as at December 31, 2024. At 2.30 percent, the assumption about the salary trend was unchanged compared with December 31, 2023. The assumption about the annuity trend was reduced from 2.30 percent as at December 31, 2023 to 2.20 percent as at December 31, 2024.

Other provisions

The following table shows the changes in other provisions in 2024:

€ million	Provisions for onerous contracts	Provisions for restruc-turing	Provisions for loan commit-ments	Provisions for financial guarantee contracts	Other provisions for loans and advances	Provisions relating to building society operations	Residual provisions	Total
Balance as at Jan. 1, 2024	10	31	138	105	52	913	420	1,669
Additions	6	12	430	127	10	222	135	943
Utilizations	-	-17	-	-	-	-301	-123	-442
Reversals	-1	-1	-322	-100	-35	-1	-78	-538
Interest expense/changes in discount rate	-1	-	-4	-4	-	-	-	-8
Changes in the scope of consolidation	-	-	-	-	-	-	-1	-1
Other changes	-	-1	1	-	-	-	-	1
Balance as at Dec. 31, 2024	**15**	**25**	**243**	**128**	**27**	**833**	**353**	**1,625**

The residual provisions included provisions of €103 million for pre-litigation risks in connection with the lending business and building society operations (December 31, 2023: €111 million). The other disclosures required under IAS 37 are not provided because it is likely that such disclosures would seriously harm the outcome of the legal disputes.

The expected maturities of other provisions are shown in the tables below.

AS AT DECEMBER 31, 2024

€ million	≤ 3 months	> 3 months – 1 year	> 1 year – 5 years	> 5 years	Indefinite
Provisions for onerous contracts	-	-	-	15	-
Provisions for restructuring	-	6	19	-	-
Provisions for loan commitments	26	76	97	38	6
Provisions for financial guarantee contracts	14	21	69	25	-
Other provisions for loans and advances	-	1	26	-	-
Provisions relating to building society operations	4	251	439	140	-
Residual provisions	70	209	46	20	8
Total	**114**	**563**	**696**	**238**	**14**

AS AT DECEMBER 31, 2023

€ million	≤ 3 months	> 3 months – 1 year	> 1 year – 5 years	> 5 years	Indefinite
Provisions for onerous contracts	-	-	-	10	-
Provisions for restructuring	-	7	24	-	-
Provisions for loan commitments	19	16	57	41	5
Provisions for financial guarantee contracts	15	11	53	26	-
Other provisions for loans and advances	1	1	50	-	-
Provisions relating to building society operations	4	266	490	153	-
Residual provisions	84	181	52	94	9
Total	**123**	**482**	**726**	**324**	**14**

The changes in loss allowances recognized under provisions for loan commitments and provisions for financial guarantee contracts were as follows:

	Loss allowances for loan commitments				Loss allowances for financial guarantee contracts				Total
€ million	Stage 1	Stage 2	Stage 3	POCI assets	Stage 1	Stage 2	Stage 3	POCI assets	
Balance as at Jan. 1, 2023	46	74	27	-	6	21	62	-	236
Additions	90	123	51	2	12	28	61	-	367
Reversals	-113	-101	-59	-2	-11	-21	-55	-	-362
Other changes	23	-28	5	-	-	-11	12	-	1
Balance as at Dec. 31, 2023	46	68	24	-	8	17	80	-	242
Additions	82	118	195	35	10	28	83	6	557
Reversals	-83	-96	-132	-11	-12	-27	-59	-2	-422
Other changes	5	-3	-3	-1	2	-1	-5	-	-7
Balance as at Dec. 31, 2024	**50**	**86**	**84**	**22**	**9**	**16**	**99**	**4**	**371**

» 67 Insurance contract liabilities

€ million	Dec. 31, 2024	Dec. 31, 2023
Insurance contract liabilities	**111,339**	105,150
Liability for remaining coverage	98,482	93,033
Liability for incurred claims	12,856	12,117
Reinsurance contract liabilities	**1**	1
Liability for remaining coverage	2	2
Total	**111,340**	**105,151**

» 68 Other liabilities

€ million	Dec. 31, 2024	Dec. 31, 2023
Other liabilities of insurance companies	5,863	5,620
Accruals	1,724	1,518
Other payables	301	250
Lease liabilities	543	576
Residual other liabilities	1,013	907
Total	**9,443**	**8,872**

Residual other liabilities included initial margins from client clearing of €620 million (December 31, 2023: €489 million).

The table below gives a breakdown of insurance companies' other liabilities.

€ million	Dec. 31, 2024	Dec. 31, 2023
Other provisions	**391**	**394**
Provisions for employee benefits	340	344
of which provisions for defined benefit plans	103	125
Provisions for share-based payment transactions	4	4
Other provisions	48	46
Payables and residual other liabilities	**5,471**	**5,226**
Subordinated capital	87	100
Deposits received from reinsurers	6	6
Payables arising out of direct insurance operations	350	340
Payables arising out of reinsurance operations	7	8
Debt certificates issued including bonds	42	39
Deposits from banks	435	431
Derivatives (negative fair values)	266	44
Liabilities from investment contracts	3,180	3,145
Insurance lease liabilities	65	75
Other payables	360	345
Residual other liabilities	672	694
Total	**5,863**	**5,620**

» 69 Subordinated capital

€ million	Dec. 31, 2024	Dec. 31, 2023
Subordinated liabilities	4,419	4,257
Share capital repayable on demand	1	5
Total	**4,420**	**4,261**

» 70 Equity

Subscribed capital

The subscribed capital of DZ BANK consists of 1,791,344,757 registered non-par-value shares each with an imputed value of €2.75. All shares in issue are fully paid-up.

For the 2023 financial year, DZ BANK paid a dividend of €0.25 per share in 2024 on the basis of a resolution of the Annual General Meeting on May 16, 2024. In 2023, DZ BANK had paid a dividend of €0.20 per share on the basis of a resolution of the Extraordinary General Meeting on October 19, 2023. A dividend of €0.25 per share for 2024 will be proposed to the Annual General Meeting.

Authorized capital

The Board of Managing Directors of DZ BANK is authorized, subject to the approval of the Supervisory Board, to increase the share capital by June 30, 2026 on one or more occasions by up to a total of €200 million by way of issuing new registered non-par-value shares in return for cash or non-cash contributions. The Board of Managing Directors is authorized, subject to the approval of the Supervisory Board, to exclude the

subscription right of shareholders both in the case of capital increases in return for non-cash contributions and in the case of capital increases in return for cash contributions if the capital is increased for the purpose of
- issuing new shares to employees of the corporation (employee shares),
- acquiring companies, equity investments in companies or for granting equity investments in the corporation in order to back strategic partnerships.

The Board of Managing Directors is also authorized, subject to the approval of the Supervisory Board, to exclude fractions from the subscription right of shareholders ('Authorized Capital I').

The Board of Managing Directors is authorized, subject to the approval of the Supervisory Board, to increase the share capital by June 30, 2026 on one or more occasions by up to a total of €600 million by issuing new registered non-par-value shares in return for cash contributions. The Board of Managing Directors is authorized, subject to the approval of the Supervisory Board, to exclude fractions from the subscription right of shareholders ('Authorized Capital II').

The new shares issued on the basis of utilizing Authorized Capital I or Authorized Capital II can also be acquired by credit institutions determined by the Board of Managing Directors if aforesaid credit institutions agree to offer said shares to the shareholders (indirect subscription right).

The Board of Managing Directors did not make use of any of this authorized action in 2024.

Disclosures on shareholders

At the end of 2024, 99.5 percent of shares were held by cooperative enterprises (December 31, 2023: 99.5 percent). These cooperative enterprises include the cooperative banks and other legal entities and trading companies economically associated with the cooperative movement or cooperative housing sector.

Capital reserve

The capital reserve comprises the amounts from the issue of DZ BANK shares in excess of the imputed par value of the shares.

Retained earnings

Retained earnings comprise earned, undistributed consolidated profit together with gains and losses arising from remeasurement of defined benefit plans after taking into account deferred taxes. Cumulative gains and losses arising from remeasurement of defined benefit plans amounted to a loss of €460 million (December 31, 2023: loss of €537 million).

Reserve from other comprehensive income

Reserve from equity instruments for which the fair value OCI option has been exercised

The reserve from equity instruments for which the fair value OCI option has been applied is used to report the changes in the fair value of equity instruments measured at fair value through other comprehensive income after taking into account deferred taxes. If the equity instruments are sold, the related reserve is reclassified to retained earnings.

Reserve from gains and losses on financial liabilities for which the fair value option has been exercised, attributable to changes in own credit risk

The portion of the changes in fair value of financial liabilities designated as at fair value through profit or loss attributable to changes in the DZ BANK Group's own credit risk is also recognized in the reserve from other comprehensive income. If the liabilities are derecognized, the cumulative gains and losses recognized through other comprehensive income are reclassified to retained earnings.

Reserve from debt instruments measured at fair value through other comprehensive income

The reserve from debt instruments measured at fair value through other comprehensive income is used to report the changes in fair value after taking into account deferred taxes. In the case of debt instruments, gains and losses are only recognized in profit or loss when the relevant asset is sold. Loss allowances are recognized for these assets in accordance with IFRS 9.

Currency translation reserve

The currency translation reserve is the result of the translation of financial statements of subsidiaries denominated in foreign currency into euros (the group reporting currency). It also includes the gains and losses on hedges of net investments in foreign operations and the change in the currency translation reserve for entities accounted for using the equity method. At the end of 2024, an amount of €0 million was attributable to the currency translation reserve for disposal groups not qualifying as discontinued operations that are classified as held for sale (December 31, 2023: minus €19 million).

Reserve for insurance contracts measured at fair value through other comprehensive income

The reserve for insurance contracts measured at fair value through other comprehensive income contains the cumulative insurance finance income or expenses that are recognized in other comprehensive income taking deferred taxes into account.

Additional equity components

In previous years, DZ BANK had issued tranches of additional Tier 1 capital (AT1 bonds) in 3 placements with a total volume of €3,293 million. In all of the placements, the AT1 bonds are split into up to 4 types depending on their interest-rate arrangements (types A to D). All interest is payable annually; the date for the payment of interest has been specified as August 1 each year in all of the placements.

Under the terms and conditions of the bonds, interest payments are at the discretion of the issuer. However, the interest payments may be canceled, either wholly or in part, depending on the items eligible for distribution or by order of the competent supervisory authority. Interest payments are not cumulative; canceled or reduced payments will not be made up in subsequent periods.

The bonds do not have any maturity date and are subject to the terms and conditions set out in the relevant prospectus. Among other things, the terms and conditions specify that DZ BANK may only call the bonds in their entirety, and not in part, provided that there are certain regulatory or tax reasons for doing so. In all instances, DZ BANK must obtain the consent of the competent supervisory authority in order to call the bonds.

The tranches of AT1 bonds issued are shown in the 'Additional equity components' sub-item. According to the provisions of IAS 32, the AT1 bonds have characteristics of equity. The AT1 bonds are unsecured, subordinated bearer bonds of DZ BANK.

Non-controlling interests

Non-controlling interests comprise the equity of subsidiaries not attributable to DZ BANK.

Breakdown of changes in equity by component of other comprehensive income

2024

€ million	Retained earnings	Reserve from other compre-hensive income	Non-controlling interests
Gains and losses on debt instruments measured at fair value through other comprehensive income	-	569	76
Exchange differences on currency translation of foreign operations	-	42	-1
Insurance finance income or expenses included in other comprehensive income	-	-538	-58
Gains and losses on equity instruments for which the fair value OCI option has been exercised	-	142	19
Gains and losses in relation to financial liabilities for which the fair value option has been exercised, attributable to changes in own credit risk	-	-352	-1
Gains and losses arising from remeasurement of defined benefit plans	77	-	3
Share of other comprehensive income/loss of joint ventures and associates accounted for using the equity method	-	5	-
Other comprehensive income/loss	**77**	**-131**	**39**

2023

€ million	Retained earnings	Reserve from other compre-hensive income	Non-controlling interests
Gains and losses on debt instruments measured at fair value through other comprehensive income	-	2,900	319
Exchange differences on currency translation of foreign operations	-	-10	3
Insurance finance income or expenses included in other comprehensive income	-	-2,384	-254
Gains and losses on equity instruments for which the fair value OCI option has been exercised	-	-118	-
Gains and losses in relation to financial liabilities for which the fair value option has been exercised, attributable to changes in own credit risk	-	206	-
Gains and losses arising from remeasurement of defined benefit plans	-94	-	-4
Share of other comprehensive income/loss of joint ventures and associates accounted for using the equity method	-	-8	-
Other comprehensive income/loss	**-94**	**586**	**64**

The table below shows a breakdown of the reserve from other comprehensive income:

	Items not reclassified to the income statement		Items reclassified to the income statement		
€ million	Reserve from equity instruments for which the fair value OCI option has been exercised	Reserve from gains and losses on financial liabilities for which the fair value option has been exercised, attributable to changes in own credit risk	Reserve from debt instruments measured at fair value through other comprehensive income	Currency translation reserve	Reserve for insurance contracts measured at fair value through other comprehensive income
Equity as at Jan. 1, 2023	690	59	-10,786	80	8,785
Other comprehensive income/loss	-118	206	2,900	-18	-2,384
Total comprehensive income/loss	**-118**	**206**	**2,900**	**-18**	**-2,384**
Acquisition/disposal of non-controlling interests	-	-	-4	-	4
Reclassifications within equity	-59	1	-	-	-
Equity as at Dec. 31, 2023	**514**	**267**	**-7,889**	**62**	**6,405**
Other comprehensive income/loss	142	-352	569	48	-538
Total comprehensive income/loss	**142**	**-352**	**569**	**48**	**-538**
Acquisition/disposal of non-controlling interests	-	-	-6	-	1
Reclassifications within equity	-124	2	-	-	-
Equity as at Dec. 31, 2024	**531**	**-83**	**-7,327**	**109**	**5,868**

The changes in loss allowances included in the reserve from other comprehensive income, broken down by individual balance sheet item, were as follows:

	Loans and advances to customers		Investments			Investments held by insurance companies			Total
€ million	Stage 1	Stage 2	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Balance as at Jan. 1, 2023	-	-	7	-	24	34	17	1	83
Additions	1	1	11	3	2	17	55	29	**118**
Utilizations	-	-	-	-	-	-	-	-6	**-6**
Reversals	-1	-1	-7	-1	-	-32	-8	-	**-49**
Other changes	-	-	-1	-	-1	13	-29	-10	**-30**
Balance as at Dec. 31, 2023	-	-	9	2	25	31	35	13	115
Additions	-	-	9	2	-	20	20	7	**58**
Utilizations	-	-	-	-	-7	-	-	-7	**-14**
Reversals	-	-	-6	-1	-	-15	-26	-25	**-73**
Other changes	-	-	-	-1	2	-4	5	20	**22**
Balance as at Dec. 31, 2024	**-**	**-**	**12**	**2**	**20**	**31**	**34**	**9**	**108**

Information on regulatory capital

The information on regulatory capital and on capital management pursuant to IAS 1.134-136, which also forms part of these IFRS consolidated financial statements, can be found in chapter VI.7 ‘Capital adequacy’ of the risk report in the group management report.

E Financial instruments and fair value disclosures

» 71 Classes, categories, and fair values of financial instruments

The following tables show the breakdown of net carrying amounts and fair values of financial assets and financial liabilities by class (in accordance with IFRS 7) and by category of financial instrument (in accordance with IFRS 9):

	Dec. 31, 2024		Dec. 31, 2023	
€ million	Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL ASSETS MEASURED AT FAIR VALUE	**196,504**	**196,524**	**188,770**	**188,785**
Financial assets measured at fair value through profit or loss	**74,624**	**74,644**	**75,149**	**75,164**
Financial assets mandatorily measured at fair value through profit or loss	***70,454***	***70,473***	***70,134***	***70,149***
Loans and advances to customers	246	246	221	221
Hedging instruments (positive fair values)	796	796	923	923
Financial assets held for trading	30,441	30,461	34,961	34,975
Investments	3,663	3,663	3,385	3,385
Investments held by insurance companies	35,309	35,309	30,644	30,644
Financial assets designated as at fair value through profit or loss	***4,171***	***4,171***	***5,015***	***5,015***
Loans and advances to banks	1,168	1,168	1,202	1,202
Loans and advances to customers	515	515	613	613
Investments	2,487	2,487	3,200	3,200
Financial assets measured at fair value through other comprehensive income	**121,858**	**121,858**	**113,573**	**113,573**
Financial assets mandatorily measured at fair value through other comprehensive income	***116,496***	***116,496***	***108,080***	***108,080***
Loans and advances to banks	-	-	31	31
Loans and advances to customers	1,810	1,810	2,115	2,115
Investments	36,356	36,356	30,169	30,169
Investments held by insurance companies	78,330	78,330	75,765	75,765
Financial assets designated as at fair value through other comprehensive income	***5,362***	***5,362***	***5,493***	***5,493***
Investments	404	404	394	394
Investments held by insurance companies	4,958	4,958	5,099	5,099
Non-current assets and disposal groups classified as held for sale	**22**	**22**	**48**	**48**
FINANCIAL ASSETS MEASURED AT AMORTIZED COST	**446,663**	**438,730**	**440,080**	**428,109**
Cash and cash equivalents	81,344	81,344	101,463	101,462
Loans and advances to banks	142,312	139,627	127,591	122,965
Loans and advances to customers	202,951	196,375	199,175	189,565
Investments	18,586	18,616	10,362	10,288
Investments held by insurance companies	150	137	154	193
Other assets	2,631	2,631	2,043	2,043
Fair value changes of the hedged items in portfolio hedges of interest-rate risk	-1,310		-2,389	
Non-current assets and disposal groups classified as held for sale	-	-	1,680	1,592
FINANCE LEASES	**379**	**370**	**456**	**447**
Loans and advances to customers	379	370	456	447
Non-current assets and disposal groups classified as held for sale	-	-	1	1

€ million	Dec. 31, 2024 Carrying amount	Dec. 31, 2024 Fair value	Dec. 31, 2023 Carrying amount	Dec. 31, 2023 Fair value
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	**75,613**	**75,523**	**78,663**	**78,591**
Financial liabilities mandatorily measured at fair value through profit or loss	**45,439**	**45,384**	**50,554**	**50,515**
Hedging instruments (negative fair values)	659	659	624	624
Financial liabilities held for trading	42,234	42,180	47,675	47,636
Other liabilities	2,546	2,546	2,256	2,256
Financial liabilities designated as at fair value through profit or loss	**30,174**	**30,138**	**28,109**	**28,076**
Deposits from banks	3,448	3,448	3,804	3,804
Deposits from customers	7,672	7,653	7,420	7,399
Debt certificates issued including bonds	19,054	19,037	16,885	16,872
FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST	**427,640**	**422,558**	**417,111**	**409,333**
Deposits from banks	184,077	181,770	172,790	169,303
Deposits from customers	146,431	145,387	150,208	148,907
Debt certificates issued including bonds	90,756	88,926	86,883	83,583
Other liabilities	2,127	2,129	2,098	2,098
Subordinated capital	4,420	4,347	4,261	3,933
Fair value changes of the hedged items in portfolio hedges of interest-rate risk	-171		-634	
Liabilities included in disposal groups classified as held for sale	-	-	1,505	1,509
LEASES	**608**	**608**	**664**	**664**
Other liabilities	608	608	652	652
Liabilities included in disposal groups classified as held for sale	-	-	12	12
FINANCIAL GUARANTEE CONTRACTS AND LOAN COMMITMENTS	**371**	**573**	**242**	**585**
Financial guarantee contracts	**128**	**128**	**105**	**105**
Provisions	128	128	105	105
Loan commitments	**243**	**445**	**138**	**480**
Provisions	243	445	138	480

There is no active market with quoted prices pursuant to IFRS 13.76 for home savings loans, home savings deposits, or similar assets and liabilities. The specific features of a home savings product also mean that there is currently no suitable method for calculating fair value in accordance with IFRS 13. The home savings contracts cannot be measured individually because the allocation of home savings loans depends on the overall performance of the collective building society operations (allocation assets) and thus, in particular, on the performance of the home savings deposits (link to the collective). Consequently, the financial assets and financial liabilities resulting from collective building society operations are shown only at their carrying amounts in the table above.

Building society simulations are used to calculate risk-bearing capacity and for regulatory purposes. The simulations have been updated in line with the increased requirements imposed by the banking supervisor in recent years. Statistical parameters, empirical values, and current market assessments are used in these collective simulations. The present value of the expected future cash flows from the collective contracts in force, less cost components and risk margins, is compared with the balance of the carrying amounts from building society operations below. The balance of the carrying amounts from building society operations amounted to an excess of liabilities and stood at minus €55,678 million (December 31, 2023: minus €60,338 million), whereas the collective present value came to minus €48,656 million (December 31, 2023: minus €52,854 million).

The differences between the carrying amount and the fair value of financial assets held for trading, financial liabilities held for trading, deposits from customers, and debt certificates issued including bonds in the 'financial assets measured at fair value' and 'financial liabilities measured at fair value' classes are due to the deferral of differences, not recognized in the income statement, between the fair value and transaction price of financial instruments at the time of initial recognition, which are based on unobservable valuation parameters.

» 72 Differences not recognized at the time of initial recognition

Differences that are not recognized at the time of initial recognition of financial instruments (day-one profit or loss) arise if the fair value of a financial instrument differs from its transaction price at the time of initial recognition and the calculation of the fair value is not substantiated by a price quoted in an active market for an identical asset or identical liability or is not based on a valuation technique that only uses data from observable markets. Such transactions are initially recognized at fair value on the balance sheet, plus the day-one profit or loss that has not been recognized in profit or loss. This difference is amortized to profit or loss over the maturity period or at the time that all parameters factored into the valuation models are observable.

The following table shows the deferred day-one profit or loss that has not yet been amortized to profit or loss, broken down by class pursuant to IFRS 7.

	Measured at fair value	
€ million	Financial assets	Financial liabilities
Balance as at Jan. 1, 2023	14	87
Additions as a result of transactions	25	67
Differences amortized to profit or loss	-28	-79
Reclassifications	3	-3
Balance as at Dec. 31, 2023	15	72
Additions as a result of transactions	28	105
Differences amortized to profit or loss	-24	-87
Balance as at Dec. 31, 2024	**20**	**90**

» 73 Equity instruments designated as at fair value through other comprehensive income

Investments and investments held by insurance companies include shares and other variable-yield securities and investments in subsidiaries, joint ventures, and associates that the DZ BANK Group has elected to measure at fair value through other comprehensive income. These investments and investments held by insurance companies are not held for trading or to generate returns. Consequently, the DZ BANK Group believes that reporting gains and losses in profit or loss would be inadequate in this case.

€ million	**Dec. 31, 2024**	Dec. 31, 2023
Investments	**404**	394
Shares and other variable-yield securities	325	324
Investments in subsidiaries	56	65
Investments in associates	23	6
Investments held by insurance companies	**4,958**	5,099
Shares and other variable-yield securities	4,485	4,657
Investments in subsidiaries	438	425
Investments in joint ventures	15	16
Investments in associates	20	-
Total	5,362	5,493

In 2024, dividends of €49 million (2023: €46 million) were recognized in respect of equity instruments designated as at fair value through other comprehensive income that were held as at the balance sheet date.

Equity instruments designated as at fair value through other comprehensive income with a carrying amount of €1,960 million (December 31, 2023: €2,152 million) were derecognized in 2024. The derecognition of these investments was attributable to capital repayments, liquidations, and disposals. No further current gains or losses are expected from these assets. These derecognitions resulted in cumulative net gains of €141 million (2023: €235 million), which were reclassified to retained earnings. Dividends of €115 million (2023: €115 million) were recognized in respect of equity instruments designated as at fair value through other comprehensive income that were sold in 2024.

» 74 Assets and liabilities measured at fair value on the balance sheet

Fair value hierarchy

The fair value measurements are assigned to the levels of the fair value hierarchy as follows:

	Level 1		Level 2		Level 3	
€ million	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Assets	**103,232**	86,356	**59,222**	68,911	**34,070**	33,518
Loans and advances to banks	-	-	1,168	1,232	-	-
Loans and advances to customers	-	-	2,102	2,309	469	641
Hedging instruments (positive fair values)	-	-	796	918	-	5
Financial assets held for trading	7,321	5,870	21,828	27,368	1,312	1,737
Investments	27,881	23,171	12,694	11,536	2,336	2,442
Investments held by insurance companies	68,010	57,267	20,634	25,549	29,953	28,692
Non-current assets and disposal groups classified as held for sale	21	48	-	-	1	-
Liabilities	**2,236**	623	**71,998**	76,664	**1,289**	1,304
Deposits from banks	-	-	3,448	3,804	-	-
Deposits from customers	-	-	7,399	7,109	254	290
Debt certificates issued including bonds	-	-	18,493	16,363	545	510
Hedging instruments (negative fair values)	-	-	659	624	-	-
Financial liabilities held for trading	2,236	617	39,511	46,514	433	505
Other liabilities	-	6	2,488	2,250	58	-

The investments held by insurance companies measured at fair value include assets related to unit-linked contracts. These are offset within insurance contract liabilities by financial liabilities that arise from unit-linked insurance products and are measured using the variable fee approach under IFRS 17, and within other liabilities by liabilities measured at fair value from investment contracts that are allocated to unit-linked life insurance.

Transfers

Assets and liabilities held at the balance sheet date and measured at fair value on a recurring basis were transferred as follows between Levels 1 and 2 of the fair value hierarchy:

	Transfers from Level 1 to Level 2		Transfers from Level 2 to Level 1	
€ million	**2024**	2023	**2024**	2023
Financial assets measured at fair value	**17,484**	10,219	**21,884**	18,071
Financial assets held for trading	3,508	2,117	6,710	6,629
Investments	11,686	2,670	6,117	10,041
Investments held by insurance companies	2,290	5,432	9,057	1,356
Non-current assets and disposal groups classified as held for sale	-	-	-	45
Financial liabilities measured at fair value	**803**	2,526	**1,010**	237
Debt certificates issued including bonds	706	2,520	682	-
Financial liabilities held for trading	97	6	328	237

Transfers from Level 1 to Level 2 were due to quoted prices no longer being obtainable in active markets for identical assets or liabilities. Transfers from Level 2 to Level 1 were due to the availability of quoted prices in active markets that had previously not existed.

In the DZ BANK Group, transfers between Levels 1 and 2 take place when there is a change in the inputs that is relevant to categorization in the fair value hierarchy.

Fair value measurements within Levels 2 and 3

Fair value measurements within Level 2 of the fair value hierarchy either use prices available in active markets for similar, but not identical, financial instruments or use valuation techniques largely based on observable market data. If valuation techniques are used that include a material valuation parameter that is not observable in the market, the relevant fair value measurements are categorized within Level 3 of the fair value hierarchy.

Generally, the discounted cash flow (DCF) method is used in the model-based measurement of the fair value of financial instruments without optionalities. Modeling of the yield curves is based on a multi-curve approach with collateral discounting. Simple products on which options exist are measured using customary standard models in which the inputs are quoted in active markets. For structured products on which options exist, a wide range of standard valuation techniques are used. The valuation models are calibrated on the basis of available market prices and validated regularly. The fair values of structured products can be measured by breaking these products into their constituent parts, which are then measured using the valuation methods described below.

The basis for measurement is the selection of an adequate yield curve for each specific instrument. The measurement is carried out by selecting appropriate tenor-specific forward curves for projecting variable cash flows. The nature and collateralization of the transactions determines how they are discounted using yield curves that can be adjusted on the basis of relevant spreads.

Prices in active markets are used (provided these prices are available) for the fair value measurement of loans and advances as well as unstructured bonds. Otherwise, the DCF method is mainly used. Discounting is based on yield curves that are adjusted for liquidity-related and credit rating-related costs using spreads. Product-dependent funding spreads are added to the yield curve for liabilities attributable to registered creditors, debt certificates issued including bonds, and subordinated capital. Bonds and other fixed-income securities are adjusted using issuer-specific spreads or spreads derived from the issuer’s internal and external credit rating, sector, and risk category. Customer-appropriate spreads and collateralization rates are taken into account for the measurement of loans when the DCF method is used. When loans are measured, the valuation technique is calibrated in such a way that the model price at the time of acquisition corresponds to the transaction price. In exceptional cases, the nominal amount of the debt instrument in question provides the best evidence of fair value.

The fair value measurement of shares and other variable-yield securities and of other shareholdings is determined by applying income capitalization approaches and observing transaction prices. The best indicator of fair value is obtained from the transaction prices for recent transactions involving the relevant financial instruments, provided there have been any such transactions. Otherwise, the fair value is measured using income capitalization approaches in which future income and dividends – calculated on the basis of forecasts and estimates – are discounted, taking risk parameters into account.

The fair value measurement of investment fund units is determined using the pro rata net asset value. This is adjusted for any outstanding performance-related remuneration entitlements of fund managers; risk adjustments are also taken into account. Some investments in real estate companies are also measured at net asset value. In this case, the liabilities are subtracted from the fair values of the real estate tied up in the company and the result is multiplied by the percentage of shareholding. The prices of units in real estate funds that are not managed by the DZ BANK Group are provided by the asset management company that manages these funds. These units are measured regularly at net asset value. Fair value measurement is also based on valuations, current values, and prices in recent transactions.

The fair value measurement of standardized derivatives traded in liquid markets is based on observable market prices and/or industry-standard models using observable inputs. To discount the cash flows of derivatives, a distinction is made between non-collateralized and collateralized transactions when using yield curves in order to take into account the specific funding costs. Moreover, calculation of the model prices for products on which options exist mostly requires the input of additional market data (e.g. volatilities, correlations, repo rates). As far as possible, this data is derived implicitly from quoted market prices that are available. If observable quoted market prices are not available, or only available to a limited extent, the DZ BANK Group uses customary interpolation and extrapolation mechanisms, historical time series analyses, and fundamentals analyses of economic variables to generate the required inputs. It also uses expert assessments on a small scale.

The fair value measurement of OTC financial derivatives applies the option in IFRS 13.48, which enables the total net amount to be measured. In the first step, credit risk is not taken into account. Next, counterparty-specific credit risk arising from derivatives is recognized after the total net amount has been determined. Credit valuation adjustments (CVAs) are recognized to take into account counterparty credit risk and debt valuation adjustments (DVAs) are recognized to take into account the group's own credit risk. Their measurement also takes account of collateral and uses market-implied parameters with matching maturities or internal parameters with matching maturities for the probability of default and loss given default.

The measurement of financial instruments also involves carrying out measurement adjustments to a suitable degree. These include, among other things, model reserves that enable uncertainties regarding model selection, model parameters, and model configuration to be taken into account. The DZ BANK Group measures financial instruments at the price at which these financial instruments can be realized in the market. If this differs from the measurement of the individual instruments (e.g. measurement at middle rates), the bid/ask adjustments (close-out reserves) are determined on a net basis applying the option in IFRS 13.48. Measurement takes account of the group's funding structure.

If the value of the financial instruments is based on unobservable inputs and they are thus assigned to Level 3 of the fair value hierarchy, the exact value of these inputs can be determined as at the balance sheet date from a range of appropriate possible alternatives. Determining the value for the inputs from a range has an impact on the fair value recognized. The following disclosures explain the material unobservable input categories (known as risk categories) for Level 3 financial instruments. These categories are factored into the significance analysis. Their areas of application are also shown below.

Risk categories

Asset-backed-securities spreads (ABS spreads)

ABS spreads encompass ABS spread curves derived from sector, rating, or expert assessments. These curves are used, for example, to measure ABSs and other structured bonds. The presentation of the sensitivities to ABS spreads relates to a shift of plus 1 basis point.

Probability of default

Probability of default describes a banking regulation-related risk parameter used to measure credit risk. The probability of default of a borrower, issuer, or counterparty is the probability that the borrower, issuer, or counterparty will not be able to meet its payment obligations or other contractual obligations in the future. The presentation of the sensitivities to probability of default relates to a shift of plus 1 basis point.

Adjustment spreads

Adjustment spreads help to calibrate model prices to transaction prices. They are particularly factored into the measurement of bonds and registered securities. Financial instruments for which subordinated spreads are available are all assigned to Level 3 as these generally have unobservable spreads with a significant effect on fair value.

Bond spreads

Bond spreads contain both credit rating-related and issuer-related spread curves for corporates and governments. Also in this category are benchmark bond spread curves that, for example, are factored into the measurement of issues, bonds, promissory notes, bond futures, and bond options. The presentation of the sensitivities to bond spreads relates to a shift of plus 1 basis point.

Discount rate for investments in companies

Both observable and unobservable inputs are factored into the discount rate for investments in companies. The risk-free basic interest rate is an observable input. The material unobservable inputs are the premium for market risk, the company-specific beta factor and, if applicable, a growth markdown. A sensitivity analysis is carried out at the level of the discount rate as a whole rather than at the level of the individual unobservable inputs factored into the discount rate. The presentation of the sensitivities to the discount rate for investments in companies relates to a shift of plus 1 basis point.

Dividend estimate

This category covers estimated future dividend yields as well as repo yields and convenience yields. The presentation of the sensitivities to dividends relates to a shift of plus 1 percent.

Duration

Duration is the unobservable, weighted average lifetime of mortgage-backed securities. The presentation of the sensitivities to duration relates to a shift of plus 1 year.

Fair value adjustments

As a component of fair value, fair value adjustments must be taken into account in the significance analysis in their full absolute amount, provided they are unobservable. The absolute amount of the fair value adjustment must be disclosed as the sensitivity.

Fund prices

This category contains prices both for commodity funds and for equity funds. Fund prices are factored into the measurement of funds and issues. The presentation of the sensitivities to fund prices relates to a shift of plus 1 percent in relation to fair value.

Funding and treasury spreads

Funding and treasury spreads are internal measurement spreads for determining the fair values of own issues. The presentation of the sensitivities to funding and treasury spreads relates to a shift of plus 1 basis point.

Impairment

Impaired financial instruments are generally assigned to Level 3 of the fair value hierarchy. The absolute amount must be disclosed as the sensitivity.

Mean reversion

This category comprises the unobservable parameter ‘mean reversion’ in the Hull-White model, which is used to model short rates. The presentation of the sensitivities to mean reversion relates to a shift of plus 1 basis point.

Illiquid market prices

In some circumstances, depending on the liquidity of the bond spread curve, liquid market price information may not be available as at the valuation date for marked-to-market financial instruments such as bearer bonds. Where this is the case, the financial instruments are assigned to Level 3 of the fair value hierarchy. The presentation of the sensitivities to illiquid market prices relates to a shift of plus 1 percent in relation to fair value (fair value changes by plus 1 percent of the current market price).

Volatilities

These include various volatilities for commodities, equities, and currencies as well as cap/floor volatilities and swaption volatilities. For the latter, particularly derivative products such as swaps and options, fly volatilities and risk reversal volatilities are also factored into the calculations. The presentation of the sensitivities to volatilities relates to a shift of plus 1 percentage point for volatilities with log-normal distribution and a shift of plus 1 basis point for volatilities with normal distribution.

Yield curves

In addition to standard yield curves, this category covers cross-currency spread curves and tenor basis spread curves as well as fixing, fund, and swap rates. Yield curves are factored into the measurement of most financial instruments. The presentation of the sensitivities to yield curves relates to a shift of plus 1 basis point.

Aggregate sensitivity

For each product type whose fair value is based on unobservable inputs and are therefore assigned to Level 3 of the fair value hierarchy, the inputs used in the measurement of the assets and liabilities are used to determine and present an aggregate sensitivity. The aggregate sensitivity, presented in euros, provides information about the sensitivity of assets and liabilities in each class to a change in the unobservable inputs used in the measurement of this class, such inputs belonging to the risk category identified for this class. The aggregate sensitivity relates to a standardized change in the inputs in the risk category, for example relating to a change of plus 1 basis point. An aggregate sensitivity of €1 million for the ‘yield curves’ risk category would therefore mean that a change of plus 10 basis points would result in an increase in fair value of €10 million for the line item.

The following tables show the valuation techniques, risk categories, and sensitivity reference values, as well as the aggregate sensitivities, used for the fair value measurements at Level 3 of the fair value hierarchy.

Measurements of fair value at Level 3 as at December 31, 2024

Class according to IFRS 13	Assets/liabilities	Fair value (€ million)	Valuation technique	Risk category	Sensitivity reference value	Aggregate sensitivity (€ million)
Loans and advances to customers	Other bank loans	28	Mark-to-model (DCF)	Probability of default	Shift of +1 basis point	-
	Other bank loans	17	Present value for which loss allowances have been recognized	Impairment	Absolute amount (impairment)	-
	Registered securities	223	Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	4
			Mark-to-model (DCF)	Probability of default	Shift of +1 basis point	-
			Mark-to-model (DCF)	Yield curves	Shift of +1 basis point	-
	Other loans and advances	201	Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	4
Financial assets held for trading	Shares	1	Mark-to-market	Fair value adjustments	Absolute amount (fair value adjustment)	-
	Bonds	3	Black model (simple option pricing model)	Fair value adjustments	Absolute amount (fair value adjustment)	-
			Mark-to-market	Fair value adjustments	Absolute amount (fair value adjustment)	-
	Bonds	207	Mark-to-market	Illiquid market prices	Shift of +1% in relation to fair value	2
	Bonds	49	Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	-
			Black model (simple option pricing model)	Fair value adjustments	Absolute amount (fair value adjustment)	7
	Derivatives	68	Black model (simple option pricing model)	Volatilities (normal)	Shift of +1 basis point	-1
			Analytical yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	2
	Derivatives	25	Analytical yield curve model	Volatilities (normal)	Shift of +1 basis point	14
			Multi-factor yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	42
	Derivatives	530	Multi-factor yield curve model	Volatilities (normal)	Shift of +1 basis point	10
	Derivatives	11	Local volatility model	Fair value adjustments	Absolute amount (fair value adjustment)	1
			One-factor yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	9
			One-factor yield curve model	Volatilities (normal)	Shift of +1 basis point	1
	Derivatives	73	One-factor yield curve model	Mean reversion	Shift of +1 basis point	-
	Derivatives	184	Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	31
	Promissory notes and registered bonds	161	Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	-

Class according to IFRS 13	Assets/liabilities	Fair value (€ million)	Valuation technique	Risk category	Sensitivity reference value	Aggregate sensitivity (€ million)
	Shares and other shareholdings	148	Income capitalization approach	Discount rate for investments in companies	Shift of +1 basis point	-
			Mark-to-model (DCF)	Dividend estimate	Shift of +1 percentage point	1
	Shares and other shareholdings	103	Mark-to-model (DCF)	Yield curves	Shift of +1 basis point	-
	Shares and other shareholdings	18	Mark-to-market	Illiquid market prices	Shift of +1% in relation to fair value	-
	Shares and other shareholdings	89	Simplified income capitalization approach			-
			Mark-to-market	Illiquid market prices	Shift of +1% in relation to fair value	11
	Bonds	1,068	Mark-to-market	Fair value adjustments	Absolute amount (fair value adjustment)	-
			Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	-
	Bonds	589	Mark-to-model (DCF)	Duration	Shift of +1 year	-6
Investments	Bonds	16	Present value for which loss allowances have been recognized	Impairment	Absolute amount (impairment)	-
	Investments in associates	14	Income capitalization approach	Discount rate for investments in companies	Shift of +1 basis point	-
	Investments in associates	1	Mark-to-model (DCF)	Yield curves	Shift of +1 basis point	-
	Investments in associates	8	Simplified income capitalization approach			-
	Investments in subsidiaries	52	Income capitalization approach	Discount rate for investments in companies	Shift of +1 basis point	-
	Investments in subsidiaries	66	Simplified income capitalization approach			-
	Investments in subsidiaries	96	Mark-to-model (DCF)	Yield curves	Shift of +1 basis point	-
	Investments in subsidiaries	4	Net asset value			-
	Investment fund units	54	Mark-to-model (other)	Fund prices	Shift of +1% in relation to fair value	1
	Investment fund units	10	Net asset value			-

Class according to IFRS 13	Assets/liabilities	Fair value (€ million)	Valuation technique	Risk category	Sensitivity reference value	Aggregate sensitivity (€ million)
	Shares and other variable-yield securities	3	Income capitalization approach	Discount rate for investments in companies	Shift of +1 basis point	-
	Shares and other variable-yield securities	27	Valuation reports			-
	Shares and other variable-yield securities	9	Simplified income capitalization approach			-
	Shares and other variable-yield securities	5,823	Net asset value			-
	Investments in associates	8	Income capitalization approach			-
	Investments in associates	13	Net asset value			-
	Investments in joint ventures	3	Income capitalization approach	Discount rate for investments in companies	Shift of +1 basis point	-
	Investments in joint ventures	73	Net asset value			-
	Investments in subsidiaries	320	Income capitalization approach	Discount rate for investments in companies	Shift of +1 basis point	-
Investments held by insurance companies	Investments in subsidiaries	1	Simplified income capitalization approach			-
	Investments in subsidiaries	199	Net asset value			-
	Fixed-income securities	511	Multi-factor yield curve model	Bond spreads	Shift of +1 basis point	-1
			Mark-to-model (DCF)	Bond spreads	Shift of +1 basis point	-2
	Fixed-income securities	2,782	Mark-to-model (DCF)	ABS spreads	Shift of +1 basis point	-
	Mortgage loans	12,682	Mark-to-model (DCF)	Bond spreads	Shift of +1 basis point	-19
			Mark-to-model (DCF)	Bond spreads	Shift of +1 basis point	-3
	Registered bonds	2,465	Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	55
	Registered bonds	1,291	Multi-factor yield curve model	Bond spreads	Shift of +1 basis point	-2
	Promissory notes and loans	3,092	Mark-to-model (DCF)	Bond spreads	Shift of +1 basis point	-2
	Promissory notes and loans	309	Multi-factor yield curve model	Bond spreads	Shift of +1 basis point	-
	Other loans and receivables	79	Amortized cost			-
	Other loans and receivables	155	Mark-to-model (DCF)	Probability of default	Shift of +1 basis point	-
	Assets managed for third parties	108	Net asset value			-
Non-current assets and disposal groups classified as held for sale	Investments	1	Simplified income capitalization approach			-

Class according to IFRS 13	Assets/liabilities	Fair value (€ million)	Valuation technique	Risk category	Sensitivity reference value	Aggregate sensitivity (€ million)
Deposits from customers	Other deposits	83	Multi-factor yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	-2
			Multi-factor yield curve model	Volatilities (normal)	Shift of +1 basis point	-1
	Other deposits	171	Analytical yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	-1
			Analytical yield curve model	Volatilities (normal)	Shift of +1 basis point	7
Debt certificates issued including bonds	Other bonds	365	Mark-to-market	Illiquid market prices	Shift of +1 percentage point	4
	Other bonds	16	Analytical yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	-
	Other bonds	164	Multi-factor yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	-4
			Multi-factor yield curve model	Volatilities (normal)	Shift of +1 basis point	-1
Financial liabilities held for trading	Bonds issued, share certificates and index-linked certificates, and other debt certificates issued	3	Black model (simple option pricing model)	Fair value adjustments	Absolute amount (fair value adjustment)	-
	Bonds issued, share certificates and index-linked certificates, and other debt certificates issued	103	Local volatility model	Fair value adjustments	Absolute amount (fair value adjustment)	-2
	Derivatives	9	Analytical yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	-1
			Analytical yield curve model	Volatilities (normal)	Shift of +1 basis point	-4
	Derivatives	92	Black model (simple option pricing model)	Fair value adjustments	Absolute amount (fair value adjustment)	-8
			Black model (simple option pricing model)	Volatilities (log-normal)	Shift of +1 percentage point	2
			Black model (simple option pricing model)	Volatilities (normal)	Shift of +1 basis point	8
	Derivatives	59	Local volatility model	Fair value adjustments	Absolute amount (fair value adjustment)	-3
			Local volatility model	Volatilities (log-normal)	Shift of +1 percentage point	2
	Derivatives	60	Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	-12
	Derivatives	81	Multi-factor yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	-7
	Derivatives	26	One-factor yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	-2
			One-factor yield curve model	Mean reversion	Shift of +1 basis point	-
Other liabilities	Derivatives	58	Mark-to-model (DCF)	Bond spreads		-

Measurements of fair value at Level 3 as at December 31, 2023

Class according to IFRS 13	Assets/liabilities	Fair value (€ million)	Valuation technique	Risk category	Sensitivity reference value	Aggregate sensitivity (€ million)
	Other bank loans	18	Mark-to-model (DCF)	Probability of default	Shift of +1 basis point	-
	Other bank loans	14	Present value for which loss allowances have been recognized	Impairment	Absolute amount (impairment)	-
Loans and advances to customers	Registered securities	14	Black model (simple option pricing model)	Bond spreads	Shift of +1 basis point	-
	Registered securities	405	Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	4
	Other loans and advances	1	Mark-to-model (DCF)	Probability of default	Shift of +1 basis point	-
			Mark-to-model (DCF)	Yield curves	Shift of +1 basis point	-
	Other loans and advances	189	Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	3
Derivatives used for hedging (positive fair values)	Derivatives	5	Mark-to-model (DCF)	Yield curves	Shift of +1 basis point	-
	Shares	1	Mark-to-market	Equity prices	Shift of +1% in relation to fair value	-
	Bonds	35	Black model (simple option pricing model)	Bond spreads	Shift of +1 basis point	-
	Bonds	182	Mark-to-market	Illiquid market prices	Shift of +1 percentage point	1
	Bonds	74	Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	-
			Black model (simple option pricing model)	Fair value adjustments	Absolute amount (fair value adjustment)	4
	Derivatives	83	Black model (simple option pricing model)	Volatilities (normal)	Shift of +1 basis point	-6
			Analytical yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	2
	Derivatives	22	Analytical yield curve model	Volatilities (normal)	Shift of +1 basis point	14
Financial assets held for trading			Multi-factor yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	53
	Derivatives	508	Multi-factor yield curve model	Volatilities (normal)	Shift of +1 basis point	10
			Local volatility model	Dividend estimate	Shift of +1 basis point	-
	Derivatives	13	Local volatility model	Volatilities (log-normal)	Shift of +1 percentage point	-2
			One-factor yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	9
	Derivatives	58	One-factor yield curve model	Volatilities (normal)	Shift of +1 basis point	2
			Mark-to-model (DCF)	ABS spreads	Shift of +1 basis point	-
			Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	27
	Derivatives	478	Mark-to-model (DCF)	Volatilities (log-normal)	Shift of +1 percentage point	4
	Promissory notes and registered bonds	1	Multi-factor yield curve model	Bond spreads	Shift of +1 basis point	-
	Promissory notes and registered bonds	282	Mark-to-model (DCF)	Bond spreads	Shift of +1 percentage point	-

Class according to IFRS 13	Assets/liabilities	Fair value (€ million)	Valuation technique	Risk category	Sensitivity reference value	Aggregate sensitivity (€ million)
	Shares and other shareholdings	118	Income capitalization approach	Discount rate for investments in companies	Shift of +1 basis point	-
	Shares and other shareholdings	126	Mark-to-model (DCF)	Yield curves	Shift of +1 basis point	-
	Shares and other shareholdings	3	Simplified income capitalization approach			-
	Shares and other shareholdings	141	Mark-to-model (DCF)	Dividend estimate	Shift of +1 percentage point	1
	Bonds	1	Black model (simple option pricing model)	ABS spreads	Shift of +1 basis point	-
			Mark-to-market	Illiquid market prices	Shift of +1% in relation to fair value	5
	Bonds	553	Black model (simple option pricing model)	Fair value adjustments	Absolute amount (fair value adjustment)	1
			Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	-
	Bonds	303	Mark-to-model (DCF)	Illiquid market prices	Shift of +1% in relation to fair value	4
Investments	Bonds	6	Present value for which loss allowances have been recognized	Impairment	Absolute amount (impairment)	-
	Bonds	699	Mark-to-market	Illiquid market prices	Shift of +1% in relation to fair value	7
	Bonds	255	Mark-to-model (DCF)	Duration	Shift of +1 year	-7
	Bonds	12	Present value for which loss allowances have been recognized	Impairment	Absolute amount (impairment)	-
	Investments in associates	6	Income capitalization approach	Discount rate for investments in companies	Shift of +1 basis point	-
	Investments in subsidiaries	67	Income capitalization approach	Discount rate for investments in companies	Shift of +1 basis point	-
	Investments in subsidiaries	43	Simplified income capitalization approach			-
	Investments in subsidiaries	59	Mark-to-model (DCF)	Yield curves	Shift of +1 basis point	-
	Investments in subsidiaries	10	Net asset value			-
	Investment fund units	31	Mark-to-model (other)	Fund prices	Shift of +1% in relation to fair value	-
	Investment fund units	9	Net asset value			-

Class according to IFRS 13	Assets/liabilities	Fair value (€ million)	Valuation technique	Risk category	Sensitivity reference value	Aggregate sensitivity (€ million)
Investments held by insurance companies	Shares and other variable-yield securities	3	Income capitalization approach	Discount rate for investments in companies	Shift of +1 basis point	-
	Shares and other variable-yield securities	24	Valuation reports			-
	Shares and other variable-yield securities	11	Simplified income capitalization approach			-
	Shares and other variable-yield securities	5,194	Net asset value			-
	Investments in joint ventures	4	Income capitalization approach	Discount rate for investments in companies	Shift of +1 basis point	-
	Investments in joint ventures	58	Net asset value			-
	Investments in subsidiaries	276	Income capitalization approach	Discount rate for investments in companies	Shift of +1 basis point	-
	Investments in subsidiaries	1	Simplified income capitalization approach			-
	Investments in subsidiaries	418	Net asset value			-
	Fixed-income securities	1,962	Mark-to-model (DCF)	Bond spreads	Shift of +1 basis point	-2
	Fixed-income securities	485	Multi-factor yield curve model	Bond spreads	Shift of +1 basis point	-1
	Fixed-income securities	1,194	Mark-to-model (DCF)	ABS spreads	Shift of +1 basis point	-
	Fixed-income securities	3	Mark-to-market	Illiquid market prices	Shift of +1% in relation to fair value	-
	Mortgage loans	12,004	Mark-to-model (DCF)	Bond spreads	Shift of +1 basis point	-11
	Registered bonds	2,058	Mark-to-model (DCF)	Bond spreads	Shift of +1 basis point	-3
	Registered bonds	1,353	Multi-factor yield curve model	Bond spreads	Shift of +1 basis point	-3
	Promissory notes and loans	3,125	Mark-to-model (DCF)	Bond spreads	Shift of +1 basis point	-3
	Promissory notes and loans	310	Multi-factor yield curve model	Bond spreads	Shift of +1 basis point	-
	Other loans and receivables	105	Amortized cost			-
	Other loans and receivables	102	Mark-to-model (DCF)	Probability of default	Shift of +1 basis point	-
	Assets managed for third parties	1	Net asset value			-

Class according to IFRS 13	Assets/liabilities	Fair value (€ million)	Valuation technique	Risk category	Sensitivity reference value	Aggregate sensitivity (€ million)
Deposits from customers			Multi-factor yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	5
	Other deposits	180	Multi-factor yield curve model	Volatilities (normal)	Shift of +1 basis point	3
			Analytical yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	1
	Other deposits	110	Analytical yield curve model	Volatilities (normal)	Shift of +1 basis point	-6
Debt certificates issued including bonds	Other bonds	310	Mark-to-model (DCF)	Illiquid market prices	Shift of +1 percentage point	-4
	Other bonds	26	Analytical yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	-
	Other bonds	173	Multi-factor yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	4
Financial liabilities held for trading			Local volatility model	Dividend estimate	Shift of +1 basis point	-
			Local volatility model	Fair value adjustments	Absolute amount (fair value adjustment)	3
	Bonds issued, share certificates and index-linked certificates, and other debt certificates issued	116	Local volatility model	Volatilities (log-normal)	Shift of +1 percentage point	1
	Derivatives	5	Analytical yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	2
			Black model (simple option pricing model)	Fair value adjustments	Absolute amount (fair value adjustment)	6
	Derivatives	71	Black model (simple option pricing model)	Volatilities (normal)	Shift of +1 basis point	-5
			One-factor yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	2
	Derivatives	28	One-factor yield curve model	Volatilities (normal)	Shift of +1 basis point	-1
			Local volatility model	Dividend estimate	Shift of +1 basis point	-
			Local volatility model	Fair value adjustments	Absolute amount (fair value adjustment)	6
	Derivatives	131	Local volatility model	Volatilities (log-normal)	Shift of +1 percentage point	-16
			Mark-to-model (DCF)	CDS spreads	Shift of +1 basis point	-
	Derivatives	94	Mark-to-model (DCF)	Fair value adjustments	Absolute amount (fair value adjustment)	14
	Derivatives	58	Multi-factor yield curve model	Fair value adjustments	Absolute amount (fair value adjustment)	5
	Derivatives	1	One-factor yield curve model	Mean reversion	Shift of +1 basis point	-

Fair value measurements within Level 3 of the fair value hierarchy

The table below shows the changes in the fair value measurements of assets within Level 3 of the fair value hierarchy:

€ million	Loans and advances to customers	Derivatives used for hedging (positive fair values)	Financial assets held for trading	Investments	Investments held by insurance companies	Non-current assets and disposal groups classified as held for sale
Balance as at Jan. 1, 2023	596	-	623	1,985	20,366	-
Additions (purchases)	9	-	1,333	737	3,557	-
Transfers	44	-1	1,408	1,532	6,819	-
from Level 3 to Levels 1 and 2	-12	-1	-389	-1,675	-607	-
from Levels 1 and 2 to Level 3	56	-	1,797	3,207	7,426	-
Disposals (sales)	-20	-	-1,535	-1,692	-2,001	-
Changes resulting from measurement at fair value	5	1	-85	-119	-12	-
through profit or loss	-5	1	-81	23	-413	-
through other comprehensive income	10	-	-4	-142	401	-
Other changes	7	5	-6	-2	-38	-
Balance as at Dec. 31, 2023	641	5	1,737	2,442	28,692	-
Additions (purchases)	31	-	1,537	1,264	3,345	-
Transfers	-	-	-444	-465	-362	-
from Level 3 to Levels 1 and 2	-	-	-1,161	-1,505	-917	-
from Levels 1 and 2 to Level 3	-	-	717	1,040	555	-
Disposals (sales)	-211	-	-1,606	-929	-2,420	-
Changes resulting from measurement at fair value	19	-	84	-13	629	-
through profit or loss	10	-	86	11	262	-
through other comprehensive income	9	-	-2	-24	367	-
Other changes	-12	-5	3	37	68	1
Balance as at Dec. 31, 2024	**469**	**-**	**1,312**	**2,336**	**29,953**	**1**

The table below shows the changes in the fair value measurements of liabilities within Level 3 of the fair value hierarchy:

€ million	Deposits from customers	Debt certificates issued including bonds	Financial liabilities held for trading	Other liabilities	Subordinated capital
Balance as at Jan. 1, 2023	-	404	98	-	69
Additions (issues)	200	193	1,213	-	-
Transfers	282	18	206	-	-
from Level 3 to Level 2	-	-	-2,082	-	-
from Level 2 to Level 3	282	18	2,287	-	-
Disposals (settlements)	-201	-100	-842	-	-68
Changes resulting from measurement at fair value	7	-6	-173	-	-
through profit or loss	9	-2	-158	-	1
through other comprehensive income	-2	-4	-16	-	-1
Other changes	2	-	4	-	-1
Balance as at Dec. 31, 2023	290	510	505	-	-
Additions (issues)	-	145	2,053	-	-
Transfers	-76	17	-301	69	-
from Level 3 to Level 2	-200	-120	-816	-	-
from Level 2 to Level 3	124	137	516	69	-
Disposals (settlements)	-	-145	-1,758	-	-
Changes resulting from measurement at fair value	38	18	-68	-11	-
through profit or loss	14	-5	-51	-11	-
through other comprehensive income	24	22	-17	-	-
Other changes	2	1	2	-	-
Balance as at Dec. 31, 2024	**254**	**545**	**433**	**58**	**-**

As part of the processes for fair value measurement, the DZ BANK Group reviews whether the valuation methods used for the measurement are appropriate. This review takes place at every balance sheet date, i.e. at least every 6 months. For the valuation parameters used in the valuation methods, a review is carried out as part of a significance analysis to examine whether unobservable inputs have a significant influence on the fair value.

For each input used in the calculation of fair value, a liquidity score is determined on an ongoing basis that provides information on whether the underlying market is active and the input is observable. Various parameters are used to determine the liquidity score, irrespective of the market data group. In respect of equity prices, for example, a check is carried out of whether the equity was traded in the analysis period and whether the trading volume has exceeded a certain threshold. For bonds, the bid-ask spread and the number of price contributors are taken into account. The rules on determining the liquidity score are set centrally by DZ BANK AG and apply to all group entities. On the basis of the liquidity scores determined, the fair value measurements are assigned to the levels of the fair value hierarchy, provided that the group entities use the centralized market database. In the DZ BANK Group, transfers between the levels generally take place as soon as there is a change in the inputs that is relevant to categorization in the fair value hierarchy.

In each step of these processes, both the distinctive features of the particular product type and the distinctive features of the business models of the group entities are taken into consideration.

Transfers of fair values from Levels 1 and 2 to Level 3 of the fair value hierarchy are largely attributable to a revised estimate of the market observability of the valuation parameters used in the valuation methods. Transfers from Level 3 to Levels 1 or 2 are essentially due to the availability of a price listed in an active market and to the inclusion in the valuation method of material valuation parameters observable in the market.

The amount of gains or losses recognized in profit or loss resulting from the recurring fair value measurements within Level 3 of assets and liabilities held at the balance sheet date constituted a net gain of €380 million during the year under review (2023: net loss of €538 million). The gains or losses are predominantly included in the line items net interest income, gains and losses on trading activities, other gains and losses on valuation of financial instruments, and gains and losses on investments held by insurance companies and other insurance company gains and losses.

Exercise of option pursuant to IFRS 13.48

The option offered by IFRS 13.48 of measuring a net risk position for financial assets and financial liabilities is used for portfolios whose components are recognized under the following balance sheet items: loans and advances to banks, loans and advances to customers, hedging instruments (positive fair values), financial assets held for trading, investments, deposits from banks, deposits from customers, debt certificates issued including bonds, hedging instruments (negative fair values), financial liabilities held for trading, subordinated capital, and equity. If allocation of the portfolio-based valuation adjustments to the assets and liabilities is required, it is generally carried out in proportion to the nominal amounts of the financial instruments in question.

Sensitivity analysis

In the DZ BANK Group, financial instruments are generally assigned to Level 2 and Level 3 of the fair value hierarchy using a sensitivity-based significance analysis of unobservable inputs. Taking a prudent valuation approach pursuant to article 105 of the Capital Requirements Regulation (CRR), an uncertainty spread is formed for the unobservable inputs that, as a rule, equates to the 90 percent quantile and the 10 percent quantile for the distribution of the input; the change in fair value at the ends of the spread is also examined.

The following table shows the changes in the fair values of financial instruments assigned to Level 3 of the fair value hierarchy that would occur if all inputs in each risk category were factored into the measurement with the ends of each uncertainty spread. Changes in fair value at the lower and upper end of the uncertainty spread are shown separately. In practice, however, it is unlikely that all unobservable inputs would be at the extreme end of their uncertainty spread at the same time.

Changes in fair values, using alternative assumptions for unobservable inputs

€ million	Dec. 31, 2024 Alternative assumptions at the lower end of the uncertainty spread	Dec. 31, 2024 Alternative assumptions at the upper end of the uncertainty spread	Dec. 31, 2023 Alternative assumptions at the lower end of the uncertainty spread	Dec. 31, 2023 Alternative assumptions at the upper end of the uncertainty spread
Loans and advances to customers				
Other loans and advances	2	-2	2	-2
Financial assets held for trading				
Derivatives	-1	1	-1	1
Investments				
Shares and other shareholdings	2	1	6	-2
Bonds	-14	14	-8	7
Investments in subsidiaries	5	-5	1	-1
Investment fund units	-5	2	-3	1
Investments held by insurance companies				
Investments in subsidiaries	22	-19	19	-16
Fixed-income securities	30	-33	33	-31
Mortgage loans	4	-4	2	-2
Registered bonds	133	-133	163	-163
Promissory notes and loans	49	-81	65	-36
Other loans	2	-3	2	-2
Deposits from customers				
Other deposits	1	-1	-	-
Debt certificates issued including bonds				
Other bonds	1	-1	-1	1
Financial liabilities held for trading				
Bonds issued, share certificates and index-linked certificates, and other debt certificates issued	1	-1	-1	1
Derivatives	-3	3	4	-4
Other liabilities				
Derivatives	-4	4	-	-

» 75 Assets and liabilities not measured at fair value on the balance sheet

Fair value hierarchy

Fair value measurements of assets and liabilities that are not recognized at fair value on the balance sheet, but whose fair value must be disclosed, are assigned to the levels of the fair value hierarchy as follows:

	Level 1		Level 2		Level 3	
€ million	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Assets	**9,130**	4,070	**248,744**	251,052	**186,748**	178,983
Cash and cash equivalents	-	-	81,344	101,462	-	-
Loans and advances to banks	-	-	134,918	119,326	4,709	3,639
Loans and advances to customers	-	-	23,473	23,376	172,903	166,189
Investments	8,999	3,850	8,370	6,224	1,247	215
Investments held by insurance companies	131	37	-	2	5,445	5,797
Property, plant and equipment, investment property, and right-of-use assets	-	-	-	-	354	345
Other assets	-	-	639	526	1,991	1,518
Non-current assets and disposal groups classified as held for sale	-	184	-	137	100	1,280
Liabilities	**19,876**	19,368	**333,121**	318,593	**70,135**	71,957
Deposits from banks	-	-	180,897	168,338	873	965
Deposits from customers	-	-	82,700	84,803	62,686	64,103
Debt certificates issued including bonds	19,876	19,368	68,551	64,215	500	-
Provisions	-	-	81	359	492	226
Other liabilities	-	-	892	830	1,236	1,268
Subordinated capital	-	-	-	1	4,347	3,933
Liabilities included in disposal groups classified as held for sale	-	-	-	47	-	1,462

Fair value measurements within Levels 2 and 3

The fair value measurements of assets and liabilities that are not recognized at fair value on the balance sheet largely correspond to the fair value measurements of assets and liabilities that are recognized at fair value on the balance sheet.

The following table shows the valuation techniques and the unobservable inputs used for the fair value measurements at Level 3 of the fair value hierarchy as at December 31, 2024.

Class according to IFRS 13	Assets/liabilities	Fair value (€ million)	Valuation technique	Unobservable inputs
Loans and advances to banks	Home savings loans advanced by building society	158	Amortized cost	
	Mortgage loans	6	Mark-to-model (DCF)	Probability of default
	Current account debit balances	4	Mark-to-model (DCF)	Probability of default
	Registered securities	103	Black model (simple option pricing model)	Bond spreads, fair value adjustments, subordinated spreads
	Registered securities	15	Mark-to-model (DCF)	Bond spreads, fair value adjustments, funding and treasury spreads
	Other bank loans	4,423	Mark-to-model (DCF)	Probability of default
Loans and advances to customers	Home savings loans advanced by building society	6,751	Amortized cost	
	Home savings loans advanced by building society	56,313	Mark-to-model (DCF)	Probability of default
	Pass-through loans	1,538	Mark-to-model (DCF)	Probability of default
	Pass-through loans	7	Present value for which loss allowances have been recognized	Impairment
	Mortgage loans	52,611	Mark-to-model (DCF)	Probability of default
	Mortgage loans	553	Present value for which loss allowances have been recognized	Impairment
	Current account debit balances	1,743	Mark-to-model (DCF)	Probability of default
	Current account debit balances	42	Present value for which loss allowances have been recognized	Impairment
	Registered securities	1,025	Black model (simple option pricing model)	Bond spreads, fair value adjustments, volatilities
	Registered securities	1,425	Mark-to-model (DCF)	Bond spreads, fair value adjustments
	Other bank loans	49,610	Mark-to-model (DCF)	Probability of default
	Other bank loans	11	Present value for which loss allowances have been recognized	Impairment
	Other loans and advances	1,273	Mark-to-model (DCF)	Probability of default
Investments	Bonds	992	Mark-to-market	Illiquid market prices, fair value adjustments
	Bonds	223	Mark-to-model (DCF)	Bond spreads, fair value adjustments
	Bonds	32	Amortized cost	Illiquid market prices
Investments held by insurance companies	Investment property	25	Amortized cost	
	Investment property	3,722	Simplified income capitalization approach	
	Investment property	1,692	Valuation reports	
	Registered bonds	4	Mark-to-model (DCF)	Bond spreads
	Registered bonds	1	Multi-factor yield curve model	Bond spreads
	Promissory notes and loans	1	Amortized cost	

Class according to IFRS 13	Assets/liabilities	Fair value (€ million)	Valuation technique	Unobservable inputs
Property, plant and equipment	Investment property	354	Valuation reports	
Other assets	Credit balances with banks (insurance)	1,029	Amortized cost	
	Other receivables	962	Amortized cost	
Non-current assets and disposal groups classified as held for sale	Investments held by insurance companies	96	Income capitalization approach	Future rent and reference prices in the market
	Investments held by insurance companies	4	Valuation reports	
Deposits from banks	Home savings deposits	194	Cost	
	Other deposits	678	Mark-to-model (DCF)	Probability of default
Deposits from customers	Home savings deposits	62,392	Cost	
	Other deposits	25	Cost	
	Other deposits	270	Mark-to-model (DCF)	Probability of default
Debt certificates issued including bonds	Public-sector Pfandbriefe	500	Mark-to-model (DCF)	Probability of default
Provisions	Provisions for financial guarantee contracts	60	Mark-to-model (DCF)	Probability of default
	Provisions for loan commitments	256	Mark-to-model (DCF)	Probability of default
	Provisions for loan commitments	176	Multi-factor yield curve model	Bond spreads
Other liabilities	Subordinated liabilities (insurance)	16	Cost	
	Subordinated liabilities (insurance)	29	Net asset value	
	Other payables	239	Cost	
	Liabilities from profit transfer agreements	6	Cost	
	Liabilities from investment contracts	598	Cost	
	Liabilities to banks (insurance)	320	Cost	
	Debt certificates issued including bonds (insurance)	28	Cost	
Subordinated capital	Subordinated liabilities	1	Simplified income capitalization approach	
	Subordinated liabilities	837	Black model (simple option pricing model)	Bond spreads, fair value adjustments, subordinated spreads
	Subordinated liabilities	3,509	Mark-to-model (DCF)	Bond spreads, fair value adjustments, subordinated spreads

The following table shows the valuation techniques and the unobservable inputs used for the fair value measurements at Level 3 of the fair value hierarchy as at December 31, 2023.

Class according to IFRS 13	Assets/liabilities	Fair value (€ million)	Valuation technique	Unobservable inputs
Loans and advances to banks	Home savings loans advanced by building society	103	Amortized cost	
	Mortgage loans	4	Mark-to-model (DCF)	Probability of default
	Current account debit balances	8	Mark-to-model (DCF)	Probability of default
	Registered securities	110	Black model (simple option pricing model)	Bond spreads, fair value adjustments, subordinated spreads
	Registered securities	46	Mark-to-model (DCF)	Bond spreads
	Other bank loans	3,367	Mark-to-model (DCF)	Probability of default
	Other bank loans	1	Present value for which loss allowances have been recognized	Impairment
Loans and advances to customers	Home savings loans advanced by building society	4,848	Amortized cost	
	Home savings loans advanced by building society	56,179	Mark-to-model (DCF)	Probability of default
	Pass-through loans	1,462	Mark-to-model (DCF)	Probability of default
	Pass-through loans	2	Present value for which loss allowances have been recognized	Impairment
	Mortgage loans	51,924	Mark-to-model (DCF)	Probability of default
	Mortgage loans	333	Present value for which loss allowances have been recognized	Impairment
	Current account debit balances	1,565	Mark-to-model (DCF)	Probability of default
	Current account debit balances	16	Present value for which loss allowances have been recognized	Impairment
	Registered securities	1,394	Black model (simple option pricing model)	Bond spreads, fair value adjustments, volatilities
	Registered securities	1,105	Mark-to-model (DCF)	Bond spreads, fair value adjustments
	Other bank loans	46,228	Mark-to-model (DCF)	Probability of default
	Other bank loans	4	Present value for which loss allowances have been recognized	Impairment
	Other loans and advances	1,127	Mark-to-model (DCF)	Probability of default
Investments	Bonds	5	Black model (simple option pricing model)	ABS spreads
	Bonds	24	Black model (simple option pricing model)	Illiquid market prices, fair value adjustments
	Bonds	68	Mark-to-market	Illiquid market prices, fair value adjustments
	Bonds	116	Mark-to-model (DCF)	Bond spreads, fair value adjustments
	Bonds	3	Multi-factor yield curve model	Illiquid market prices, fair value adjustments
Investments held by insurance companies	Investment property	25	Amortized cost	
	Investment property	3,945	Income capitalization approach	Future rent and reference prices in the market
	Investment property	1,673	Valuation reports	
	Registered bonds	100	Mark-to-model (DCF)	Bond spreads
	Registered bonds	33	Multi-factor yield curve model	Bond spreads
	Promissory notes and loans	10	Amortized cost	
	Other loans and receivables	11	Amortized cost	

Class according to IFRS 13	Assets/liabilities	Fair value (€ million)	Valuation technique	Unobservable inputs
Property, plant and equipment	Investment property	345	Valuation reports	
Other assets	Credit balances with banks (insurance)	647	Amortized cost	
	Other receivables	871	Amortized cost	
Non-current assets and disposal groups classified as held for sale	Loans and advances to customers	170	Amortized cost	
	Loans and advances to customers	1,101	Mark-to-model (DCF)	Probability of default
	Other assets	9	Income capitalization approach	Future rent and reference prices in the market
Deposits from banks	Home savings deposits	433	Cost	
	Other deposits	533	Mark-to-model (DCF)	Probability of default
Deposits from customers	Home savings deposits	63,564	Cost	
	Other deposits	32	Cost	
	Other deposits	508	Mark-to-model (DCF)	Probability of default
Provisions	Provisions for financial guarantee contracts	2	Mark-to-model (DCF)	Probability of default
	Provisions for loan commitments	6	Cost	
	Provisions for loan commitments	216	Mark-to-model (DCF)	Probability of default
	Provisions for loan commitments	1	Present value for which loss allowances have been recognized	Impairment
Other liabilities	Subordinated liabilities (insurance)	15	Cost	
	Subordinated liabilities (insurance)	26	Net asset value	
	Other payables	282	Cost	
	Liabilities from investment contracts	608	Cost	
	Liabilities to banks (insurance)	312	Cost	
	Debt certificates issued including bonds (insurance)	25	Cost	
Subordinated capital	Subordinated liabilities	1,030	Black model (simple option pricing model)	Bond spreads, fair value adjustments, subordinated spreads
	Subordinated liabilities	2,904	Mark-to-model (DCF)	Subordinated spreads
Liabilities included in disposal groups classified as held for sale	Deposits from customers	1,462	Cost	

» 76 Financial liabilities designated as at fair value through profit or loss

A residual value method is used to determine changes in fair value attributable to changes in the DZ BANK Group’s own credit risk. In this method, the measurement effect caused by changes in own credit risk is determined by deducting the measurement effect caused by factors other than the change in own credit risk from the overall change in fair value. The cumulative changes in fair value resulting from changes in own credit risk amounted to a loss of €119 million in 2024 (2023: gain of €389 million). The use of this method ensures that the changes in fair value attributable to changes in own credit risk are not distorted by other effects caused by changes in market risk.

The following overview compares carrying amounts with the amounts contractually required to be paid at maturity to the creditors concerned for liabilities designated as at fair value through profit or loss, but whose changes in fair value attributable to own credit risk are reported in other comprehensive income:

	Carrying amount		Repayment amount	
€ million	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Deposits from banks	3,448	3,804	3,632	4,138
Deposits from customers	7,672	7,420	8,322	8,318
Debt certificates issued including bonds	19,054	16,885	20,019	18,538
Total	**30,174**	**28,109**	**31,972**	**30,993**

In the course of the year under review, a loss of €2 million – previously reported in other comprehensive income/loss – was realized upon derecognition of financial liabilities as a result of measurement effects in connection with changes in the DZ BANK Group's own credit risk (2023: loss of €1 million). This amount was reclassified to retained earnings within equity once the financial liabilities had been derecognized.

» 77 Reclassification

On January 1, 2021, financial assets had been reclassified prospectively due to a change to the business model that was attributable to the R+V-wide strategic program known as 'Wachstum durch Wandel' (growth through change) and to the related realignment and optimization of strategic asset allocation. This resulted in a comprehensive change to the management of R+V's investments.

Financial assets with a gross carrying amount of €15,606 million (fair value: €18,156 million) categorized as 'financial assets measured at amortized cost' had been reclassified as 'financial assets measured at fair value through other comprehensive income' in 2021. As at December 31, 2024, the carrying amount of the reclassified assets still held was €10,078 million (December 31, 2023: €11,786 million) and their fair value was €9,291 million (December 31, 2023: €10,806 million).

Financial assets of €3,139 million categorized as 'financial assets measured at fair value through profit or loss' had been reclassified as 'financial assets measured at fair value through other comprehensive income' in 2021. As at December 31, 2024, the fair value of the reclassified assets still held was €817 million (December 31, 2023: €1,075 million). At the time of reclassification, the reclassified assets had an average effective interest rate of 2.25 percent; as at December 31, 2024, their carrying amount-weighted effective interest rate was 3.48 percent (December 31, 2023: 3.33 percent). During the reporting period, these assets generated interest income of €43 million (2023: €59 million).

» 78 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities reference standard master agreements, such as ISDA Master Agreements and German Master Agreements for Financial Futures. However, these standard master agreements do not generally satisfy the offsetting criteria in IAS 32.42 because the legal right to set off the amounts under these agreements is contingent on the occurrence of a future event.

The following tables show financial assets that were offset or that were subject to a legally enforceable global netting agreement or a similar arrangement:

AS AT DECEMBER 31, 2024

€ million	Gross amount of financial assets before offsetting	Gross amount of offset financial liabilities	Net amount of financial assets (carrying amount)	Associated amounts not offset on the balance sheet		Net amount
				Financial instruments	Cash collateral received	
Derivatives	54,418	38,337	16,082	9,648	5,371	1,063
Reverse repos/securities borrowing	17,322	-	17,322	17,106	-	215
Total	**71,740**	**38,337**	**33,403**	**26,755**	**5,371**	**1,278**

AS AT DECEMBER 31, 2023

€ million	Gross amount of financial assets before offsetting	Gross amount of offset financial liabilities	Net amount of financial assets (carrying amount)	Associated amounts not offset on the balance sheet		Net amount
				Financial instruments	Cash collateral received	
Derivatives	60,015	43,024	16,991	9,840	6,232	919
Reverse repos/securities borrowing	8,686	-	8,686	8,656	-	30
Total	**68,701**	**43,024**	**25,677**	**18,497**	**6,232**	**949**

The following tables show financial liabilities that were offset or that were subject to a legally enforceable global netting agreement or a similar arrangement:

AS AT DECEMBER 31, 2024

€ million	Gross amount of financial liabilities before offsetting	Gross amount of offset financial assets	Net amount of financial liabilities (carrying amount)	Associated amounts not offset on the balance sheet		Net amount
				Financial instruments	Cash collateral furnished	
Derivatives	54,338	38,563	15,775	10,104	2,900	2,771
Repos/securities lending	2,929	-	2,929	2,928	-	1
Other financial instruments	206	206	-	-	-	-
Total	**57,474**	**38,769**	**18,704**	**13,032**	**2,900**	**2,772**

AS AT DECEMBER 31, 2023

€ million	Gross amount of financial liabilities before offsetting	Gross amount of offset financial assets	Net amount of financial liabilities (carrying amount)	Associated amounts not offset on the balance sheet		Net amount
				Financial instruments	Cash collateral furnished	
Derivatives	59,669	41,584	18,086	10,122	4,414	3,550
Repos/securities lending	1,195	-	1,195	1,195	-	-
Other financial instruments	214	214	-	-	-	-
Total	**61,078**	**41,798**	**19,280**	**11,316**	**4,414**	**3,550**

» 79 Sale and repurchase agreements, securities lending

Transfers of financial assets

In 2024, the only transfers carried out by the DZ BANK Group in which the transferred assets remained on the balance sheet in their entirety were transfers under sale and repurchase agreements (repos), in which the DZ BANK Group was the original seller, and transfers as part of securities lending transactions.

Sale and repurchase agreements

The entities in the DZ BANK Group enter into sale and repurchase agreements using standard banking industry master agreements, notably the Global Master Repurchase Agreement (GMRA) and the master agreement provided by the International Securities Market Association (ISMA). Under these agreements, the buyer of the securities is permitted to make use of the securities without restriction (with no requirement for a prior counterparty default) and return securities of the same type. If the fair value of the securities received or transferred in such transactions increases or decreases, the entity concerned may be required to furnish additional collateral or may demand additional collateral.

As at the balance sheet date, the sale and repurchase agreements entered into by companies in the DZ BANK Group were exclusively genuine sale and repurchase agreements, i.e. the buyer is obliged to sell back the securities.

Sale and repurchase agreements in which DZ BANK acts as a seller (repos)

Under sale and repurchase agreements, bonds and other fixed-income securities classified as financial assets measured at fair value and financial assets measured at amortized cost are temporarily transferred to another party.

As at the balance sheet date, the carrying amounts of securities subject to such sale and repurchase agreements were:

€ million	Dec. 31, 2024	Dec. 31, 2023
FINANCIAL ASSETS MEASURED AT FAIR VALUE	**2,289**	**796**
Financial assets measured at fair value through profit or loss	**1,256**	53
Financial assets mandatorily measured at fair value through profit or loss	***1,256***	*53*
Financial assets held for trading	1,256	53
Financial assets measured at fair value through other comprehensive income	**1,033**	743
Financial assets mandatorily measured at fair value through other comprehensive income	***95***	-
Investments	95	-
Financial assets designated as at fair value through other comprehensive income	***938***	*743*
Investments	938	743
FINANCIAL ASSETS MEASURED AT AMORTIZED COST	**648**	**408**
Investments	648	408
Total	**2,937**	**1,205**

As at the balance sheet date, additional collateral with a carrying amount of €90 million had been furnished in connection with repos (December 31, 2023: €160 million). This collateral is recognized under financial assets held for trading and may be sold or repledged by the recipient even if the provider is not in default.

The carrying amounts of liabilities arising from sale and repurchase agreements were as follows:

€ million	Dec. 31, 2024	Dec. 31, 2023
LIABILITIES ASSOCIATED WITH FINANCIAL ASSETS MEASURED AT FAIR VALUE	**2,291**	796
Liabilities associated with financial assets measured at fair value through profit or loss	**1,256**	53
Liabilities associated with financial assets mandatorily measured at fair value through profit or loss	***1,256***	*53*
Liabilities associated with financial assets held for trading	1,256	53
Liabilities associated with financial assets measured at fair value through other comprehensive income	**1,034**	743
Liabilities associated with financial assets mandatorily measured at fair value through other comprehensive income	***96***	-
Liabilities associated with investments	96	-
Liabilities associated with financial assets designated as at fair value through other comprehensive income	***938***	*743*
Liabilities associated with investments	938	743
LIABILITIES ASSOCIATED WITH FINANCIAL ASSETS MEASURED AT AMORTIZED COST	**639**	398
Liabilities associated with investments	639	398
Total	**2,929**	**1,195**

Sale and repurchase agreements in which DZ BANK acts as the buyer (reverse repos)
In reverse repo transactions, bonds and other fixed-income securities are bought on a temporary basis. As at December 31, 2024, the fair value of securities involved in such transactions was €17,042 million (December 31, 2023: €8,718 million).

The receivables arising from these reverse repo transactions and reported under financial assets held for trading and under loans and advances to banks had a carrying amount of €17,420 million as at the balance sheet date (December 31, 2023: €8,680 million). As part of the collateral management requirements, the original seller provides the DZ BANK Group with additional collateral for reverse repo transactions in which the fair value of the securities purchased is less than the amounts receivable from the seller.

Securities lending

Securities lending transactions are undertaken on the basis of the Global Master Securities Lending Agreement (GMSLA) or on the basis of individual contractual arrangements. Under these agreements, the borrower of the securities is permitted to make use of the securities without restriction and return securities of the same type. If the fair value of the securities received or transferred in such transactions increases or decreases, the entity concerned may be required to furnish additional collateral or may demand additional collateral.

Securities lending

In securities lending transactions, shares and other variable-yield securities and/or bonds and other fixed-income securities classified as financial assets measured at fair value and financial assets measured at amortized cost are temporarily transferred to another party.

As at the balance sheet date, the carrying amounts of securities lent under securities lending arrangements were as follows:

€ million	Dec. 31, 2024	Dec. 31, 2023
FINANCIAL ASSETS MEASURED AT FAIR VALUE	**5,574**	**4,866**
Financial assets measured at fair value through profit or loss	**164**	883
Financial assets mandatorily measured at fair value through profit or loss	***164***	*883*
Financial assets held for trading	164	883
Financial assets measured at fair value through other comprehensive income	**5,410**	3,982
Financial assets mandatorily measured at fair value through other comprehensive income	***5,410***	*3,982*
Investments held by insurance companies	5,410	3,982
FINANCIAL ASSETS MEASURED AT AMORTIZED COST	**72**	**52**
Investments held by insurance companies	72	52
Total	**5,646**	**4,918**

Collateral is provided or received as part of collateral management arrangements in connection with financial assets held for trading and investments held by insurance companies that are lent under securities lending agreements. In this process, all positions with the counterparty concerned are netted to determine the collateral to be provided or received.

As at the balance sheet date, additional collateral with a carrying amount of €21 million had been furnished in connection with securities lending (December 31, 2023: €34 million). This collateral is recognized under financial assets held for trading and may be sold or repledged by the recipient even if the provider is not in default.

Securities borrowing

The fair value of borrowed securities as at the balance sheet date was as follows:

€ million	Dec. 31, 2024	Dec. 31, 2023
Bonds and other fixed-income securities	998	737
Shares and other variable-yield securities	22	34
Total	**1,021**	**770**

In addition to securities subject to sale and repurchase agreements or that have been borrowed, bonds and other fixed-income securities and shares and other variable-yield securities are accepted as additional collateral. These may be sold or repledged as collateral by the recipient, even if there is no default. As at December 31, 2024, the fair value of the additional collateral received was €41 million (December 31, 2023: €22 million).

Securities subject to a sale and repurchase or lending agreement that the recipient may sell or repledge as collateral with no requirement for a prior counterparty default

All securities transferred to another party by entities in the DZ BANK Group under sale and repurchase agreements or securities lending agreements may be sold or repledged as collateral by the recipient without restriction.

The carrying amounts of the individual balance sheet items concerned are as follows:

€ million	Dec. 31, 2024	Dec. 31, 2023
Financial assets held for trading	1,420	937
Investments	1,681	1,152
Investments held by insurance companies	5,481	4,034
Total	**8,583**	**6,123**

Securities subject to a sale and repurchase and borrowed securities that the collateral provider may sell or repledge as collateral with no requirement for a prior counterparty default

The fair value of the sold or repledged securities amounted to €4,306 million as at the balance sheet date (December 31, 2023: €4,398 million). The DZ BANK Group is obliged to return collateral of equal value to the collateral provider.

» 80 Collateral

The breakdown of the carrying amount of financial assets pledged as collateral for liabilities is as follows:

€ million	Dec. 31, 2024	Dec. 31, 2023
Loans and advances to banks	76,564	76,807
Loans and advances to customers	117	179
Financial assets held for trading	10,492	8,810
Investments	190	504
Investments held by insurance companies	1,847	1,591
Total	**89,211**	**87,891**

Of the total financial assets pledged as collateral for liabilities, financial assets held for trading and investments with a carrying amount of €6,103 million (December 31, 2023: €4,187 million) may be sold or repledged as collateral by the recipient, even if the relevant entity in the DZ BANK Group is not in default.

Funds received from German federal and state development banks that are to be specifically used for the purposes of development program loans are mainly passed on to affiliated banks. The corresponding loans and advances to affiliated banks serve as collateral with the German federal and state development banks.

The pledged loans and advances to customers predominantly consist of building loans issued as part of KfW development program loans. The amounts due to Germany's KfW development bank are secured by assigning to KfW the receivables arising from the forwarding of the development loans together with the collateral furnished by the borrowers. The loans and advances to customers pledged as collateral also comprise collateral in the form of cash as part of collateral management. This is arranged under standard industry collateral agreements.

Securities and money market placements recognized as financial assets held for trading are pledged as collateral for exchange-traded forward transactions, non-exchange-traded derivatives and for forward forex transactions. These arrangements are governed by standard industry collateral agreements.

The investments pledged as collateral predominantly comprise securities lodged with the clearing broker at EUREX as part of customer-initiated trading in exchange-traded derivatives.

The investments held by insurance companies are predominantly securities pledged as collateral as part of the reinsurance business; this collateral may only be sold or pledged by the recipient in the event of default by the provider.

» 81 Items of income, expense, gains, and losses

Net gains and losses

The breakdown of net gains or net losses on financial instruments by IFRS 9 category for financial assets and financial liabilities is as follows:

€ million	2024	2023
Financial instruments measured at fair value through profit or loss	**-698**	**326**
Financial instruments mandatorily measured at fair value through profit or loss	216	1,794
Financial instruments designated as at fair value through profit or loss	-913	-1,467
Financial assets measured at fair value through other comprehensive income	**2,235**	**5,954**
Financial assets mandatorily measured at fair value through other comprehensive income	1,886	5,840
of which gains and losses recognized in profit or loss	2,166	1,843
of which gains and losses recognized in other comprehensive income	303	4,338
of which gains and losses reclassified on derecognition from cumulative other comprehensive income to profit or loss	-583	-341
Financial assets designated as at fair value through other comprehensive income	349	114
Financial assets measured at amortized cost	**12,248**	**10,899**
Financial liabilities measured at amortized cost	**-10,298**	**-8,653**

Net gains or net losses comprise gains and losses on fair value measurement and gains and losses from loss allowances and on the sale or early repayment of the financial instruments concerned. These items also include interest income and interest expense, current income, income from profit-pooling, profit-transfer agreements, partial profit-transfer agreements, and expenses from the transfer of losses.

In connection with financial liabilities designated as at fair value through profit or loss, a loss of €513 million (2023: gain of €300 million) was recognized in other comprehensive income/loss and a loss of €1,112 million (2023: loss of €1,712 million) in profit or loss.

Interest income and expense

The following total interest income and expense arose in connection with financial assets and financial liabilities that are not measured at fair value through profit or loss:

€ million	2024	2023
Interest income	**15,734**	13,532
From financial assets measured at amortized cost including finance leases	13,000	11,277
From financial assets measured at fair value through other comprehensive income	2,734	2,256
Interest expense	**-10,307**	-8,662

Fee and commission income and expenses

The table below shows the changes in fee and commission income and expenses:

€ million	2024	2023
Fee and commission income		
From financial assets and financial liabilities not at fair value through profit or loss	173	170
From trust and other fiduciary activities	4,915	4,359
Fee and commission expenses		
For financial assets and financial liabilities not at fair value through profit or loss	-204	-202
For trust and other fiduciary activities	-2,077	-1,856

» 82 Derivatives

Derivatives are used primarily to hedge against market risk as well as for trading purposes. As at the balance sheet date, the breakdown of the portfolio of derivatives was as follows:

	Nominal amount					Fair value			
	Time to maturity			Total amount		Positive		Negative	
€ million	≤ 1 year	> 1 year – 5 years	> 5 years	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
INTEREST-LINKED CONTRACTS	**287,635**	**631,037**	**801,396**	**1,720,068**	**1,555,925**	**13,549**	**14,735**	**11,859**	**14,311**
OTC products									
Forward rate agreements	24,816	-	-	24,816	38,583	-	-	-	-
Interest-rate swaps	222,936	588,560	783,168	1,594,664	1,404,353	12,431	13,632	10,324	11,982
Interest-rate options – bought	15,757	20,099	6,792	42,649	46,670	682	790	182	132
Interest-rate options – written	19,262	22,174	11,436	52,873	57,410	435	303	1,303	2,195
Other interest-rate contracts	31	38	-	69	57	-	-	50	-
Exchange-traded products									
Interest-rate futures	4,833	166	-	4,998	8,853	-	8	-	2
CURRENCY-LINKED CONTRACTS	**138,199**	**27,724**	**8,587**	**174,511**	**141,981**	**2,703**	**1,884**	**2,528**	**1,935**
OTC products									
Cross-currency swaps (excl. portfolio hedging)	6,746	16,936	7,972	31,653	30,873	689	640	848	595
Forward forex transactions	117,842	9,389	587	127,818	99,629	1,919	1,168	1,571	1,280
Forex options – bought	5,691	295	-	5,986	5,589	46	10	29	39
Forex options – written	7,788	1,105	20	8,913	5,738	48	66	79	18
Gold derivatives	11	-	-	11	-	-	-	-	-
Exchange-traded products									
Forex futures	71	-	-	71	49	-	-	-	-
Forex options	51	-	9	60	103	-	-	1	2
SHARE-/INDEX-LINKED CONTRACTS	**15,332**	**14,555**	**1,544**	**31,431**	**32,643**	**613**	**709**	**1,397**	**1,368**
OTC products									
Share/index options – bought	1,826	240	65	2,131	2,377	42	21	-	-
Share/index options – written	476	593	-	1,069	951	-	-	35	21
Other share/index contracts	340	4,258	1,184	5,782	6,472	75	89	307	331
Exchange-traded products									
Share/index futures	1,241	129	-	1,370	1,569	-	-	-	1
Share/index options	11,449	9,334	296	21,079	21,274	496	598	1,054	1,015
OTHER CONTRACTS	**4,529**	**3,382**	**12,254**	**20,165**	**19,927**	**1**	**11**	**61**	**112**
OTC products									
Precious metal contracts (excl. gold derivatives)	11	-	-	11	-	-	-	-	-
Commodities contracts	-	-	-	-	110	-	10	-	-
Other contracts	4,331	3,382	12,235	19,947	19,434	-	-	57	103
Exchange-traded products									
Futures	48	-	-	48	38	-	-	-	-
Options	139	-	19	159	346	-	1	4	8
CREDIT DERIVATIVES	**2,106**	**7,957**	**3,178**	**13,242**	**14,398**	**222**	**225**	**77**	**73**
Protection buyer									
Credit default swaps	563	2,228	643	3,434	3,159	1	3	70	60
Protection seller									
Credit default swaps	1,543	5,729	2,535	9,808	11,212	220	222	7	12
Total return swaps	-	-	-	-	27	-	-	-	1
Total	**447,801**	**684,655**	**826,960**	**1,959,416**	**1,764,874**	**17,087**	**17,564**	**15,922**	**17,798**

The derivatives held at the balance sheet date involve the following counterparties:

	Fair value			
	Positive		Negative	
€ million	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
OECD central governments	**10**	11	**3**	36
OECD banks	**13,725**	13,961	**13,754**	14,957
OECD financial services institutions	**187**	135	**112**	171
Other companies, private individuals	**2,953**	3,296	**1,925**	2,566
Non-OECD banks	**213**	162	**127**	68
Total	**17,087**	**17,564**	**15,922**	**17,798**

The Union Investment Group has capital preservation commitments under section 1 (1) no. 3 of the German Personal Pension Plan Certification Act (AltZertG) amounting to €19,838 million (December 31, 2023: €19,144 million). These commitments are the total amount of the pension contributions paid by investors into the individual variants of the *UniProfiRente* and *UniProfiRente Select* products, which represent the minimum amount that must be made available at the start of the payout phase under statutory provisions, and the guaranteed payout amounts for existing contracts that are already in the portfolio payout phase. The group also has minimum payment commitments of €109 million (December 31, 2023: €290 million) in connection with genuine guarantee funds launched by fund management companies in the group.

» 83 Hedge accounting

Risk management strategy

Fair value hedges are used as part of the risk management strategy to eliminate or reduce accounting mismatches.

Hedged items

Fair value hedges are used in the hedging of interest-rate risk. In this context, interest-rate risk refers to the risk of an adverse change in the fair value of fixed-income financial instruments caused by a change in market interest rates. The hedged financial assets are loans and advances to banks, loans and advances to customers, and investments that are categorized as ‘financial assets measured at amortized cost’ or ‘financial assets measured at fair value through other comprehensive income’. Hedged financial liabilities are deposits from banks and customers and debt certificates issued including bonds, all of which are measured at amortized cost. Interest-rate risk portfolios under both assets and liabilities are identified and designated as hedged items in portfolio hedges.

Hedging instruments

Swaps are designated as hedging instruments in fair value hedges of financial assets and financial liabilities. The swaps are predominantly plain vanilla interest-rate swaps, but occasionally interest-rate swaps with termination options are used. In the DZ BANK Group, hedging instruments are reported under hedging instruments (positive fair values) and hedging instruments (negative fair values).

Assessment of hedge effectiveness

The prerequisite for recognizing a hedge is that the hedge must be highly effective on both a prospective and retrospective basis. Highly effective in this case means that the changes in fair value of the hedged items must be almost fully offset by the changes in fair value of the hedging instruments. In the case of the individual hedges entered into by the DZ BANK Group, this is achieved by ensuring that the main features of hedged items that influence their value match those of the hedging instruments and that there is a hedging ratio of 100 percent (1:1 hedging). In portfolio hedges, there is no direct economic relationship between hedged item and hedging instrument. An individual hedging ratio based on the sensitivities of the hedged items and hedging instruments is used to ensure that the respective changes in fair value more or less balance each other out. Hedge effectiveness must be assessed and documented at every balance sheet date as a minimum.

For individual hedges accounted for in application of the rules under IFRS 9, any hedge ineffectiveness is quantified retrospectively and recognized in profit or loss. IFRS 9 does not define effectiveness in terms of a mandatory range of values. If a hedge no longer satisfies the effectiveness criterion in relation to the hedge ratio, the hedge ratio must be adjusted (recalibration). If it is no longer possible to adjust the hedge ratio or if the risk management objective for the hedge has changed, the hedge must be de-designated.

Portfolio hedges that continue to be accounted for in application of the rules under IAS 39 are deemed to be highly effective if the changes in the fair value of the hedged items are offset by the changes in the fair value of the hedging instruments within the range of 80 percent to 125 percent specified by IAS 39. If this assessment identifies that a hedge has not achieved the required effectiveness, the hedge must be reversed retrospectively to the balance sheet date of the last assessment in which the hedge was found to be effective.

In the case of fair value hedges, prospective effectiveness is assessed by using sensitivity analyses (based on the basis point value method) and regression analysis; it is also assessed qualitatively with the critical-terms-match method. Retrospective effectiveness is assessed primarily by using the dollar offset method, a noise threshold value, and regression analysis. In these methods, the cumulative changes in the fair value of the hedged items attributable to the hedged risk are compared with the changes in the fair value of the hedging instruments.

Gains and losses and hedge ineffectiveness from hedge accounting

In hedge accounting, hedge ineffectiveness arises when the changes in the fair value of hedging instruments do not fully offset the changes in the fair value of the hedged items. The ineffective portions of hedges are recognized in profit or loss under other gains and losses on valuation of financial instruments.

Hedge ineffectiveness can arise in fair value hedges of interest-rate risk. Some of the ways in which this can occur are where the changes in the fair values of hedged items and hedging instruments do not balance each other out in full because of differences in maturities, cash flows, and/or discount rates. Unexpected causes of hedge ineffectiveness may arise, primarily in the event of early (partial) termination of derivatives used for hedging or the unexpected sale or repayment of hedged items.

Extent of risks managed by the use of hedges

The table below presents information on the volume of hedged items and hedging instruments designated as hedges for the purposes of hedging interest-rate risk:

AS AT DECEMBER 31, 2024

€ million	Carrying amount	Nominal amount of hedging instruments	Fair value hedge adjustments included in carrying amount of hedged items		Fair value changes as basis for measuring hedge ineffectiveness for the period
			Existing hedges	Terminated hedges	
Assets	**74,069**	**41,555**	**-1,274**	**-525**	**739**
Loans and advances to banks	4		-	-	-
Loans and advances to customers	1,108		-166	52	32
Investments	3,852		-16	9	60
Portfolio hedges of interest-rate risk	68,309		-1,092	-586	540
Hedging instruments (positive fair values)	796	41,555			107
Liabilities	**11,664**	**45,174**	**-132**	**-51**	**-688**
Deposits from banks	96		-9	6	-5
Deposits from customers	75		-12	7	-3
Debt certificates issued including bonds	29		-6	3	-2
Portfolio hedges of interest-rate risk	10,805		-105	-66	-233
Hedging instruments (negative fair values)	659	45,174			-445

AS AT DECEMBER 31, 2023

€ million	Carrying amount	Nominal amount of hedging instruments	Fair value hedge adjustments included in carrying amount of hedged items		Fair value changes as basis for measuring hedge ineffectiveness for the period
			Existing hedges	Terminated hedges	
Assets	**63,369**	**48,556**	**-2,361**	**-945**	**888**
Loans and advances to banks	4		-	-	-
Loans and advances to customers	1,112		-199	58	74
Investments	3,319		-82	10	132
Portfolio hedges of interest-rate risk	58,011		-2,081	-1,013	1,427
Hedging instruments (positive fair values)	923	48,556			-744
Liabilities	**21,032**	**32,671**	**-233**	**-420**	**-932**
Deposits from banks	90		-14	7	-6
Deposits from customers	72		-15	7	-5
Debt certificates issued including bonds	33		-8	3	-2
Portfolio hedges of interest-rate risk	20,214		-197	-437	-101
Hedging instruments (negative fair values)	624	32,671			-818

Effects of hedging instruments on cash flows

The residual maturities of the hedging instruments entered into by the DZ BANK Group to hedge interest-rate risk are as follows:

AS AT DECEMBER 31, 2024

	≤ 1 month	> 1 month – 3 months	> 3 months – 1 year	> 1 year – 5 years	> 5 years
Nominal amount (€ million)	61	199	5,096	48,062	33,311
Average hedged interest rate (%)	1.44	0.61	1.67	1.87	1.98

AS AT DECEMBER 31, 2023

	≤ 1 month	> 1 month – 3 months	> 3 months – 1 year	> 1 year – 5 years	> 5 years
Nominal amount (€ million)	82	940	7,932	43,428	28,844
Average hedged interest rate (%)	0.22	-0.06	2.07	1.5	1.84

» 84 Reform of interest-rate benchmarks

Provision of the synthetic (non-representative) USD Libor for existing business that is difficult to switch over (‘tough legacy’) was discontinued on September 30, 2024, marking the end of the reform of Libor interest-rate benchmarks. Publication of CDOR was discontinued by the administrator with effect from June 28, 2024.

The material transactions and contracts referencing USD Libor and CDOR were switched over in 2024. This means that the DZ BANK Group has completed its changeover in connection with the reform of interest-rate benchmarks. Given the immateriality of the remaining transactions affected by the reform, there are no notable risks.

» 85 Nature and extent of risks arising from financial instruments

Disclosures pursuant to IFRS 7.35F(a)-36(b) can be found in this note in the notes to the consolidated financial statements. With the exception of the qualitative and quantitative disclosures pursuant to IFRS 7.35F(a)-36(b), further disclosures on the nature and extent of risks arising from financial instruments (IFRS 7.31-42) are included in chapters VI.6 ‘Liquidity adequacy’ and VI.8 ‘Credit risk’ and, for the Bank sector, in chapter VI.10 ‘Market risk’ of the risk report in the group management report.

The disclosures published in the risk report form part of the content of these notes to the consolidated financial statements.

Credit risk management practices

The rules for recognizing loss allowances are based on the calculation of expected losses in the lending business, on investments, on investments held by insurance companies, and on other assets. The impairment rules are applied only to those financial assets that are not measured at fair value through profit or loss. These are

- financial assets measured at amortized cost; and
- financial assets mandatorily measured at fair value through other comprehensive income.

The impairment rules are also applied to

- financial guarantee contracts and loan commitments that fall within the scope of IFRS 9 and are not recognized at fair value through profit or loss;
- lease receivables; and
- trade receivables and contract assets pursuant to IFRS 15.

In accordance with IFRS 9, the three-stage approach is used, additionally taking POCI assets into account, to determine the expected losses:

- Stage 1: For financial assets whose credit risk has not increased significantly since initial recognition that were not credit-impaired upon initial recognition, the 12-month credit loss is recognized. Interest is recognized on the basis of the gross carrying amount.
- Stage 2: For financial assets whose credit risk has increased significantly since initial recognition but are not considered credit-impaired, the loss allowances are determined in the amount of the assets' lifetime expected credit losses. Interest is recognized on the basis of the gross carrying amount.
- Stage 3: Financial assets are classified as credit-impaired and thus assigned to stage 3 if they are deemed to be in default pursuant to article 178 CRR as operationalized in the DZ BANK Group's definition of default. Because the indicators and events deemed to be stage 3 criteria under IFRS 9 cover the same scope and, at the same time, lead to default pursuant to article 178 CRR, there is a correlation between these two classifications. Therefore, if the financial assets are in default, they are also classified as credit-impaired and assigned to stage 3. Here too, loss allowances are recognized in the amount of the lifetime expected credit losses. Interest income on credit-impaired financial assets is calculated on the amortized cost after loss allowances using the effective interest method.
- POCI assets: Financial assets that are already deemed credit-impaired upon initial recognition are not assigned to the 3-stage model. Instead, they are recognized at their fair value rather than at their gross carrying amount. Consequently, interest is recognized for these assets using a risk-adjusted effective interest rate.

The review of whether the credit risk of financial assets, financial guarantee contracts, and loan commitments has increased significantly since initial recognition is carried out on an ongoing basis. The assessment is conducted both for individual financial assets and for portfolios of assets using quantitative and qualitative analysis. As a rule, quantitative analysis looks at the expected credit risk over the entire residual life of the financial instruments in question. Macroeconomic information is also taken into account in the form of shift factors. The model-driven default probability profiles used in economic and regulatory risk management are adjusted on the basis of these shift factors (see the section 'Impact of macroeconomic conditions'). For the quantitative transfer criterion, the credit risk as at the balance sheet date for the residual life is compared with the assets' credit risk over the same maturity period estimated at the time of initial recognition. The thresholds that indicate a significant increase in credit risk are determined for each portfolio separately as the ratio of the latest changes in the lifetime probability of default (lifetime PD) to the portfolio's past lifetime PD. Internal risk measurement systems, external credit ratings, and risk forecasts are also used to assess the credit risk of financial assets. The maximum value for these transfer thresholds is 200 percent.

There are also 3 qualitative transfer criteria: assets for which forbearance measures have been agreed, assets where the counterparty has been put on the watchlist for the early identification of risk, and assets where payments are more than 30 days past due. These also have significantly increased credit risk and are assigned to stage 2, unless they need to be assigned to stage 3. Payments being more than 30 days past due is deemed a backstop criterion because, as a rule, the other transfer criteria mean that financial assets are allocated to stage 2 well before payments become more than 30 days past due.

Assets with low credit risk and/or an investment-grade credit rating are also monitored for increases in credit risk and for credit rating changes. If the quantitative transfer threshold is exceeded, however, the low credit risk exemption means that these assets are transferred to stage 2 only if a qualitative transfer criterion applies or if a non-investment-grade credit rating is awarded. The low credit risk exemption applies to securities.

If, on the balance sheet date, it is found that there is no longer a significant increase in credit risk compared with previous balance sheet dates, the financial assets in question are transferred back to stage 1 and the loss allowances are brought back down to the level of the 12-month expected credit loss. If a financial instrument in stage 3 recovers, the difference between the interest income determined for the period of credit impairment on the basis of amortized cost and the actual interest income recognized in respect of the financial instrument for the period concerned is reported as a reversal of an impairment loss or a reversal of loss allowances. A transfer back from stage 3 is carried out if there are no longer indicators of credit impairment. As there is a methodological correlation between stage 3 and default status, the transfer back from stage 3 always takes place when the default status ceases to apply due to recovery of the financial instrument.

Expected losses are calculated as the probability-weighted present value of the expected outstanding payments. In the case of transactions assigned to stage 1 of the impairment model, the expected defaults in the next 12 months are analyzed. For stage 2 transactions, the residual life is used. The expected losses are discounted with the original effective interest rate for the transaction and variable-rate assets with the current interest rate. The calculation uses the regulatory model (probability of default, loss given default, and expected loan amount at the time of default), with adjustments to satisfy the requirements of IFRS 9. The estimated parameters incorporate historical, current, and forward-looking default information. This is applied when loss allowances are determined, in the form of shifts in the default probabilities calculated using statistical methods (known as shift factors). Depending on the portfolio and exposure amount, the calculation of the expected loss for specific exposures in stage 3 also uses this type of parameter-based approach or draws on individual expert appraisals of the expected cash flows and probability-weighted scenarios at individual transaction level.

For the purpose of calculating loss allowances for portfolios, the portfolios are grouped according to shared credit risk characteristics, e.g. credit rating, date of origination, residual life, industry and origin of the borrower, and type of asset.

Directly recognized impairment losses reduce the carrying amounts of assets directly. Unlike loss allowances, which are estimates, directly recognized impairment losses are specified in an exact amount if this is justified because the receivable is not collectible (e.g. as a result of the notification of an insolvency ratio). Impairment losses can be recognized directly by writing down the asset value and/or by using existing loss allowances. As a rule, asset values are written down directly after all recovery and enforcement measures have been completed. Directly recognized impairment losses are also applied to immaterial amounts.

In the retail consumer finance business, further adjustments are carried out because, for various input parameters in the impairment model, it is assumed that developments observable in the past are no longer fully representative of future developments. The appropriateness test carried out for the adjustments in the first half of 2024 found that, as a result of the various recalibrations of the models (e.g. the introduction of an improved scorecard for new business), it was possible to eliminate much of the adjustment. Furthermore, the test carried out at the end of the year showed that the decrease in the recoveries realized will lead to the expected loss being underestimated in the long term and this cannot be resolved by recalibrating the model in the short term owing to the long estimate history. A new adjustment of €11 million was therefore recognized. After taking portfolio growth and the increase in risk into consideration, the updating of the adjustments resulted in a decrease of €8 million in the requirement for loss allowances by the end of 2024, which led to an adjustment volume of €38 million as at the reporting date (December 31, 2023: €46 million).

Impact of macroeconomic conditions

The established models and processes for calculating expected losses on specific exposures or at portfolio level in line with IFRS 9 have generally been retained. The impact of geopolitical risks is also examined at specific exposure level. Primary effects due to customer or supplier relationships and secondary effects such as rising energy prices are considered as part of impact analyses. These effects are factored into the calculation of specific loan loss allowances and, in a more nuanced manner, in the credit assessment and in decisions concerning inclusion in watchlists for the early identification of risk. At portfolio level, the forecast macroeconomic conditions are taken into account by adjusting the model-driven default probability profiles used in economic and regulatory risk management on the basis of shift factors.

The macroeconomic scenarios specifically look at future trends in the labor market, interest rates in the money market, changes in gross domestic product, inflation, real estate prices, and energy prices and are primarily based on economic forecasts provided by the Economic Roundtable, which is made up of representatives from the entities in the DZ BANK Group. The Economic Roundtable considers various scenarios when deciding on its macroeconomic forecasts. At a minimum, these scenarios must include a baseline scenario and a risk scenario that each have a significant probability of occurrence in a relevant macroeconomic environment. The Economic Roundtable participants determine the probability of occurrence of the scenarios relative to each other.

The shift factors are then derived from macroeconomic inputs for various levels of default probability using stress test models that already existed or that were developed for IFRS 9. The risk parameters adjusted on the basis of the macroeconomic scenarios are then factored into the calculation of loss allowances.

The methods and assumptions, including the forecasts, are validated regularly.

The shift factors used as at December 31, 2024 are based on 3 macroeconomic scenarios developed by the Economic Roundtable of the DZ BANK Group in November 2024 (baseline scenario 70 percent, risk scenario 20 percent, opportunity scenario 10 percent). In these scenarios, expectations about future developments depend heavily on the activities of the new administration in the United States. Given the high level of uncertainty that this creates, 3 underlying scenarios are now in use. Assuming that the US administration implements a measured policy approach to customs tariffs, the German and European economies will remain weak in the baseline scenario. However, a recession is not anticipated. In the risk scenario, by contrast, escalating trade disputes between the United States and Europe will push Germany into a deep recession, while the rest of the eurozone stagnates. In the opportunity scenario, a potential trade dispute is averted through negotiation, while a new German government is able to function effectively and returns both Germany and the eurozone as a whole to growth.

The main macroeconomic forecasts for 2025 to 2028 used to calculate the expected loss as at December 31, 2024 were as follows:

		2025			2026			2027			2028		
		Baseline	Risk	Oppor-tunity	Baseline	Risk	Oppor-tunity	Baseline	Risk	Oppor-tunity	Baseline	Risk	Oppor-tunity
DAX 40, Germany	Index	19,600	15,900	19,600	20,400	18,300	20,580	21,200	19,200	21,600	22,000	21,100	22,700
EURO STOXX 50, European Monetary Union (EMU)	Index	4,900	4,000	5,350	5,100	4,600	5,600	5,300	4,830	5,900	5,500	5,300	6,200
Unemployment rate, Germany	%	3.50	3.80	3.40	3.50	3.70	3.30	3.40	3.60	3.10	3.40	3.60	2.90
Harmonized unemployment rates, EU	%	6.30	6.90	5.70	6.20	6.60	5.50	6.10	6.50	5.40	5.90	6.40	5.20
Real GDP growth, Germany (seasonally and calendar-adjusted)	Compared with prior year (%)	0.25	-0.50	0.25	0.50	-1.00	1.00	0.50	0.00	2.00	0.50	0.50	2.00
Real GDP growth, EU (seasonally and calendar-adjusted)	Compared with prior year (%)	1.30	0.80	1.30	1.00	0.30	2.30	1.00	0.80	2.80	1.10	1.10	2.80
Consumer price index, Germany	Compared with prior year (%)	2.25	3.00	2.25	2.25	2.50	2.25	2.25	2.50	2.25	2.25	2.25	2.25
Oil price (Brent), USD/bbl	At year-end	75	100	75	70	95	70	75	85	80	75	80	80
Natural gas price, USD/MMBtu	At year-end	2.25	7.00	2.25	2.00	6.50	2.00	2.25	5.50	2.25	2.25	5.00	2.25
Commercial real estate price index, Germany	Compared with prior year (%)	0.00	-2.00	0.00	0.00	-4.00	0.00	0.00	-2.00	2.00	0.00	0.00	2.00
3m Euribor, EMU	%	1.70	2.10	1.75	1.75	1.50	2.25	2.10	1.55	2.30	2.30	1.80	2.30
10-year government bonds, Germany	%	2.75	3.00	2.75	2.75	3.00	3.00	2.75	3.00	3.25	2.75	2.75	3.25

On the basis of consultation with relevant experts, the shift factors determined using statistical methods were overridden again as at December 31, 2024 in order to better represent the currently critical market situation. This ensures that, on a sector-specific basis, the shift factors used take account of the identifiable material increases in risk as a result of the current crisis situation. These are not currently adequately depicted in the models, which are based on historical data. The methodology for the process of overriding the model shift factors at group level was unchanged compared with December 31, 2023. This aspect includes all identifiable material increases in risk resulting from current developments and factors influencing the economy that have yet to be included in the credit rating. These factors specifically include the war in Ukraine, other geopolitical risks, commodity shortages, supply chain difficulties, the renewed rise in energy prices and related high rates of inflation, Germany's ongoing government crisis, the trade dispute between the United States, China, and the EU, and the consideration of climate-related and environmental risks. Overall, additional loss allowances of €301 million were recognized as at December 31, 2024 due to the expert-led override of the shift factors determined using statistical methods.

The shifted lifetime PDs are then factored into the decision on stage assignment. An increase in the lifetime PDs resulting from the shift factors being overridden does not necessarily lead to a transfer to stage 2. Consequently, a second override is carried out for portfolios that are particularly affected. Unlike the first override component, this second override component results in a general stage 2 classification for all unimpaired exposures in certain sectors. The automotive supplier, construction, home improvement store, and textile/clothing sectors and the asset classes hotels, department stores, shopping malls, inner-city commercial properties, building contractors, project developers, and office real estate were classified as stage 2 as at December 31, 2024, as had also been the case at December 31, 2023. This decision reflects current macroeconomic developments, such as supply chain disruptions, high inflation (primarily renewed rises in energy prices and increased construction costs), unavailability of materials, the shortage of skilled workers, the rise in interest rates, the gloomy economic outlook, and a changed competitor structure. The fixed staging that had been in place at the end of 2023 was reviewed again at the end of 2024 and, given the continued high level of uncertainty, was retained.

Climate and environmental parameters are included in the Economic Roundtable’s scenario analysis. In the first instance, the focus is on carbon pricing, which is a factor in assessing macroeconomic variables. The scenarios devised by the Network for Greening the Financial System (NGFS), which show how climate change and action can affect key economic variables, are used in this context.

Since December 31, 2024, DZ BANK has explicitly factored climate-related and environmental risks into the calculation of loss allowances. To this end, NGFS scenarios are used to determine customer-specific risk premiums based on the transition and physical risk scores. Currently, only the impacts of transition risk are verifiable. As a first step, the premiums only apply to corporates with a manual or automated credit risk score. The environmental, social, and corporate governance (ESG)-related increase in loss allowances stood at €2 million as at December 31, 2024. DZ BANK intends to develop further manual scorecards for the ‘finance companies’ and ‘project finance’ customer segments in 2025 so that it can also factor the climate-related and environmental risks for these customer segments into loss allowances. Project finance, which is part of the corporates segment, is a prominent portfolio when it comes to assessing the impact of climate-related and environmental risks.

Loss allowances and gross carrying amounts

In the DZ BANK Group, loss allowances are recognized for the classes 'financial assets measured at fair value', 'financial assets measured at amortized cost', 'finance leases', and 'financial guarantee contracts and loan commitments' in the amount of the expected credit losses. Trade receivables and contract assets that fall within the scope of IFRS 15 are assigned to the 'financial assets measured at amortized cost' class.

Financial assets measured at fair value

€ million	Stage 1 Loss allowances	Stage 1 Fair value	Stage 2 Loss allowances	Stage 2 Fair value	Stage 3 Loss allowances	Stage 3 Fair value
Balance as at Jan. 1, 2023	41	95,034	17	795	25	32
Addition/increase in loan drawdowns	11	20,851	1	52	-	2
Change to financial assets due to transfer between stages	10	-1,191	-12	1,068	2	122
Transfer from stage 1	-4	-1,586	4	1,578	-	8
Transfer from stage 2	15	388	-16	-510	2	122
Transfer from stage 3	-	8	-	-	-	-8
Use of loss allowances/directly recognized impairment losses	-	-	-	-	-6	-6
Derecognitions and repayments	-10	-14,222	-1	-132	-	-9
Changes to models/risk parameters	-13	-	50	-	31	-
Additions	17	-	57	-	31	-
Reversals	-30	-	-8	-	-	-
Modifications	-	-1	-	-1	-	-
Modification losses	-	-1	-	-1	-	-
Amortization, fair value changes, and other changes in measurement	-	5,112	-	67	-	4
Exchange differences and other changes	-	-94	-	-1	-	-1
Changes in scope of consolidation	-	599	-	-	-	-
Addition of subsidiaries	-	599	-	-	-	-
Deferred taxes	1	-	-18	-	-13	-
Balance as at Dec. 31, 2023	40	106,087	37	1,849	38	144
Addition/increase in loan drawdowns	15	23,966	1	138	-	-
Change to financial assets due to transfer between stages	-1	-312	1	297	-	15
Transfer from stage 1	-3	-437	3	425	-	11
Transfer from stage 2	2	124	-2	-128	-	3
Use of loss allowances/directly recognized impairment losses	-	-	-	-	-14	-7
Derecognitions and repayments	-10	-16,757	-14	-386	-	-9
Changes to models/risk parameters	2	-	8	-	-18	-
Additions	14	-	21	-	7	-
Reversals	-12	-	-13	-	-25	-
Amortization, fair value changes, and other changes in measurement	-	1,172	-	96	-	24
Exchange differences and other changes	-	172	-	6	-	-
Deferred taxes	-4	-	3	-	23	-
Balance as at Dec. 31, 2024	**43**	**114,328**	**36**	**2,001**	**29**	**167**

Financial assets measured at amortized cost

	Stage 1		Stage 2		Stage 3		POCI assets	
€ million	Loss allowances	Gross carrying amount	Loss allowances	Gross carrying amount	Loss allowances	Gross carrying amount	Loss allowances	Gross carrying amount
Balance as at Jan. 1, 2023	266	388,040	548	38,094	1,185	2,716	18	142
Addition/increase in loan drawdowns	173	28,172,045	125	39,817	186	1,386	2	159
Change to financial assets due to transfer between stages	214	-8,095	-363	6,506	148	1,588	-	-
Transfer from stage 1	-56	-14,384	55	14,250	2	134	-	-
Transfer from stage 2	265	6,250	-444	-7,982	179	1,732	-	-
Transfer from stage 3	5	40	27	238	-32	-278	-	-
Use of loss allowances/directly recognized impairment losses	-	-	-2	-	-199	-47	-5	-8
Reclassifications to non-current assets and disposal groups classified as held for sale	-8	-1,560	-2	-115	-15	-30	-	-
Derecognitions and repayments	-147	-28,152,706	-170	-42,427	-171	-2,305	-10	-199
Changes to models/risk parameters	-234	-	370	-	304	-	18	-
Additions	130	-	796	-	533	-	29	-
Reversals	-364	-	-426	-	-228	-	-11	-
Modifications	-	-1	-	2	1	1	-	-
Modification gains	-	2	-	2	2	2	-	-
Modification losses	-	-3	-	-1	-	-	-	-
Amortization, fair value changes, and other changes in measurement	-	-68	-	-9	-	-10	-	-
Positive change in fair value of POCI assets	-	-	-	-	-	-	-	34
Exchange differences and other changes	-3	-55	-1	-8	17	24	-5	5
Changes in the scope of consolidation	-	7	-	107	-	-	-	-
Addition of subsidiaries	-	7	-	107	-	-	-	-
Balance as at Dec. 31, 2023	263	397,607	506	41,967	1,457	3,325	18	133
Addition/increase in loan drawdowns	151	25,347,051	114	60,767	196	7,346	20	314
Change to financial assets due to transfer between stages	151	-8,337	-348	6,323	197	2,014	-	-
Transfer from stage 1	-61	-14,635	60	14,515	1	120	-	-
Transfer from stage 2	208	6,251	-445	-8,478	236	2,227	-	-
Transfer from stage 3	4	47	36	286	-41	-333	-	-
Use of loss allowances/directly recognized impairment losses	-	-	-2	-	-258	-48	-5	-8
Derecognitions and repayments	-118	-25,336,242	-156	-64,237	-159	-8,096	-32	-319
Changes to models/risk parameters	-180	-	439	-	511	-	18	-
Additions	114	-	844	-	855	-	38	-
Reversals	-294	-	-405	-	-344	-	-21	-
Modifications	-	-	-	2	-	-	-	-
Modification gains	-	1	-	2	-	-	-	-
Amortization, fair value changes, and other changes in measurement	-	569	-	30	-	8	-	1
Positive change in fair value of POCI assets	-	-	-	-	-	-	-	29
Exchange differences and other changes	1	449	1	77	54	42	-	6
Changes in the scope of consolidation	-	-	-	40	-	-	-	-
Addition of subsidiaries	-	-	-	40	-	-	-	-
Balance as at Dec. 31, 2024	**267**	**401,097**	**555**	**44,969**	**1,998**	**4,591**	**20**	**156**

The undiscounted expected credit losses on purchased or originated credit-impaired assets measured at amortized cost that were recognized for the first time during the reporting period totaled €67 million (2023: €64 million).

Held-for-sale financial assets measured at amortized cost

	Stage 1		Stage 2		Stage 3	
€ million	Loss allowances	Gross carrying amount	Loss allowances	Gross carrying amount	Loss allowances	Gross carrying amount
Balance as at Jan. 1, 2023	-	-	-	-	-	-
Reclassifications to non-current assets and disposal groups classified as held for sale	8	1,560	2	115	15	30
Balance as at Dec. 31, 2023	8	1,560	2	115	15	30
Addition/increase in loan drawdowns	-	60	-	-	-	-
Change to financial assets due to transfer between stages	1	-8	2	6	-3	1
Transfer from stage 1	-	-36	-	35	-	1
Transfer from stage 2	-	27	-	-33	-	6
Transfer from stage 3	1	2	2	5	-3	-6
Derecognitions and repayments	-	-34	-	-2	-	-1
Changes to models/risk parameters	-1	-	-2	-	3	-
Additions	-	-	-	-	3	-
Reversals	-1	-	-2	-	-	-
Amortization, fair value changes, and other changes in measurement	-	-23	-	-2	-	-
Exchange differences and other changes	-	-52	-	-4	-	-1
Changes in scope of consolidation	-7	-1,504	-2	-113	-14	-29
Derecognition of subsidiaries	-7	-1,504	-2	-113	-14	-29
Balance as at Dec. 31, 2024	**-**	**-**	**-**	**-**	**-**	**-**

Finance leases

	Stage 1		Stage 2		Stage 3	
€ million	Loss allowances	Gross carrying amount	Loss allowances	Gross carrying amount	Loss allowances	Gross carrying amount
Balance as at Jan. 1, 2023	1	435	3	111	9	19
Addition/increase in loan drawdowns	2	154	3	6	3	1
Change to finance leases due to transfer between stages	-	15	1	-8	-1	-6
Transfer from stage 1	-	-76	-	75	-	-
Transfer from stage 2	1	90	-1	-97	1	7
Transfer from stage 3	-	-	2	13	-2	-13
Reclassifications to non-current assets and disposal groups classified as held for sale	-	-1	-	-	-	-
Derecognitions and repayments	-2	-209	-4	-45	-8	-8
Balance as at Dec. 31, 2023	1	394	3	63	3	6
Addition/increase in loan drawdowns	-	108	-	5	-	1
Change to finance leases due to transfer between stages	1	-23	-1	17	-	6
Transfer from stage 1	-	-63	-	63	-	1
Transfer from stage 2	1	40	-1	-47	-	7
Transfer from stage 3	-	-	-	1	-	-1
Derecognitions and repayments	-2	-159	-3	-27	-1	-6
Changes to models/risk parameters	1	-	3	-	1	-
Additions	2	-	5	-	4	-
Reversals	-1	-	-2	-	-3	-
Balance as at Dec. 31, 2024	**1**	**320**	**2**	**58**	**3**	**7**

Held-for-sale finance leases

The gross carrying amount of the finance leases classified as held for sale in stage 1 amounted to €1 million as at January 1, 2024. Reclassification to this category was carried out in 2023. Following the sale of FLK, there were no longer any finance leases classified as held for sale as at December 31, 2024.

Financial guarantee contracts and loan commitments

	Stage 1		Stage 2		Stage 3		POCI assets	
€ million	Loss allowances	Nominal amount	Loss allowances	Nominal amount	Loss allowances	Nominal amount	Loss allowances	Nominal amount
Balance as at Jan. 1, 2023	53	80,472	95	7,903	89	242	-	2
Addition/increase in loan drawdowns	68	90,750	78	9,601	63	262	2	11
Change to financial guarantee contracts and loan commitments due to transfer between stages	23	-4,909	-39	4,723	16	186	-	-
Transfer from stage 1	-12	-5,943	12	5,914	-	28	-	-
Transfer from stage 2	35	1,031	-51	-1,194	16	163	-	-
Transfer from stage 3	-	2	-	3	-1	-5	-	-
Reclassifications to liabilities included in disposal groups classified as held for sale	-	-14	-	-	-	-	-	-
Derecognitions and repayments	-83	-85,459	-51	-10,176	-81	-356	-2	-5
Changes to models/risk parameters	-8	-	3	-	16	-	-	-
Additions	34	-	74	-	49	-	-	-
Reversals	-42	-	-71	-	-33	-	-	-
Amortization, fair value changes, and other changes in measurement	-	-69	-	-5	-	-2	-	-
Exchange differences and other changes	-	160	-1	12	2	-	-	-
Balance as at Dec. 31, 2023	54	80,932	85	12,056	104	332	-	7
Addition/increase in loan drawdowns	64	64,444	68	8,316	161	725	31	248
Change to financial guarantee contracts and loan commitments due to transfer between stages	9	-1,504	-7	1,245	-2	258	-	-
Transfer from stage 1	-9	-2,886	9	2,786	-	100	-	-
Transfer from stage 2	18	1,381	-25	-1,552	8	172	-	-
Transfer from stage 3	-	1	9	12	-9	-14	-	-
Derecognitions and repayments	-72	-63,995	-84	-9,971	-156	-779	-8	-55
Changes to models/risk parameters	6	-	38	-	82	-	4	-
Additions	29	-	77	-	117	-	10	-
Reversals	-22	-	-39	-	-35	-	-5	-
Amortization, fair value changes, and other changes in measurement	-	159	-	17	-	2	-	-
Exchange differences and other changes	-2	-259	3	-18	-6	-	-2	-
Balance as at Dec. 31, 2024	**59**	**79,777**	**102**	**11,646**	**183**	**539**	**27**	**201**

Held-for-sale financial guarantee contracts and loan commitments

The nominal values of the financial guarantee contracts and loan commitments classified as held for sale in stage 1 amounted to €14 million as at January 1, 2024. Reclassification to this category was carried out in 2023. During the reporting period, there were increases of €31 million and derecognitions of €27 million. Following the sale of FLK, there were no longer any financial guarantee contracts and loan commitments classified as held for sale as at December 31, 2024.

Contractual modifications and derecognitions

The negotiation or modification of contractually agreed cash flows relating to a financial asset leads to a modified asset.

In the case of modifications that do not lead to the derecognition of the financial asset (non-substantial contractual modifications), the modifications of the contractually agreed cash flows are recognized in profit or loss as a modification gain or loss in the amount of the difference between the original gross carrying amount (taking account of any amortization or impairment) and the modified present value, calculated on the basis of the modified cash flows discounted with the original effective interest rate. If contractual modifications are credit-risk-related non-substantial contractual modifications, previously recognized loss allowances are used in the first instance. Any remaining difference is recognized under gains/losses from loss allowances. Gains/losses from market-related non-substantial contractual modifications are recognized as a modification gain or loss within net interest income.

If substantial modifications are made to the contract for a financial asset, the existing financial asset is derecognized and a new financial asset is recognized. These modifications are recognized in gains/losses from loss allowances. When the financial asset is derecognized, the previously recognized loss allowance is then used. The derecognition may potentially result in gains or losses on derecognition.

In 2024, contractually agreed cash flows from financial assets allocated to stage 2 or stage 3 of the impairment model were modified. The amortized costs of these financial assets amounted to €350 million (December 31, 2023: €633 million). The modifications resulted in a modification gain of €1 million (2023: modification loss of €1 million).

The gross carrying amount of financial assets whose contractually agreed cash flows were modified and that had been allocated to stage 2 or stage 3 in the impairment model since initial recognition but were transferred to stage 1 during the reporting period amounted to €1 million (December 31, 2023: €15 million). Across all classes, the outstanding contractually agreed amount for financial assets on which impairment was recognized in the reporting year and that are still subject to enforcement measures stood at €150 million as at the reporting date (December 31, 2023: €97 million).

Maximum exposure to credit risk

The DZ BANK Group is exposed to credit risk from financial instruments. The maximum exposure to credit risk is represented by the fair value, amortized cost, or nominal amount of financial instruments. The following collateral is held to reduce the exposure to this maximum credit risk:

AS AT DECEMBER 31, 2024

€ million	Maximum exposure to credit risk	
FINANCIAL ASSETS MEASURED AT FAIR VALUE	**163,494**	
Financial assets measured at fair value through profit or loss	**46,998**	
Financial assets mandatorily measured at fair value through profit or loss	42,827	
Financial assets designated as at fair value through profit or loss	4,171	
Financial assets measured at fair value through other comprehensive income	**116,496**	
Financial assets mandatorily measured at fair value through other comprehensive income	116,496	
of which credit-impaired		
FINANCIAL ASSETS MEASURED AT AMORTIZED COST	**446,663**	
of which credit-impaired		
FINANCE LEASES	**379**	
of which credit-impaired		
FINANCIAL GUARANTEE CONTRACTS AND LOAN COMMITMENTS	**92,795**	
of which credit-impaired		

AS AT DECEMBER 31, 2024

€ million	Maximum exposure to credit risk	
Non-current assets and disposal groups classified as held for sale from financial assets measured at fair value	21	

	of which secured with:					
	Guarantees, indemnities, risk subparticipations	Credit insurance	Land charges, mortgages, registered ship and aircraft mortgages	Pledged loans and advances, assignments, other pledged assets	Financial collateral	Other collateral
	1,787	**-**	**14,070**	**614**	**5,983**	**1,485**
	234	**-**	**1**	**15**	**308**	**1**
	59	-	1	15	308	1
	175	-	-	-	-	1
	1,553	**-**	**14,069**	**599**	**5,675**	**1,484**
	1,553	-	14,069	599	5,675	1,484
	-	-	196	-	-	-
	6,338	**4,354**	**112,066**	**1,352**	**9,702**	**1,613**
	93	202	1,048	150	76	1
	1	**-**	**-**	**6**	**-**	**-**
	1	-	-	3	-	-
	313	**2,212**	**1,527**	**435**	**31**	**11**
	160	61	40	19	-	-

	of which secured with:					
	Guarantees, indemnities, risk subparticipations	Credit insurance	Land charges, mortgages, registered ship and aircraft mortgages	Pledged loans and advances, assignments, other pledged assets	Financial collateral	Other collateral
	-	-	-	-	-	-

AS AT DECEMBER 31, 2023

€ million	Maximum exposure to credit risk	
FINANCIAL ASSETS MEASURED AT FAIR VALUE	160,614	
Financial assets measured at fair value through profit or loss	52,534	
Financial assets mandatorily measured at fair value through profit or loss	47,519	
Financial assets designated as at fair value through profit or loss	5,015	
Financial assets measured at fair value through other comprehensive income	108,080	
Financial assets mandatorily measured at fair value through other comprehensive income	108,080	
of which credit-impaired		
FINANCIAL ASSETS MEASURED AT AMORTIZED COST	438,399	
of which credit-impaired		
FINANCE LEASES	456	
of which credit-impaired		
FINANCIAL GUARANTEE CONTRACTS AND LOAN COMMITMENTS	93,873	
of which credit-impaired		

AS AT DECEMBER 31, 2023

€ million	Maximum exposure to credit risk	
Non-current assets and disposal groups classified as held for sale from financial assets measured at fair value	48	
Non-current assets and disposal groups classified as held for sale from financial assets measured at amortized cost	1,680	
Non-current assets and disposal groups classified as held for sale from finance leases	1	
Liabilities included in disposal groups classified as held for sale from financial guarantee contracts and loan commitments	14	

	of which secured with:					
	Guarantees, indemnities, risk subparticipations	Credit insurance	Land charges, mortgages, registered ship and aircraft mortgages	Pledged loans and advances, assignments, other pledged assets	Financial collateral	Other collateral
	1,749	**-**	**13,368**	**428**	**4,528**	**1,455**
	304	**-**	**1**	**7**	**382**	**1**
	29	-	1	7	382	-
	275	-	-	-	-	1
	1,445	**-**	**13,367**	**421**	**4,146**	**1,454**
	1,445	-	13,367	421	4,146	1,454
	-	-	50	-	-	-
	7,105	**3,895**	**112,041**	**1,375**	**9,490**	**1,792**
	106	276	758	112	67	1
	1	**-**	**-**	**9**	**-**	**-**
	1	-	-	2	-	-
	220	**2,063**	**2,385**	**515**	**32**	**8**
	39	69	33	18	-	-

	of which secured with:					
	Guarantees, indemnities, risk subparticipations	Credit insurance	Land charges, mortgages, registered ship and aircraft mortgages	Pledged loans and advances, assignments, other pledged assets	Financial collateral	Other collateral
	-	-	-	-	-	-
	-	-	1,218	-	24	-
	-	-	-	-	-	-
	-	-	11	-	-	-

A range of different collateral is held in the traditional lending business to reduce the exposure to the maximum credit risk. Specifically, this collateral includes mortgages on residential and commercial real estate, guarantees (including indemnities and credit insurance), financial security (e.g. certain fixed-income securities, shares, and investment fund units), blanket and individual assignments of trade receivables, and various types of physical collateral. Generally, cash collateral, high-quality government bonds, and Pfandbriefe are held in the trading business in accordance with the collateral policy to reduce the risk attaching to OTC derivatives. Some financial instruments in stage 3 are not written down because they are fully covered by collateral.

A residual value method is used to determine changes in fair value attributable to changes in credit risk. As a result of changes in credit risk, the fair value of financial assets designated as at fair value through profit or loss had risen by €52 million at the end of 2024 (2023: decrease of €43 million). The cumulative change in fair value attributable to changes in credit risk amounted to a net loss of €1 million (2023: net loss of €78 million).

The credit risk associated with financial assets designated as at fair value through profit or loss was mitigated as at the reporting date by financial guarantee contracts with a value of €78 million (December 31, 2023: €90 million) furnished by affiliated banks.

Credit risk concentrations

The credit risk from financial instruments to which the DZ BANK Group is exposed is broken down by sector using the Deutsche Bundesbank industry codes and by geographic region using the annually updated country groups published by the International Monetary Fund (IMF). Volumes, measured on the basis of fair values and gross carrying amounts of financial assets and the credit risk from financial guarantee contracts and loan commitments, are broken down using the following credit rating classes:

- Investment grade: equates to internal rating classes 1A–3A
- Non-investment grade: equates to internal rating classes 3B–4E
- Default: equates to internal rating classes 5A–5E
- Not rated: no rating necessary or not classified

'Not rated' comprises counterparties for which a rating classification is not required.

AS AT DECEMBER 31, 2024

€ million		Financial sector	Public sector	Corporates	Retail	Industry conglomerates	Other
Investment grade							
Fair value	Stage 1	51,725	30,292	15,923	11,564	1,157	-
	Stage 2	17	-	1,317	-	-	177
Gross carrying amount	Stage 1	235,311	15,689	45,286	62,574	7,198	-
	Stage 2	1,789	1	23,834	1,221	4,326	-
	POCI assets	-	-	3	-	-	-
Nominal amount	Stage 1	32,168	440	25,348	3,622	4,934	14
	Stage 2	69	-	7,054	15	112	-
Non-investment grade							
Fair value	Stage 1	-	948	815	93	-	-
	Stage 2	11	117	334	28	-	-
	Stage 3	-	-	7	-	-	-
Gross carrying amount	Stage 1	910	235	8,744	11,181	6	-
	Stage 2	470	7	6,466	3,330	7	-
	Stage 3	-	-	-	2	-	-
	POCI assets	-	-	2	-	-	-
Nominal amount	Stage 1	348	362	5,609	468	-	-
	Stage 2	219	-	3,521	33	82	-

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€ million		Financial sector	Public sector	Corporates	Retail	Industry conglomerates	Other
Investment grade							
Fair value	Stage 1	48,931	26,779	14,711	11,002	1,587	15
	Stage 2	-	-	1,349	-	-	112
Gross carrying amount	Stage 1	234,515	13,512	46,854	61,493	6,272	-
	Stage 2	1,977	4	23,350	1,075	3,978	-
	POCI assets	-	-	4	-	-	-
Nominal amount	Stage 1	35,541	246	25,286	4,039	3,884	43
	Stage 2	17	-	7,474	4	83	-
Non-investment grade							
Fair value	Stage 1	-	763	668	-	-	-
	Stage 2	14	77	267	16	-	-
	Stage 3	-	-	13	-	-	-
Gross carrying amount	Stage 1	956	169	8,008	12,674	9	-
	Stage 2	362	-	5,201	2,828	16	-
	Stage 3	-	-	40	-	-	-
	POCI assets	-	-	3	-	-	-
Nominal amount	Stage 1	378	389	4,297	837	-	-
	Stage 2	227	-	3,581	49	51	-
	Stage 3	-	-	2	-	-	-

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€ million		Financial sector	Public sector	Corporates	Retail	Industry conglomerates	Other
Default							
Fair value	Stage 3	11	-	126	23	-	-
Gross carrying amount	Stage 3	389	36	2,964	619	72	-
	POCI assets	-	-	75	-	-	-
Nominal amount	Stage 3	8	65	457	6	-	-
	POCI assets	-	-	201	-	-	-
Not rated							
Fair value	Stage 1	1,273	139	100	-	300	-
Gross carrying amount	Stage 1	3,200	233	2,366	8,041	443	-
	Stage 2	1,391	7	534	1,331	283	31
	Stage 3	1	-	17	498	-	-
	POCI assets	-	-	-	76	-	-
Nominal amount	Stage 1	877	-	1,408	4,085	96	-
	Stage 2	231	-	195	113	-	-
	Stage 3	-	-	2	1	-	-

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€ million		Financial sector	Public sector	Corporates	Retail	Industry conglomerates	Other
Default							
Fair value	Stage 3	12	-	105	14	-	-
Gross carrying amount	Stage 3	268	33	1,948	536	87	-
	POCI assets	1	-	57	-	-	-
Nominal amount	Stage 3	2	72	247	8	-	-
	POCI assets	-	-	7	-	-	-
Not rated							
Fair value	Stage 1	906	362	67	-	298	-
	Stage 2	15	-	-	-	-	-
Gross carrying amount	Stage 1	2,856	121	2,104	8,211	246	-
	Stage 2	1,008	3	861	1,112	224	31
	Stage 3	1	-	11	407	-	-
	POCI assets	-	-	-	68	-	-
Nominal amount	Stage 1	933	-	1,550	3,511	-	-
	Stage 2	308	-	166	94	-	-
	Stage 3	-	-	-	1	-	-

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€ million		Germany	Other industrialized countries	Advanced economies	Emerging markets	Supranational institutions
Investment grade						
Fair value	Stage 1	39,200	58,069	2,059	3,710	7,623
	Stage 2	506	978	-	28	-
Gross carrying amount	Stage 1	317,165	37,230	5,194	4,878	1,592
	Stage 2	27,845	3,158	113	55	-
	POCI assets	3	-	-	-	-
Nominal amount	Stage 1	56,062	9,432	181	851	-
	Stage 2	6,711	523	11	6	-
Non-investment grade						
Fair value	Stage 1	274	645	-	937	-
	Stage 2	272	157	-	60	-
	Stage 3	-	7	-	-	-
Gross carrying amount	Stage 1	17,265	1,353	46	2,412	-
	Stage 2	8,175	1,266	49	790	-
	Stage 3	2	-	-	-	-
	POCI assets	2	-	-	-	-
Nominal amount	Stage 1	3,720	1,577	258	1,231	-
	Stage 2	2,460	1,009	-	386	-

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€ million		Germany	Other industrialized countries	Advanced economies	Emerging markets	Supranational institutions
Investment grade						
Fair value	Stage 1	37,453	54,483	1,658	3,496	5,934
	Stage 2	609	829	-	23	-
Gross carrying amount	Stage 1	325,199	33,006	1,198	2,472	772
	Stage 2	27,338	2,931	66	50	-
	POCI assets	4	-	-	-	-
Nominal amount	Stage 1	59,800	8,421	163	654	-
	Stage 2	6,877	682	12	8	-
Non-investment grade						
Fair value	Stage 1	124	497	12	798	-
	Stage 2	154	118	-	102	-
	Stage 3	-	13	-	-	-
Gross carrying amount	Stage 1	18,214	1,032	126	2,445	-
	Stage 2	6,854	796	29	727	-
	Stage 3	40	-	-	-	-
	POCI assets	3	-	-	-	-
Nominal amount	Stage 1	3,458	1,074	172	1,196	-
	Stage 2	2,146	1,336	7	420	-
	Stage 3	2	-	-	-	-

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€ million		Germany	Other industrialized countries	Advanced economies	Emerging markets	Supranational institutions
Default						
Fair value	Stage 3	149	11	-	-	-
Gross carrying amount	Stage 3	3,345	312	20	403	-
	POCI assets	75	-	-	-	-
Nominal amount	Stage 3	415	8	20	93	-
	POCI assets	201	-	-	-	-
Not rated						
Fair value	Stage 1	205	1,564	43	-	-
Gross carrying amount	Stage 1	11,043	3,017	23	199	-
	Stage 2	2,400	935	3	240	-
	Stage 3	418	96	-	2	-
	POCI assets	65	10	-	1	-
Nominal amount	Stage 1	5,378	1,082	1	5	-
	Stage 2	326	131	-	84	-
	Stage 3	2	-	-	-	-

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€ million		Germany	Other industrialized countries	Advanced economies	Emerging markets	Supranational institutions
Default						
Fair value	Stage 3	118	12	-	-	-
Gross carrying amount	Stage 3	2,244	173	56	399	-
	POCI assets	58	-	-	-	-
Nominal amount	Stage 3	210	-	21	99	-
	POCI assets	7	-	-	-	-
Not rated						
Fair value	Stage 1	127	1,198	23	-	285
	Stage 2	-	15	-	-	-
Gross carrying amount	Stage 1	10,213	2,887	19	385	35
	Stage 2	2,295	774	1	168	-
	Stage 3	339	78	-	2	-
	POCI assets	60	7	-	-	-
Nominal amount	Stage 1	4,858	1,056	-	79	-
	Stage 2	417	77	-	76	-
	Stage 3	1	-	-	-	-

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AS AT DECEMBER 31, 2024

€ million	≤ 1 month	> 1 month – 3 months	> 3 months – 1 year	> 1 year – 5 years	> 5 years	Indefinite
Financial assets	**126,643**	**21,527**	**56,070**	**202,107**	**261,496**	**26,317**
Cash and cash equivalents	81,344	-	-	-	-	-
Loans and advances to banks	17,358	9,093	22,199	52,256	50,657	-
Loans and advances to customers	22,516	7,838	23,443	89,180	91,372	12
Derivatives used for hedging (positive fair values)	16	23	93	354	378	-
Financial assets held for trading	1,018	1,710	3,350	9,382	13,365	2,128
of which non-derivative financial assets held for trading	413	943	2,072	3,998	4,923	2,128
of which derivatives (positive fair values)	605	767	1,278	5,384	8,442	-
Investments	1,255	1,566	3,539	30,143	27,543	3,646
Investments held by insurance companies	586	1,269	3,294	20,791	78,180	20,458
of which non-derivative investments held by insurance companies	576	1,271	3,264	20,761	78,143	20,456
of which derivatives (positive fair values)	10	-2	30	31	38	2
Other assets	2,550	27	153	2	-	73
Financial liabilities	**-148,845**	**-25,357**	**-49,396**	**-120,402**	**-114,286**	**-65,513**
Deposits from banks	-80,221	-8,053	-16,978	-44,282	-41,849	-194
Deposits from customers	-59,987	-4,085	-7,309	-6,189	-17,695	-62,524
Debt certificates issued including bonds	-7,301	-11,071	-18,980	-45,583	-33,341	-
Derivatives used for hedging (negative fair values)	-12	-28	-85	-295	-272	-
Financial liabilities held for trading	-828	-1,622	-5,314	-21,977	-16,292	-314
of which non-derivative financial liabilities held for trading	-302	-903	-3,141	-15,750	-6,827	-314
of which derivatives (negative fair values)	-526	-720	-2,173	-6,227	-9,465	-
Other liabilities	-491	-487	-296	-764	-1,038	-2,476
of which non-derivative other liabilities	-386	-369	-244	-736	-985	-2,476
of which derivatives (negative fair values)	-105	-119	-52	-28	-53	-
Subordinated capital	-5	-10	-434	-1,312	-3,799	-5
Financial guarantee contracts and loan commitments	**-85,832**	**-343**	**-388**	**-779**	**-119**	**-4,702**
Financial guarantee contracts	-12,109	-30	-13	-16	-4	-
Loan commitments	-73,723	-312	-375	-763	-115	-4,702

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€ million	≤ 1 month	> 1 month – 3 months	> 3 months – 1 year	> 1 year – 5 years	> 5 years	Indefinite
Financial assets	**141,216**	**18,463**	**45,238**	**191,409**	**258,230**	**24,743**
Cash and cash equivalents	101,463	-	-	-	-	-
Loans and advances to banks	11,640	5,138	14,931	53,244	51,440	-
Loans and advances to customers	21,192	7,608	21,404	84,468	94,855	19
Derivatives used for hedging (positive fair values)	19	30	135	386	403	-
Financial assets held for trading	3,696	3,195	3,018	9,882	13,842	1,718
of which non-derivative financial assets held for trading	3,342	2,749	1,860	4,613	4,531	1,718
of which derivatives (positive fair values)	354	446	1,157	5,269	9,311	-
Investments	713	1,285	2,481	22,589	22,440	3,293
Investments held by insurance companies	522	1,157	3,149	20,839	75,249	19,636
of which non-derivative investments held by insurance companies	497	1,081	3,056	20,787	75,147	19,636
of which derivatives (positive fair values)	25	76	93	52	102	-
Other assets	1,971	50	120	2	-	75
Financial liabilities	**-137,970**	**-19,037**	**-55,465**	**-116,325**	**-113,417**	**-67,824**
Deposits from banks	-66,917	-6,518	-18,554	-45,644	-41,947	-433
Deposits from customers	-60,858	-4,743	-8,200	-6,251	-17,391	-63,821
Debt certificates issued including bonds	-5,062	-5,464	-22,868	-43,306	-32,728	-
Derivatives used for hedging (negative fair values)	-8	-28	-101	-253	-260	-
Financial liabilities held for trading	-4,629	-1,829	-5,266	-18,751	-16,288	-1,152
of which non-derivative financial liabilities held for trading	-4,204	-1,009	-3,326	-14,563	-6,290	-1,152
of which derivatives (negative fair values)	-425	-820	-1,940	-4,188	-9,998	-
Other liabilities	-489	-447	-227	-764	-1,091	-2,394
of which non-derivative other liabilities	-317	-436	-217	-740	-1,037	-2,392
of which derivatives (negative fair values)	-172	-11	-10	-24	-54	-2
Subordinated capital	-6	-9	-249	-1,355	-3,711	-25
Financial guarantee contracts and loan commitments	**-86,755**	**-316**	**-449**	**-1,330**	**-124**	**-4,353**
Financial guarantee contracts	-11,278	-42	-77	-21	-4	-18
Loan commitments	-75,476	-274	-372	-1,309	-120	-4,335

The maturity analysis shows contractually agreed cash inflows with a plus sign and contractually agreed cash outflows with a minus sign. In the case of financial guarantee contracts and loan commitments, the potential cash outflows are shown.

The contractual maturities do not match the estimated actual cash inflows and cash outflows, especially in the case of financial guarantee contracts and loan commitments. The management of liquidity risk based on expected and unexpected cash flows is described in chapter VI.6.2.5 ‘Risk management’ of the risk report in the group management report.

The maturity analysis for lease liabilities in accordance with IFRS 16.58 is presented in note 101.

» 87 Issuance activity

The following table shows the new issues, early repurchases, and repayments upon maturity in connection with issuance activity for unregistered paper, broken down by line item.

€ million	2024 New issues	2024 Repurchases	2024 Repayments	2023 New issues	2023 Repurchases	2023 Repayments
DEBT CERTIFICATES ISSUED INCLUDING BONDS	**66,170**	**-2,073**	**-59,831**	108,948	-2,085	-86,464
Bonds issued	**18,042**	**-1,731**	**-17,961**	29,321	-2,075	-8,532
Mortgage Pfandbriefe	3,966	-21	-3,459	4,408	-57	-1,806
Public-sector Pfandbriefe	1,178	-	-120	590	-	-223
Other bonds	12,898	-1,710	-14,382	24,322	-2,019	-6,502
Other debt certificates issued	**48,128**	**-343**	**-41,870**	79,627	-10	-77,933
FINANCIAL LIABILITIES HELD FOR TRADING	**11,229**	**-905**	**-10,416**	10,129	-552	-9,048
SUBORDINATED CAPITAL	**209**	**-3**	**-70**	253	-4	-263
Total	**77,608**	**-2,982**	**-70,317**	119,330	-2,642	-95,775

The transactions shown under other debt certificates issued all relate to commercial paper. The transactions presented under financial liabilities held for trading are carried out using bonds issued, including share certificates, index-linked certificates, and other debt certificates. The transactions under subordinated capital are carried out using subordinated liabilities.

F Insurance business disclosures

» 88 Insurance revenue

€ million	2024	2023
INSURANCE REVENUE NOT UNDER THE PREMIUM ALLOCATION APPROACH	**3,488**	**3,322**
Changes to the liability for remaining coverage that are recognized in profit or loss	**3,054**	**2,924**
Reversal of expected incurred claims and other insurance service expenses through profit or loss	2,382	2,308
Release of the risk adjustment through profit or loss	124	103
Recognition of the CSM in profit or loss based on provision of service	600	521
Experience adjustment for premium receipts	-51	-8
Amortization of insurance acquisition cash flows	**434**	**398**
INSURANCE REVENUE UNDER THE PREMIUM ALLOCATION APPROACH	**8,678**	**8,256**
Total	**12,165**	**11,578**

» 89 Presentation of income and expense in the insurance business

Insurance finance income or expenses, recognized in profit or loss and in other comprehensive income, from insurance contracts and reinsurance contracts

€ million	2024	2023
Insurance finance income or expenses from insurance contracts	**-6,333**	**-7,034**
Changes in the fair value of underlying items relating to insurance contracts with direct participation features	-4,230	-4,670
Interest accretion effects	-1,806	-1,994
Effects of changes in the discount rate	-164	-393
Foreign exchange gains and losses, net	-134	22
Insurance finance income or expenses from reinsurance contracts held	**9**	**12**
Interest accretion effects	9	12
Total	**-6,325**	**-7,021**
of which recognized in profit or loss	-5,494	-3,277
of which recognized in other comprehensive income	-829	-3,745

The portion of the net foreign exchange gains and losses recognized in profit or loss, which amounted to a net loss of €144 million (2023: net gain of €20 million), is included in other non-insurance gains and losses within gains and losses on investments held by insurance companies and other insurance company gains and losses in the income statement.

Insurance finance income or expenses includes, firstly, the effect of the time value of money resulting from discounting with the locked-in yield curve for insurance contracts without direct participation features and, secondly, the effect of changes in the time value of money resulting from insurance contracts with direct participation features whose underlying items are assigned to the category ‘financial assets measured at fair value through profit or loss’.

In exercise of the option of recognizing the relevant share of insurance finance income or expenses in other comprehensive income instead of in profit or loss, a net expense of €4,767 million was recognized in other comprehensive income for insurance contracts with direct participation features (2023: net expense of €2,951 million), thereby minimizing the volatilities recognized in profit or loss. The basis of calculation for exercising the aforementioned option amounted to €5,890 million (2023: €3,497 million).

For insurance contracts without direct participation features, the impact of the measurement-related volatilities of equity and liabilities on profit or loss were also reduced.

Investment income recognized in other comprehensive income in connection with insurance contracts measured under the modified retrospective approach or the fair value approach

The reserve from other comprehensive income changed as a result of investment income in connection with insurance contracts measured under the modified retrospective approach or the fair value approach as follows:

€ million	2024	2023
Balance as at Jan. 1	-5,385	-7,442
Net change in fair value recognized in other comprehensive income	157	2,750
Reclassified to the income statement in the reporting period	488	241
Deferred taxes for the reporting period	-172	-935
Balance as at Dec. 31	**-4,913**	**-5,385**

» 90 Change in the carrying amounts of insurance contract liabilities

The following tables show the change in the carrying amounts of the liability for remaining coverage and the liability for incurred claims:

	Liability for remaining coverage		Liability for incurred claims			Total
€ million	Excluding the loss component	Loss component	No premium allocation approach	Premium allocation approach: present value of expected cash flows	Premium allocation approach: risk adjustment	
Carrying amount of insurance contract assets as at Jan. 1, 2024	-1	-	-	-	-	-1
Carrying amount of insurance contract liabilities as at Jan. 1, 2024	92,568	464	3,854	8,170	92	105,150
Balance as at Jan. 1, 2024	92,568	464	3,854	8,170	92	105,149
OVERALL CHANGE RECOGNIZED IN PROFIT OR LOSS AND IN OTHER COMPREHENSIVE INCOME	**-12,752**	**17**	**9,651**	**7,476**	**2**	**4,395**
Insurance service result from insurance contracts	**-10,853**	**25**	**2,234**	**6,982**	**-5**	**-1,617**
Insurance revenue	***-12,165***	-	-	-	-	***-12,165***
Insurance contracts measured using the modified retrospective approach at the transition date	-2,117	-	-	-	-	-2,117
Insurance contracts measured using the fair value approach at the transition date	-82	-	-	-	-	-82
All other insurance contracts	-9,966	-	-	-	-	-9,966
Insurance service expenses	***1,312***	***25***	***2,234***	***6,982***	***-5***	***10,548***
Incurred claims and other insurance service expenses	-	-17	1,975	6,299	64	8,322
Amortization of insurance acquisition cash flows	1,312	-	-	-	-	1,312
Changes in the fulfillment cash flows relating to the liability for incurred claims	-	-	258	683	-69	872
Changes that relate to future service under onerous contracts	-	42	-	-	-	42
Expenses for/income from investment components	**-7,178**	-	**7,097**	**81**	-	-
Insurance finance income or expenses	**5,606**	**2**	**207**	**379**	**6**	**6,200**
Other	**-327**	**-10**	**113**	**34**	**1**	**-188**
CONSOLIDATION EFFECTS	**29**	-	-	-	-	**29**
CHANGES RESULTING FROM CASH FLOWS	**18,156**	-	**-9,350**	**-7,040**	-	**1,766**
Premium income	19,720	-	-	-	-	19,720
Insurance acquisition cash flows	-1,564	-	-	-	-	-1,564
Incurred claims paid and other insurance service expenses paid	-	-	-9,350	-7,040	-	-16,389
Balance as at Dec. 31, 2024	**98,001**	**481**	**4,156**	**8,606**	**95**	**111,338**
Carrying amount of insurance contract assets as at Dec. 31, 2024	-1	-	-	-	-	-
Carrying amount of insurance contract liabilities as at Dec. 31, 2024	98,001	481	4,156	8,606	95	111,339

€ million	Liability for remaining coverage		Liability for incurred claims			Total
	Excluding the loss component	Loss component	No premium allocation approach	Premium allocation approach: present value of expected cash flows	Premium allocation approach: risk adjustment	
Carrying amount of insurance contract assets as at Jan. 1, 2023	-3	-	2	-	-	-2
Carrying amount of insurance contract liabilities as at Jan. 1, 2023	86,353	387	3,842	7,655	90	98,328
Balance as at Jan. 1, 2023	86,350	387	3,843	7,655	90	98,326
OVERALL CHANGE RECOGNIZED IN PROFIT OR LOSS AND IN OTHER COMPREHENSIVE INCOME	**-10,513**	**77**	**8,782**	**7,342**	**2**	**5,691**
Insurance service result from insurance contracts	-10,327	77	2,128	6,871	-12	**-1,261**
Insurance revenue	*-11,578*	-	-	-	-	***-11,578***
Insurance contracts measured using the modified retrospective approach at the transition date	-3,288	-	-	-	-	-3,288
Insurance contracts measured using the fair value approach at the transition date	-259	-	-	-	-	-259
All other insurance contracts	-8,032	-	-	-	-	-8,032
Insurance service expenses	*1,251*	*77*	*2,128*	*6,871*	*-12*	***10,317***
Incurred claims and other insurance service expenses	-	-21	2,042	6,204	53	8,277
Amortization of insurance acquisition cash flows	1,251	-	-	-	-	1,251
Changes in the fulfillment cash flows relating to the liability for incurred claims	-	-	87	668	-64	690
Changes that relate to future service under onerous contracts	-	99	-	-	-	99
Expenses for/income from investment components	-6,482	-	6,402	80	-	**-**
Insurance finance income or expenses	6,441	1	201	399	15	**7,056**
Other	-145	-1	51	-9	-1	**-104**
CONSOLIDATION EFFECTS	**22**	-	-	-	-	**22**
CHANGES RESULTING FROM CASH FLOWS	**16,709**	-	**-8,772**	**-6,827**	-	**1,110**
Premium income	18,116	-	-	-	-	18,116
Insurance acquisition cash flows	-1,407	-	-	-	-	-1,407
Incurred claims paid and other insurance service expenses paid	-	-	-8,772	-6,827	-	-15,599
Balance as at Dec. 31, 2023	**92,568**	**464**	**3,854**	**8,170**	**92**	**105,149**
Carrying amount of insurance contract assets as at Dec. 31, 2023	-1	-	-	-	-	-1
Carrying amount of insurance contract liabilities as at Dec. 31, 2023	92,568	464	3,854	8,170	92	105,150

The following tables show the change in the carrying amounts of the reinsurance contract assets relating to the liability for remaining coverage and the liability for incurred claims:

€ million	Liability for remaining coverage		Liability for incurred claims			Total
	Excluding the loss component	Loss component	No premium allocation approach	Premium allocation approach: present value of expected cash flows	Premium allocation approach: risk adjustment	
Carrying amount of reinsurance contract assets as at Jan. 1, 2024	34	-	3	324	8	368
Carrying amount of reinsurance contract liabilities as at Jan. 1, 2024	-2	-	-	-	-	-1
Balance as at Jan. 1, 2024	32	-	3	324	8	366
Overall change recognized in profit or loss and in other comprehensive income	**-309**	**-**	**18**	**84**	**-3**	**-211**
Net income/expenses from reinsurance contracts held	-306	-	18	77	-3	-215
Change in reinsurers' credit risk	-	-	-	-2	-	-2
Insurance finance income or expenses from reinsurance contracts held	-1	-	-	9	-	9
Other	-2	-	-	-	-	-2
Changes resulting from cash flows	**308**	**-**	**-18**	**-136**	**-**	**155**
Premiums paid for reinsurance contracts held	308	-	-	-	-	308
Incurred claims recovered and other insurance service expenses recovered under reinsurance contracts held	-	-	-18	-136	-	-153
Balance as at Dec. 31, 2024	**31**	**-**	**3**	**272**	**4**	**310**
Carrying amount of reinsurance contract assets as at Dec. 31, 2024	32	-	3	272	4	312
Carrying amount of reinsurance contract liabilities as at Dec. 31, 2024	-2	-	-	-	-	-1

€ million	Liability for remaining coverage		Liability for incurred claims			Total
	Excluding the loss component	Loss component	No premium allocation approach	Premium allocation approach: present value of expected cash flows	Premium allocation approach: risk adjustment	
Carrying amount of reinsurance contract assets as at Jan. 1, 2023	36	-	3	507	15	560
Carrying amount of reinsurance contract liabilities as at Jan. 1, 2023	-1	-	-	-	-	-
Balance as at Jan. 1, 2023	35	-	3	507	15	559
Overall change recognized in profit or loss and in other comprehensive income	**-285**	**-**	**24**	**195**	**-8**	**-73**
Net income/expenses from reinsurance contracts held	-284	-	24	190	-8	-78
Change in reinsurers' credit risk	-	-	-	-8	-	-8
Insurance finance income or expenses from reinsurance contracts held	-1	-	-	13	-	12
Changes resulting from cash flows	**282**	**-**	**-24**	**-378**	**-**	**-120**
Premiums paid for reinsurance contracts held	282	-	-	-	-	282
Incurred claims recovered and other insurance service expenses recovered under reinsurance contracts held	-	-	-24	-378	-	-402
Balance as at Dec. 31, 2023	**32**	**-**	**3**	**324**	**8**	**366**
Carrying amount of reinsurance contract assets as at Dec. 31, 2023	34	-	3	324	8	368
Carrying amount of reinsurance contract liabilities as at Dec. 31, 2023	-2	-	-	-	-	-1

The following tables show the change in the insurance contracts for which the premium allocation approach is not applied:

€ million	Present value of expected cash flows	Risk adjustment	CSM			Total
			Insurance contracts measured using the modified retrospective approach at the transition date	Insurance contracts measured using the fair value approach at the transition date	All other insurance contracts	
Carrying amount of insurance contract liabilities as at Jan. 1, 2024	90,163	810	3,032	107	2,282	96,394
Balance as at Jan. 1, 2024	90,163	810	3,032	107	2,282	96,394
OVERALL CHANGE RECOGNIZED IN PROFIT OR LOSS AND IN OTHER COMPREHENSIVE INCOME	**3,972**	**123**	**293**	**-13**	**428**	**4,803**
Insurance service result	**2,817**	**16**	**-1,975**	**-60**	**-1,624**	**-825**
Changes that relate to current service	***-326***	***-170***	***-146***	***-13***	***-441***	***-1,096***
Amortization of the CSM in profit or loss based on provision of service	-	-	-146	-13	-441	-600
Release of the risk adjustment through profit or loss	-	-170	-	-	-	-170
Deviation from budgeted figures	-326	-	-	-	-	-326
Changes that relate to future service	***2,850***	***221***	***-1,830***	***-47***	***-1,182***	***13***
New business	-676	132	-	-	641	97
Changes in estimates that adjust the CSM	3,610	90	-1,830	-47	-1,824	-
Changes in estimates that result in losses on onerous contracts or reversals of such losses	-84	-1	-	-	-	-85
Changes that relate to past service	***292***	***-34***	-	-	-	***258***
Change in the liability for incurred claims	292	-34	-	-	-	258
Insurance finance income or expenses	**1,361**	**103**	**2,275**	**47**	**2,031**	**5,816**
Other	**-207**	**4**	**-7**	-	**21**	**-188**
CHANGES RESULTING FROM CASH FLOWS	**905**	-	-	-	-	**905**
Premium income	10,910	-	-	-	-	10,910
Insurance acquisition cash flows	-655	-	-	-	-	-655
Incurred claims paid and other insurance service expenses paid	-9,350	-	-	-	-	-9,350
Balance as at Dec. 31, 2024	**95,041**	**933**	**3,325**	**94**	**2,710**	**102,102**
Carrying amount of insurance contract liabilities as at Dec. 31, 2024	95,041	933	3,325	94	2,710	102,102

€ million	Present value of expected cash flows	Risk adjustment	CSM			Total
			Insurance contracts measured using the modified retrospective approach at the transition date	Insurance contracts measured using the fair value approach at the transition date	All other insurance contracts	
Carrying amount of insurance contract assets as at Jan. 1, 2023	-1	-	-	-	1	-
Carrying amount of insurance contract liabilities as at Jan. 1, 2023	84,472	955	2,914	151	1,723	90,214
Balance as at Jan. 1, 2023	84,471	955	2,914	151	1,724	90,214
OVERALL CHANGE RECOGNIZED IN PROFIT OR LOSS AND IN OTHER COMPREHENSIVE INCOME	**5,045**	**-145**	**119**	**-44**	**558**	**5,533**
Insurance service result	**2,417**	**-193**	**-1,818**	**-51**	**-1,170**	**-816**
Changes that relate to current service	***-239***	***-125***	***-146***	***-12***	***-362***	***-885***
Amortization of the CSM in profit or loss based on provision of service	-	-	-146	-12	-362	-521
Release of the risk adjustment through profit or loss	-	-125	-	-	-	-125
Deviation from budgeted figures	-239	-	-	-	-	-239
Changes that relate to future service	***2,526***	***-54***	***-1,672***	***-39***	***-808***	***-46***
New business	-603	114	-	-	584	96
Changes in estimates that adjust the CSM	3,272	-169	-1,672	-39	-1,392	-
Changes in estimates that result in losses on onerous contracts or reversals of such losses	-143	1	-	-	-	-142
Changes that relate to past service	***129***	***-14***	-	-	-	***116***
Change in the liability for incurred claims	129	-14	-	-	-	116
Insurance finance income or expenses	**2,938**	**36**	**1,936**	**8**	**1,732**	**6,650**
Other	**-309**	**12**	-	-	**-4**	**-301**
CHANGES RESULTING FROM CASH FLOWS	**647**	-	-	-	-	**647**
Premium income	10,042	-	-	-	-	10,042
Insurance acquisition cash flows	-624	-	-	-	-	-624
Incurred claims paid and other insurance service expenses paid	-8,772	-	-	-	-	-8,772
Balance as at Dec. 31, 2023	**90,163**	**810**	**3,032**	**107**	**2,282**	**96,394**
Carrying amount of insurance contract assets as at Dec. 31, 2023	-	-	-	-	-	-
Carrying amount of insurance contract liabilities as at Dec. 31, 2023	90,163	810	3,032	107	2,282	96,394

The following tables show the change in the reinsurance contracts for which the premium allocation approach is not applied:

€ million	Present value of expected cash flows	Risk adjustment	CSM			Total
			Insurance contracts measured using the modified retrospective approach at the transition date	Insurance contracts measured using the fair value approach at the transition date	All other insurance contracts	
Carrying amount of reinsurance contract assets as at Jan. 1, 2024	-55	5	63	8	11	33
Balance as at Jan. 1, 2024	-55	5	63	8	11	33
OVERALL CHANGE RECOGNIZED IN PROFIT OR LOSS AND IN OTHER COMPREHENSIVE INCOME	**-20**	**-**	**13**	**-1**	**-2**	**-10**
Insurance service result	**-17**	**-**	**6**	**-1**	**3**	**-8**
Changes that relate to current service	***1***	***-***	***-3***	***-1***	***-3***	***-7***
CSM recognized in profit or loss	-	-	-3	-1	-3	-8
Deviation from budgeted figures	1	-	-	-	-	1
Changes that relate to future service	***-17***	***1***	***9***	***1***	***7***	***-***
Changes in estimates that adjust the CSM	-12	-	9	1	3	-
New business	-5	1	-	-	4	-
Insurance finance income or expenses	**-4**	**-**	**3**	**-**	**-**	**-1**
Other	**1**	**-**	**4**	**-**	**-6**	**-1**
CHANGES RESULTING FROM CASH FLOWS	**5**	**-**	**-**	**-**	**-**	**5**
Premiums paid for reinsurance contracts held	23	-	-	-	-	23
Incurred claims recovered and other insurance service expenses recovered under reinsurance contracts held	-18	-	-	-	-	-18
Balance as at Dec. 31, 2024	**-70**	**5**	**77**	**7**	**9**	**29**
Carrying amount of reinsurance contract assets as at Dec. 31, 2024	-69	5	76	7	9	29
Carrying amount of reinsurance contract liabilities as at Dec. 31, 2024	-1	-	1	-	-	-

€ million	Present value of expected cash flows	Risk adjustment	CSM: Insurance contracts measured using the modified retrospective approach at the transition date	CSM: Insurance contracts measured using the fair value approach at the transition date	CSM: All other insurance contracts	Total
Carrying amount of reinsurance contract assets as at Jan. 1, 2023	-41	4	52	7	6	29
Balance as at Jan. 1, 2023	-41	4	52	7	6	29
OVERALL CHANGE RECOGNIZED IN PROFIT OR LOSS AND IN OTHER COMPREHENSIVE INCOME	**-3**	**-**	**11**	**1**	**5**	**15**
Insurance service result	1	-	10	1	3	**16**
Changes that relate to current service	*18*	-	*-2*	-	-	***16***
CSM recognized in profit or loss	-	-	-2	-	-	-2
Deviation from budgeted figures	18	-	-	-	-	18
Changes that relate to future service	*-17*	*1*	*12*	*1*	*3*	-
Changes in estimates that adjust the CSM	-14	-	12	1	1	-
New business	-3	1	-	-	2	-
Insurance finance income or expenses	-4	-	1	-	2	**-2**
CHANGES RESULTING FROM CASH FLOWS	**-11**	**-**	**-**	**-**	**-**	**-11**
Premiums paid for reinsurance contracts held	13	-	-	-	-	13
Incurred claims recovered and other insurance service expenses recovered under reinsurance contracts held	-24	-	-	-	-	-24
Balance as at Dec. 31, 2023	-55	5	63	8	11	33
Carrying amount of reinsurance contract assets as at Dec. 31, 2023	-55	5	63	8	11	33

» 91 Fair values of underlying items relating to contracts with direct participation features

The following table shows the fair values of the underlying items:

€ million	Dec. 31, 2024	Dec. 31, 2023
Investments	**96,362**	**89,969**
Investment property	2,995	3,078
Investments in subsidiaries	330	420
Investments in joint ventures	71	55
Investments in associates	12	-
Mortgage loans	11,015	10,309
Promissory notes and loans	4,978	4,863
Registered bonds	5,069	4,692
Other loans	141	169
Variable-yield securities	9,955	9,664
Fixed-income securities	39,435	38,585
Derivatives (positive fair values)	56	157
Other investments	181	32
Assets related to unit-linked contracts	22,125	17,944
Other	**791**	**310**
Total	**97,153**	**90,279**

As at the reporting date, the underlying items relating to investment contracts with direct participation features mainly consisted of a share of the total investment portfolio of each insurance company. An exact assignment of the investments to the insurance contract liabilities for the total portfolio or individual subportfolios is neither possible nor envisaged in the German insurance market, with the exception of unit-linked insurance contracts. Consequently, the amounts of the underlying items in life insurance are determined using the insurance cash flows pursuant to IFRS 17, i.e. the fulfillment cash flows less the risk adjustment, and the present value of the companies' future share of gross profit plus costs that cannot be attributed directly. In health insurance, equity calculated in accordance with commercial law is also taken into account owing to the rules on policyholder participation. These components thus contain all future payments from the underlying items.

» 92 Effects of initial measurement

The following table shows the effects on the measurement components of the insurance and reinsurance contracts recognized for the first time in the financial year for which the premium allocation approach is not applied:

	2024		2023	
€ million	Non-onerous contracts	Onerous contracts	Non-onerous contracts	Onerous contracts
LOSSES RECOGNIZED AT INITIAL MEASUREMENT OF INSURANCE CONTRACTS	**-**	**97**	-	96
Present value of claims/costs/insurance acquisition cash flows	**5,207**	**3,684**	5,563	2,024
Insurance acquisition cash flows	239	361	412	208
Incurred claims and other insurance service expenses	4,968	3,324	5,151	1,816
Present value of premiums	**-5,937**	**-3,630**	-6,234	-1,955
Risk adjustment	**89**	**43**	87	27
CSM	**641**	**-**	584	-
LOSSES RECOGNIZED AT INITIAL MEASUREMENT OF REINSURANCE CONTRACTS	**-**	**-**	-	-
Present value of claims/costs/insurance acquisition cash flows	-4	-	-6	-
Present value of premiums	9	-	9	-
Risk adjustment	-1	-	-1	-
CSM	-4	-	-2	-

» 93 Expected recognition of the contractual service margin in profit or loss

The following table shows when the CSM remaining as at the reporting date is likely to be recognized in profit or loss:

	Dec. 31, 2024		Dec. 31, 2023	
€ million	Insurance contracts	Reinsurance contracts	Insurance contracts	Reinsurance contracts
≤ 1 year	369	-5	360	-5
> 1 year – 2 years	333	-7	289	-5
> 2 years – 3 years	288	-6	271	-5
> 3 years – 4 years	271	-6	255	-5
> 4 years – 5 years	278	-6	242	-5
> 5 years – 10 years	1,176	-20	1,033	-17
> 10 years – 20 years	1,606	-26	1,433	-22
> 20 years – 30 years	927	-11	817	-11
> 30 years – 40 years	495	-4	417	-5
> 40 years – 50 years	250	-2	200	-2
> 50 years	134	-	106	-1

» 94 Claims rate trend

Claims rate trend for direct non-life insurance business including claim settlement costs

The following table shows the change in the gross liability for incurred claims in direct business and payments made against the original liability:

€ million	Total	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Gross liability for incurred claims											
At the end of the year		5,245	5,237	4,479	5,067						
1 year later			5,412	4,882	5,152	3,930					
2 years later				4,902	5,196	3,885	4,074				
3 years later					5,213	3,865	4,057	3,927			
4 years later						3,840	4,027	3,904	3,583		
5 years later							4,015	3,896	3,574	3,574	
6 years later								3,899	3,559	3,559	3,240
7 years later									3,583	3,531	3,231
8 years later										3,522	3,220
9 years later											3,221
Total claim payments made	**36,328**	**2,492**	4,315	4,218	4,663	3,502	3,724	3,620	3,362	3,340	3,092
Liability for incurred claims in respect of claims that occurred in 2015 to 2024	**6,524**	**2,753**	1,097	684	550	338	291	279	221	182	129
Liability for incurred claims in respect of claims that occurred before 2015	1,068										
Discounting effect	-893										
Risk adjustment	84										
Gross liability for incurred claims	**6,783**										

The following table shows the change in the net liability for incurred claims in direct business and payments made against the original liability:

€ million	Total	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net liability for incurred claims											
At the end of the year		5,220	5,099	4,762	5,057						
1 year later			5,275	4,864	5,142	3,948					
2 years later				4,886	5,072	3,900	4,078				
3 years later					5,123	3,882	4,061	3,946			
4 years later						3,857	4,029	3,922	3,588		
5 years later							4,016	3,914	3,578	3,604	
6 years later								3,917	3,562	3,589	3,247
7 years later									3,586	3,561	3,238
8 years later										3,552	3,227
9 years later											3,227
Total claim payments made	**36,273**	**2,488**	4,192	4,206	4,659	3,520	3,729	3,639	3,370	3,371	3,099
Liability for incurred claims in respect of claims that occurred in 2015 to 2024	**6,386**	**2,732**	1,083	680	464	337	287	278	216	181	128
Liability for incurred claims in respect of claims that occurred before 2015	1,047										
Discounting effect	-886										
Risk adjustment	81										
Net liability for incurred claims	**6,628**										

Claims rate trend for inward reinsurance business

The following table shows the change in the gross liability for incurred claims in inward reinsurance business and payments made against the original liability:

€ million	Total	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Gross liability for incurred claims											
At the end of the year		2,010	1,937	1,989	2,079						
1 year later			2,357	2,385	2,512	2,944					
2 years later				2,478	2,543	2,974	2,688				
3 years later					2,637	2,922	2,749	2,352			
4 years later						2,936	2,748	2,364	2,355		
5 years later							2,758	2,363	2,379	1,631	
6 years later								2,386	2,367	1,637	1,391
7 years later									2,354	1,616	1,380
8 years later										1,630	1,364
9 years later											1,359
Total claim payments made	**16,749**	**329**	**1,182**	**1,674**	**1,933**	**2,402**	**2,384**	**2,084**	**2,101**	**1,435**	**1,225**
Liability for incurred claims in respect of claims that occurred in 2015 to 2024	**6,156**	**1,681**	**1,175**	**804**	**704**	**534**	**374**	**302**	**253**	**195**	**134**
Liability for incurred claims in respect of claims that occurred before 2015	424										
Discounting effect	-941										
Risk adjustment	68										
Gross liability for incurred claims	**5,707**										

The following table shows the change in the net liability for incurred claims in inward reinsurance business and payments made against the original liability:

€ million	Total	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net liability for incurred claims											
At the end of the year		2,004	1,893	1,978	1,942						
1 year later			2,266	2,374	2,369	2,947					
2 years later				2,468	2,391	2,974	2,686				
3 years later					2,492	2,924	2,747	2,350			
4 years later						2,939	2,745	2,362	2,353		
5 years later							2,756	2,361	2,377	1,632	
6 years later								2,384	2,366	1,639	1,389
7 years later									2,353	1,618	1,378
8 years later										1,632	1,362
9 years later											1,358
Total claim payments made	**16,624**	**328**	**1,178**	**1,666**	**1,821**	**2,406**	**2,382**	**2,082**	**2,100**	**1,437**	**1,224**
Liability for incurred claims in respect of claims that occurred in 2015 to 2024	**6,028**	**1,676**	**1,088**	**802**	**671**	**533**	**374**	**302**	**253**	**195**	**134**
Liability for incurred claims in respect of claims that occurred before 2015	423										
Discounting effect	-935										
Risk adjustment	67										
Net liability for incurred claims	**5,583**										

» 95 Yield curves

The following table shows the yield curves as at the latest measurement date used to measure the cash flows for insurance contracts and for reinsurance contracts held:

	1 year		5 years		10 years		15 years		20 years	
Percent	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
EUR	2.80	4.02	2.87	3.26	2.96	3.28	3.03	3.36	2.95	3.29
GBP	4.95	5.29	4.71	4.19	4.70	4.06	4.86	4.17	4.93	4.21
JPY	0.99	0.63	1.42	1.30	1.65	1.65	1.97	1.96	2.26	2.19
USD	4.64	5.33	4.65	4.34	4.66	4.23	4.72	4.27	4.70	4.24
ZAR	8.13	8.68	8.64	8.91	10.05	10.26	10.95	11.01	11.07	11.01

» 96 Risk and capital management

Disclosures pursuant to IFRS 17.132(b) and IFRS 17.132(c) can be found in this note in the notes to the consolidated financial statements. With the exception of the disclosures on maturity analysis pursuant to IFRS 17.132(b) and IFRS 17.132(c), further disclosures on the nature and extent of risks arising from insurance contracts (IFRS 17.121-132) are included in chapters VI.6 'Liquidity adequacy' and VI.8 'Credit risk' and, for the Insurance sector, in chapters VI.16 'Actuarial risk' and VI.17 'Market risk' of the risk report in the group management report.

The disclosures published in the risk report form part of the content of these notes to the consolidated financial statements.

Maturity analysis

The following table contains an analysis of the remaining undiscounted contractual net cash flows for insurance contracts, by estimated maturity. Liabilities for remaining coverage measured under the premium allocation approach are excluded from this analysis.

€ million	Dec. 31, 2024	Dec. 31, 2023
≤ 1 year	6,429	5,768
> 1 year – 2 years	4,981	3,517
> 2 years – 3 years	3,931	3,145
> 3 years – 4 years	3,847	2,549
> 4 years – 5 years	3,801	2,727
> 5 years – 10 years	23,156	17,808
> 10 years – 20 years	36,035	32,449
> 20 years – 30 years	37,123	34,501
> 30 years – 40 years	29,969	26,134
> 40 years – 50 years	21,401	18,805
> 50 years	28,088	24,604

The insurance contract liabilities repayable on demand amounted to €65,514 million (December 31, 2023: €61,991 million).

Sensitivity analysis

For internal and external reporting purposes, sensitivity analyses are carried out in accordance with IFRS 17.125 in conjunction with IFRS 17.128 in order to quantify the impact on equity and on profit or loss. This sensitivity analysis contains 4 scenarios that simulate the potential impact on insurance assets and liabilities measured in accordance with IFRS 17.

Interest-rate scenario

Expert appraisals from the Economic Roundtable dated November 13, 2024 are used as the basis for determining the ranges to be examined in the interest-rate scenario. The information from the Economic Roundtable is analyzed on an ongoing basis to ascertain whether any adjustments are needed for future reporting-date-related sensitivity analyses.

For 10-year government bonds of the Federal Republic of Germany, an interest rate of 2.50 percent is expected in the main scenario, risk scenario, and opportunity scenario for 2024. The insurance sensitivities are calculated with a shift in interest rates of plus or minus 50 basis points.

Currency scenario

The basis for determining the ranges to be examined in the currency scenario is the assumption that the exchange rate for the US dollar – which acts as a reserve currency, especially in international reinsurance business – will change by plus or minus 10 percent.

Equity scenario

The basis for determining the ranges to be examined in the equity scenario is the assumption that the prices of the equities held as at the reporting date will change by plus or minus 10 percent. This scenario is mainly relevant to personal insurance, in which the variable fee approach is used for the stochastic modeling of future policyholder participation and any changes in share prices affect both the measurement of liabilities under IFRS 17 and the amount of other comprehensive income/loss.

Claims scenario

The claims scenario is based on the assumption that direct insurance business and inward reinsurance business in the non-life segment are affected, in particular, by a change in the cash flows of the liability for incurred claims of plus or minus 1 percent. For the liability for remaining coverage and the fulfillment cash flows for the loss component, the claims rate is adjusted by plus or minus 1 percent. This results in, for example, an increase or decrease in claim payments, leading to measurement effects on the insurance contract assets and liabilities measured using the premium allocation approach or under the general measurement model in profit or loss and in other comprehensive income.

The following table shows the sensitivity of profit or loss before taxes and equity before taxes to a change in the underlying parameters. Correlation effects between individual parameters are not considered.

	Dec. 31, 2024		Dec. 31, 2023	
€ million	Change in profit or loss before taxes	Change in equity before taxes	Change in profit or loss before taxes	Change in equity before taxes
Increase in interest-rate risk of 50 basis points	-7	106	-13	37
Decrease in interest-rate risk of 50 basis points	7	-122	4	-53
Increase in equity risk of 10 percent	11	10	-3	6
Decrease in equity risk of 10 percent	-12	-12	-	-8
Increase in currency risk of 10 percent	-128	-127	-110	-112
Decrease in currency risk of 10 percent	128	127	110	112
Increase in claims risk of 1 percent	-159	-160	-142	-147
Decrease in claims risk of 1 percent	156	157	144	148

G Other disclosures

» 97 Contingent liabilities

€ million	Dec. 31, 2024	Dec. 31, 2023
Contingent liabilities arising from contributions to the resolution fund for CRR credit institutions	169	169
Contingent liabilities in respect of litigation risk	2	10
Other contingent liabilities	2	-
Total	**172**	**179**

The contingent liabilities arising from contributions to the resolution fund for CRR credit institutions consist of irrevocable payment commitments (IPCs) that the Single Resolution Board (SRB) approved in response to applications that were made to furnish collateral in partial settlement of the contribution to the European bank levy. The DZ BANK Group has pledged cash collateral of the same amount. The pledged collateral is included within other loans and advances under other assets on the balance sheet. In light of a non-binding judgment of the European General Court (EGC) dated October 25, 2023 in a legal dispute between the SRB and a French bank, there is legal uncertainty as to whether the irrevocable payment commitments are annulled if a bank leaves the Single Resolution Mechanism (in particular if a banking license is handed back) and whether the cash collateral provided by the bank is returned to the bank without it having to pay the irrevocably committed amount. The case is pending a decision by the Court of Justice of the European Union (CJEU).

Irrespective of this, there are currently no relevant conditions that would require payment to be made. Furthermore, no affected institution in the DZ BANK Group is intending to hand back its banking license in the foreseeable future, nor are there any indications that resolution is likely to be required for a different, non-group institution covered by the Single Resolution Mechanism (SRM).

In addition, the contingent liabilities in respect of litigation risk comprise a small number of court proceedings relating to different cases. Where provisions have been recognized for particular claims, no contingent liabilities have to be recognized.

» 98 Financial guarantee contracts and loan commitments

€ million	Dec. 31, 2024	Dec. 31, 2023
Financial guarantee contracts	**12,173**	**11,441**
Loan guarantees	6,006	5,345
Letters of credit	822	912
Other guarantees and warranties	5,345	5,184
Loan commitments	**79,990**	**81,886**
Credit facilities to banks	26,442	30,073
Credit facilities to customers	38,403	37,644
Guarantee credits	1,653	1,751
Letters of credit	315	297
Global limits	13,176	12,120
Total	**92,163**	**93,327**

The amounts shown for financial guarantee contracts and loan commitments are the nominal values of the commitment in each case.

» 99 Trust activities

Assets held and liabilities entered into as part of trust activities do not satisfy the criteria for recognition on the balance sheet. The following table shows the breakdown for trust activities:

€ million	Dec. 31, 2024	Dec. 31, 2023
Trust assets	**1,603**	**1,944**
Loans and advances to banks	1,529	1,836
Loans and advances to customers	12	41
Investments	63	67
Trust liabilities	**1,603**	**1,944**
Deposits from banks	1,292	1,663
Deposits from customers	311	280

Trust assets and trust liabilities each include trust loans amounting to €1,292 million (December 31, 2023: €1,663 million).

» 100 Business combinations

In 2024, an impairment loss of €7 million was recognized in the income statement for intangible assets identified in the past in connection with business combinations (2023: €52 million).

Goodwill is allocated to the DZ BANK Group's operating segments, each of which constitutes a cash-generating unit. As at the balance sheet date, goodwill of €155 million was allocated to the UMH subgroup operating segment (December 31, 2023: €155 million).

Goodwill is regularly tested for possible impairment in the last quarter of the financial year. If there are any indications of possible impairment, more frequent impairment tests are also carried out. In an impairment test, the carrying amount of the goodwill-bearing cash-generating unit is, by definition, compared with the relevant recoverable amount. The carrying amount is equivalent to the equity attributable to the goodwill-bearing cash-generating unit. For the purposes of the test, the goodwill is notionally increased by the amount attributable to non-controlling interests. If the recoverable amount exceeds the carrying amount, no impairment of the goodwill is recognized. The recoverable amount is determined as the value in use of the goodwill-bearing entity.

The value in use for a goodwill-bearing entity is produced by discounting the forecast future cash flows back to the date of the impairment test. The discount rate (before taxes) used for the UMH subgroup operating segment in 2024, which was determined on the basis of the capital asset pricing model, was 17.4 percent (2023: 17.1 percent). The discount rate is derived from a risk-free basic interest rate plus a risk premium. The risk premium contains a markup for the relevant sector risk plus a further markup for business risk. The beta factor is derived from a suitable group of similar companies.

The basic assumptions underlying the preparation of financial planning and the resulting forecasts of future cash flows consist of the following elements:

- The economic data used for the 4-year planning horizon includes a still weak German economy with low GDP growth of 1.00 percent in 2025 and below 1.00 percent in subsequent years, combined with a slight decline in inflation rates from 2.50 percent in 2025 to 2.25 percent in subsequent years.
- The assessment of market conditions for the asset management business is carried out separately for each asset class (fixed-income securities, equities, and tangible assets). Overall, however, returns are expected to be robust because interest rates have fallen.
- With regard to net inflows in the different areas of business, the assumption is that retail clients will increasingly turn to fund products in order to build up wealth and that the institutional client business will see a small rise in market share.
- It is also assumed that productivity will go up slightly and that increases in staff expenses and operating costs will normalize, leading to moderate growth of administrative expenses and an improvement in the cost/income ratio during the planning period.

The basic assumptions are determined using an overall assessment based on past experience, current market and economic conditions, and assessments of future market trends. Future cash flows beyond the end of the 4-year period were estimated using a constant rate of growth of 0.5 percent (2023: 0.5 percent) for the UMH subgroup operating segment.

The cash flows are forecast in accordance with a particular model. In this model, income from asset management is estimated on the basis of the expected volume of fund assets at the start of the planning horizon plus the expected volume of net inflows in the planning horizon, and an assumption about the annual returns of individual asset classes, taking account of the economic situation. Administrative expenses are determined on the basis of headcount planning, required external resources, project and capital expenditure planning, and changes in factor prices, while also taking account of historical data and inflation forecasts.

There were no impairment losses in the reporting year or in the previous year.

Sensitivity analyses are also carried out in which parameters relevant to the calculation of value in use are modified within a plausible range of values. No impairment requirement arose in the UMH subgroup operating segment in any of the scenarios.

» 101 Leases

DZ BANK Group as lessor

The underlying assets in leases in which the DZ BANK Group is the lessor can be subdivided into the following classes: land and buildings, and office furniture and equipment.

For the most part, the land and buildings asset class consists of commercial real estate, including parking areas. A small proportion is accounted for by residential real estate. Lease assets in the office furniture and equipment asset class are motor vehicles, IT and office equipment, production machinery, medical technology devices, and photovoltaic installations.

Finance leases

Within the DZ BANK Group, the VR Smart Finanz subgroup is also active as a lessor. The companies in the VR Smart Finanz subgroup enter into leases with customers, for example for motor vehicles, production machinery, photovoltaic installations, and office equipment. Some of the leases include purchase options or extension and purchase options; they have terms of 1 to 21 years.

In addition to the underlying assets financed by the leases, further items of collateral such as guarantees, repurchase agreements, and residual value guarantees are contractually agreed in order to reduce the risk. Lease assets are also monitored, for example by means of on-site inspections.

The following table shows the reconciliation of the gross investment to the net investment:

€ million	Dec. 31, 2024	Dec. 31, 2023
Gross investment	**419**	494
Up to 1 year	132	170
More than 1 year and up to 2 years	107	117
More than 2 years and up to 3 years	76	89
More than 3 years and up to 4 years	50	58
More than 4 years and up to 5 years	28	32
More than 5 years	27	28
less unearned finance income	**-34**	-32
Net investment	385	463
less present value of unguaranteed residual values	**-12**	-13
Present value of minimum lease payment receivables	**373**	449

The change in the present value of the minimum lease payment receivables was largely attributable to expiring finance leases and partial repayments at the request of customers.

Gains on disposals of €1 million were recognized in 2024 (2023: €2 million). Losses on disposals amounted to €1 million (2023: €1 million). They are reported under interest income in note 33 together with the financial income derived from the net investment in the lease.

Operating leases

Leases are in place for commercial and residential real estate, including parking areas. The leases normally include extension options. A small number of leases are also entered into for office furniture and equipment.

The following table shows a breakdown by asset class of the carrying amounts of the underlying assets in the leases, comprising investment property and items of property, plant and equipment, as at the reporting date:

€ million	Dec. 31, 2024	Dec. 31, 2023
Land and buildings	4,057	4,276
Office furniture and equipment	10	11
Total	**4,066**	**4,287**

Income from operating leases amounted to €310 million in the reporting year (2023: €309 million), the bulk of which comprised rental income from investment property held by the insurance companies.

As at the reporting date, the breakdown of the total amount of minimum lease payments expected to be received from non-cancelable operating leases in the future was as follows:

€ million	Dec. 31, 2024	Dec. 31, 2023
Total future minimum lease payments under non-cancelable leases	**1,205**	**1,318**
Up to 1 year	273	289
More than 1 year and up to 2 years	159	178
More than 2 years and up to 3 years	144	147
More than 3 years and up to 4 years	118	131
More than 4 years and up to 5 years	97	104
More than 5 years	414	469

DZ BANK Group as lessee

The underlying assets in leases in which the DZ BANK Group is the lessee can be subdivided into the following classes: land and buildings, and office furniture and equipment.

Leases involving the land and buildings asset class in which the DZ BANK Group is the lessee relate to the leasing of offices and business premises (including parking) for the group's own business operations. Some of these leases include extension and termination options. The lease terms are up to 20 years. There are also a small number of leases for office furniture and equipment. These include leases for motor vehicles, bicycles, and workplace equipment. The lease terms are up to 7 years.

Rights to use underlying assets in leases are included under property, plant and equipment, investment property, and right-of-use assets, and under other assets. The following table shows the changes in the carrying amounts of the right-of-use assets, broken down by class of underlying asset:

€ million	Land and buildings	Office furniture and equipment
Carrying amounts as at Jan. 1, 2023	655	31
Additions	37	27
Revaluation	11	1
Reclassifications	-10	-
Depreciation	-93	-20
Impairment losses	-3	-
Disposals	-13	-2
Changes attributable to currency translation	-1	-
Carrying amounts as at Dec. 31, 2023	582	36
Additions	48	29
Revaluation	2	-
Depreciation	-88	-21
Impairment losses	-2	-
Disposals	-14	-2
Changes attributable to currency translation	2	-
Carrying amounts as at Dec. 31, 2024	**529**	**43**

Lease liabilities of €608 million were recognized under other liabilities and insurance companies' other liabilities (December 31, 2023: €652 million).

The interest expense for lease liabilities is disclosed in notes 33 and 39.

The following table shows a breakdown of the contractual maturities for lease liabilities:

€ million	Dec. 31, 2024	Dec. 31, 2023
Up to 1 year	100	97
More than 1 year and up to 3 years	179	173
More than 3 years and up to 5 years	150	159
More than 5 years	216	262

The total cash outflows for lease liabilities in 2024 amounted to €146 million (2023: €149 million).

The following income and expenses have been recognized in the income statement for rights to use underlying assets in leases:

€ million	2024	2023
Expenses relating to short-term leases	-1	-1
Expenses relating to leases for low-value assets	-20	-19
Expenses relating to variable lease payments not included in the lease liability	-9	-11
Income from subleasing right-of-use assets	16	13

The expenses relating to short-term leases relate primarily to leases for motor vehicles as well as real estate with lease terms between 2 and 12 months. Expenses relating to leases for low-value assets mainly relate to the office furniture and equipment asset class.

The lease commitments could give rise to potential future cash outflows as a result of variable lease payments, extension options, or termination options. These potential cash outflows have not been included in the measurement of the lease liability because, under current assessments, it is not possible to determine with a sufficient degree of reliability whether, and to what extent, the variable components will materialize or will be used. Within the DZ BANK Group, there are variable lease payments of this nature in connection with utilities related to real estate leases. The entities in the DZ BANK Group estimate that variable lease payments, extension options, and termination rights contractually provided for in leases could give rise to future cash outflows of €513 million (2023: €529 million). As at the reporting date, there were also future commitments amounting to €1 million (December 31, 2023: €17 million) arising from leases that had been signed by the entities in the DZ BANK Group but that had not yet commenced. In 2024, most of these leases related to motor vehicles; in 2023, most of them had related to real estate used for the group’s own business operations.

Taking account of the contractual term, the incremental borrowing rate of interest is mainly determined on the basis of observable risk-free yield curves, supplemented by liquidity spreads, credit spreads and, if applicable, a currency markup. The term to maturity of the lease liabilities is based on the initial contractual term of the lease. If leases contain termination or extension options, the probability of these options being exercised is assessed using objective criteria or on the basis of expert opinion.

» 102 Disclosures on revenue from contracts with customers

Effects in the income statement

Disclosures on revenue from contracts with customers, broken down by operating segment

2024

€ million	BSH	R+V	TeamBank	
Income type				
Fee and commission income from securities business	-	-	-	
Fee and commission income from asset management	-	-	-	
Fee and commission income from payments processing including card processing	-	-	-	
Fee and commission income from lending business and trust activities	-	-	4	
Fee and commission income from financial guarantee contracts and loan commitments	-	-	-	
Fee and commission income from international business	-	-	-	
Fee and commission income from building society operations	37	-	-	
Other fee and commission income	74	-	28	
Fee and commission income in gains and losses on investments held by insurance companies and other insurance company gains and losses	-	59	-	
Other income in gains and losses on investments held by insurance companies and other insurance company gains and losses	-	108	-	
Other operating income	44	-	8	
Total	**155**	**166**	**40**	
Main geographical markets				
Germany	153	156	40	
Rest of Europe	2	10	-	
Rest of World	-	-	-	
Total	**155**	**166**	**40**	
Type of revenue recognition				
At a point in time	121	21	40	
Over a period of time	34	145	-	
Total	**155**	**166**	**40**	

	UMH	DZ BANK – CICB	DZ HYP	DZ PRIVAT-BANK	VR Smart Finanz	Other/ Consolidation	**Total**
	3,854	490	-	207	-	-108	4,443
	28	-	-	369	-	-4	392
	-	301	-	2	-	69	372
	-	119	10	-	-	76	209
	-	111	5	-	-	-2	115
	-	13	-	-	-	-	13
	-	-	-	-	-	-	37
	-	68	-	4	5	5	184
	-	-	-	-	-	-2	57
	-	-	-	-	-	-	108
	15	-	-	-	-	21	88
	3,896	**1,104**	**15**	**582**	**5**	**54**	**6,019**
	2,872	1,021	15	54	5	36	4,352
	1,025	1	-	528	-	19	1,586
	-	81	-	-	-	-	81
	3,896	**1,104**	**15**	**582**	**5**	**54**	**6,019**
	325	397	12	207	5	49	1,177
	3,571	706	3	375	-	6	4,841
	3,896	**1,104**	**15**	**582**	**5**	**54**	**6,019**

2023

€ million	BSH	R+V	TeamBank	
Income type				
Fee and commission income from securities business	1	-	-	
Fee and commission income from asset management	-	-	-	
Fee and commission income from payments processing including card processing	-	-	-	
Fee and commission income from lending business and trust activities	-	-	4	
Fee and commission income from financial guarantee contracts and loan commitments	-	-	-	
Fee and commission income from international business	-	-	-	
Fee and commission income from building society operations	35	-	-	
Other fee and commission income	64	-	29	
Fee and commission income in gains and losses on investments held by insurance companies and other insurance company gains and losses	-	61	-	
Other income in gains and losses on investments held by insurance companies and other insurance company gains and losses	-	82	-	
Other operating income	50	-	7	
Total	**150**	**143**	**40**	
Main geographical markets				
Germany	140	137	40	
Rest of Europe	10	6	-	
Total	**150**	**143**	**40**	
Type of revenue recognition				
At a point in time	110	5	40	
Over a period of time	40	138	-	
Total	**150**	**143**	**40**	

	UMH	DZ BANK – CICB	DZ HYP	DZ PRIVAT-BANK	VR Smart Finanz	Other/ Consolidation	**Total**
	3,387	463	-	214	-	-100	3,964
	24	-	-	315	-	-5	334
	-	306	-	2	-	60	368
	-	109	8	-	-	57	178
	-	93	6	-	-	-3	96
	-	13	-	-	-	-	13
	-	-	-	-	-	-	35
	-	64	-	5	6	9	177
	-	-	-	-	-	-3	58
	-	-	-	-	-	-	82
	13	-	-	-	-	12	84
	3,424	**1,047**	**14**	**536**	**6**	**28**	**5,389**
	2,559	1,047	14	54	6	14	4,011
	865	-	-	482	-	14	1,377
	3,424	**1,047**	**14**	**536**	**6**	**28**	**5,389**
	359	377	11	62	6	30	1,000
	3,066	670	4	474	-	-1	4,390
	3,424	**1,047**	**14**	**536**	**6**	**28**	**5,389**

Effects on the balance sheet

Receivables, contract assets, and contract liabilities

Receivables from contracts with customers in which the recognized income is not subject to calculation using the effective interest method are accounted for in application of the rules in IFRS 15. Contract assets and contract liabilities are also recognized as a result of circumstances in which the fulfillment of the counter-performance is conditional on something other than the passage of time.

Changes in receivables and contract liabilities from contracts with customers

€ million	Loans and advances to banks	Loans and advances to customers	Other receivables (other assets)	Contract liabilities (other liabilities)
Balance as at Jan. 1, 2023	22	132	209	-
Additions	151	547	3,110	-
Derecognitions	-147	-553	-3,102	-
Balance as at Dec. 31, 2023	26	127	217	-
Additions	154	674	3,839	2
Derecognitions	-140	-646	-3,778	-1
Balance as at Dec. 31, 2024	**40**	**155**	**278**	**2**

Other disclosures on revenue from contracts with customers

Performance obligations

Performance obligations are satisfied predominantly over a period of time. Within any year, performance obligations over time are billed mainly on a monthly or quarterly basis. Performance obligations related to a point in time are satisfied when the service in question has been performed. The related fees are normally due after the service has been provided. In the property development business, the performance obligation is satisfied gradually with the completion of the individual stages of construction. The consideration does not vary for the most part.

» 103 Government grants

Government grants of €28 million were deducted from the carrying amount of investment property held by insurance companies (December 31, 2023: €28 million). The grants are non-interest-bearing, low-interest or forgivable loans. In addition, income subsidies of €2 million were recognized in profit or loss (2023: €1 million).

» 104 Letters of comfort

DZ BANK has issued letters of comfort for its subsidiaries DZ PRIVATBANK S.A. and DZ HYP. Except in the event of political risk, DZ BANK has thus undertaken to ensure, in proportion to its shareholding, that these companies are able to meet their contractual obligations.

The following letters of comfort have also been issued:

Entity covered by the letter of comfort	Subject of the undertaking
Alchemy Parts (Malta) Ltd. i.L., Floriana, Malta	Liabilities that are due up to the date of liquidation
Delfco Leasing (Malta) Ltd. i.L., Floriana, Malta	Liabilities in connection with the 2022 annual financial statements and liabilities up to US$ 280,000 that are due up to the date of liquidation if equity is negative
Deucalion Capital II Ltd. i. L., George Town, Cayman Islands	Winding-up obligation for winding-up costs
Deucalion Ltd., George Town, Cayman Islands	Winding-up obligation for winding-up costs
FPAC (Malta) Ltd. i.L., Floriana, Malta	Liabilities in connection with the 2022 annual financial statements and liabilities up to US$ 210,000 that are due up to the date of liquidation if equity is negative

These entities are identified in the list of DZ BANK's shareholdings (note 115) as being covered by a letter of comfort.

» 105 Employees

Average number of employees by employee group:

	2024	2023
Full-time employees	26,193	26,179
Part-time employees	7,643	7,443
Total	**33,837**	**33,622**

» 106 Provisions for defined benefit plans

The provisions for defined benefit plans, which are recognized under provisions and other liabilities (provisions for defined benefit plans of insurance companies), predominantly result from pension plans that no further employees can join (closed plans). There are also defined benefit pension plans for members of boards of managing directors. The majority of new employees in Germany are offered defined contribution pension plans, for which it is not generally necessary to recognize a provision. The expense for defined contribution pension plans came to €21 million for the insurance companies (2023: €20 million) and €20 million for the other group entities (2023: €20 million). Outside Germany, there continue to be both defined contribution and defined benefit plans that are open to new employees. The proportion of the group's total obligations accounted for by obligations outside Germany is not material, as can be seen from the table below.

Present value of defined benefit obligations

The present value of the defined benefit obligations is broken down by risk category as follows:

	Provisions		Other liabilities	
€ million	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Final-salary-dependent plans	**2,185**	2,302	**-**	-
Germany	2,100	2,215	-	-
Other countries	85	88	-	-
Defined benefit contributory plans	**1,077**	1,026	**1,530**	1,573
Germany	842	798	1,528	1,570
Other countries	235	228	2	2
Accessorial plans	**85**	87	**-**	-
Germany	85	87	-	-
Total	**3,347**	3,416	**1,530**	1,573

The level of market interest rates for investment-grade fixed-income corporate bonds is a significant risk factor for all plans because the discount rate determined from these rates significantly affects the amount of the obligations.

Final-salary-dependent plans are pension obligations to employees, the amount of which depends on the employee’s final salary before the pension trigger event occurs and that, for the most part, can be assumed to constitute a lifelong payment obligation. Section 16 (1) of the German Occupational Pensions Act (BetrAVG) requires employers in Germany to review every 3 years whether the pension amount needs to be adjusted to reflect the change in consumer prices or net wages (adjustment review obligation). The main risk factors in the measurement of final-salary-dependent pension plans are longevity, changes in salary, inflation risk, and the discount rate. Longevity, changes in salary, and inflation risk affect the amount of benefits.

The majority of defined benefit contributory plans comprise obligations to pay fixed capital amounts or amounts at fixed interest rates. An annuitization option exists for around half of the obligations. As a result, there may be lifelong payment obligations as well as lump-sum payments and installments. With the exception of the obligations managed through R+V Pensionsversicherung a.G., the contributions for most obligations are linked to remuneration. The majority of these plans are closed.

A considerable share of the volume is attributable to obligations managed through R+V Pensionsversicherung a.G., which have been treated as defined benefit pension plans since December 31, 2021. The phase of low interest rates, which prevailed until part way through 2022, and the related granting of initial fund loans by companies in the DZ BANK Group to R+V Pensionsversicherung a.G. in 2021 had necessitated a reassessment of the probability of drawdown by the pension providers on the basis of their subsidiary liability. Furthermore, a change to the accounting treatment had been required due to the rules of IDW AcP HFA 50 – IAS 19 – M1. If the value of the plan assets exceeds the present value of the defined benefit obligations, the notional surplus is not recognized as an asset and instead reduces the plan assets to the present value of the defined benefit obligations via the asset ceiling mechanism. This is because the plan assets cannot flow back to the extended initial fund’s sponsor entities.

Accessorial plans are when the employer commits to a benefit that essentially corresponds to the benefit that is provided when an insured event occurs if the contributions are invested in a financial product of a third-party pension provider or insurer. The amount of the pension benefits therefore depends on the pension plan of the third-party pension provider, which is directly exposed to the risk factors longevity, changes in salary, and market interest-rate risk. Provided that economic conditions remain favorable, accessorial plans are almost risk free for the employer.

The pension plans agreed in Germany are not subject to minimum funding requirements. Minimum funding is required for some pension plans outside Germany owing to local regulations.

Actuarial assumptions

The 2018 G mortality tables published by Professor Dr. Klaus Heubeck are used to estimate average life expectancy in the context of measuring defined benefit obligations in Germany. Outside Germany, the measurement of defined benefit obligations is based on the Pri-2012 Private Retirement Plans Mortality Table in the United States, the S3PMA LT for males and S3PFA LT for females in the United Kingdom, the mortality tables pursuant to BVG 2020 GT in Switzerland, and the Dutch Prognosis Table AG2022 in the Netherlands. The following actuarial assumptions are also used:

	Provisions		Other liabilities	
Percent	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Weighted salary increases	**2.11**	2.12	**2.25**	2.50
Weighted pension increases	**1.95**	2.04	**2.20**	2.30

The uniform discount rate used for the defined benefit obligations in the eurozone was 3.40 percent (December 31, 2023: 3.20 percent).

Sensitivity analysis

The following table shows the sensitivity of the present value of the defined benefit obligations to changes in the actuarial parameters. The effects shown are based on an isolated change to one parameter, with the other parameters remaining constant. Correlation effects between individual parameters are not considered.

	Provisions		Other liabilities	
€ million	**Dec. 31, 2024**	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Change in the present value of defined benefit obligations as at balance sheet date if				
the discount rate were 50 basis points higher	**-175**	-189	**-92**	-97
the discount rate were 50 basis points lower	**192**	209	**102**	109
the future salary increase were 50 basis points higher	**15**	21	**-**	1
the future salary increase were 50 basis points lower	**-15**	-21	**-**	-1
the future pension increase were 25 basis points higher	**59**	61	**7**	7
the future pension increase were 25 basis points lower	**-56**	-59	**-7**	-7
the life expectancy of a 65-year-old man were 1 year higher	**118**	116	**40**	43
the life expectancy of a 65-year-old man were 1 year lower	**-121**	-118	**-44**	-45

The duration of the defined benefit obligations as at December 31, 2024 was 11.89 years under provisions (December 31, 2023: 12.45 years) and 12.69 years under other liabilities (December 31, 2023: 13.34 years).

Plan assets

Defined benefit obligations are offset by plan assets. The changes in the funded status of the defined benefit obligations were as follows:

€ million	Provisions		Other liabilities	
	Dec. 31, 2024	Dec. 31, 2023	**Dec. 31, 2024**	Dec. 31, 2023
Present value of defined benefit obligations funded by plan assets	2,776	2,835	1,477	1,517
Present value of defined benefit obligations not funded by plan assets	571	580	53	56
Present value of defined benefit obligations	**3,347**	**3,416**	**1,530**	**1,573**
less fair value of plan assets	-2,730	-2,440	-1,713	-1,715
Asset ceiling	58	51	286	267
Defined benefit obligations (net)	675	1,027	103	125
Recognized surplus	54	18	-	-
Provisions for defined benefit obligations	**729**	**1,045**	**103**	**125**
Reimbursement rights recognized as assets	6	4	3	3

Of the plan assets under provisions, assets of €1,731 million (December 31, 2023: €1,490 million) are attributable to contractual trust arrangements (CTAs) at DZ BANK and BSH. DZ BANK AG provided additional funding of €206 million in the year under review (2023: €5 million). The two CTAs are managed as trust assets by DZ BANK Pension Trust e.V., Frankfurt am Main. The investment committee for each CTA defines the investment policy and strategy for the asset management company. Plan assets in the United States and United Kingdom are also managed by independent trusts. In Luxembourg, the assets are transferred to a pension fund and, in Switzerland, to a foundation. Trustees/administrators are responsible for the administration and management of the pension plans and for compliance with regulatory requirements.

The plan assets under other liabilities consist of assets at pension providers and in reinsured pension schemes.

The asset ceiling equates almost entirely to the amount of the notional surplus, i.e. the amount by which the fair value of the plan assets exceeds the present value of the defined benefit obligations resulting from the pension obligations managed through R+V Pensionsversicherung a.G.

The fair value of the plan assets is broken down by asset class as follows:

AS AT DECEMBER 31, 2024

€ million	Provisions		Other liabilities	
	With quoted market price in an active market	Without quoted market price in an active market	With quoted market price in an active market	Without quoted market price in an active market
Cash and money market investments	-	45	-	-
Bonds and other fixed-income securities	1,326	-	-	-
Shares	201	-	-	-
Investment fund units	332	233	-	-
Other shareholdings	-	-	-	-
Derivatives	-6	-	-	-
Land and buildings	-	5	-	-
Entitlements arising from insurance policies	-	167	-	234
Investments of R+V Pensionsversicherung a.G.	-	290	-	1,479
Other assets	-	136	-	-
Total	**1,854**	**877**	**-**	**1,713**

AS AT DECEMBER 31, 2023

€ million	Provisions		Other liabilities	
	With quoted market price in an active market	Without quoted market price in an active market	With quoted market price in an active market	Without quoted market price in an active market
Cash and money market investments	-	49	-	-
Bonds and other fixed-income securities	1,139	-	-	-
Shares	167	-	-	-
Investment fund units	222	271	-	-
Other shareholdings	-	3	-	-
Derivatives	2	1	-	-
Land and buildings	-	5	-	-
Entitlements arising from insurance policies	-	157	-	229
Investments of R+V Pensionsversicherung a.G.	-	289	-	1,486
Other assets	-	135	-	-
Total	**1,530**	**910**	**-**	**1,715**

The plan assets included under bonds and other fixed-income securities and under investments of R+V Pensionsversicherung a.G. continue to be predominantly invested in bonds and other fixed-income securities. If market interest rates fall, the prices of the fixed-income assets rise. However, if market interest rates rise (as occurred in the year under review), the prices of the fixed-income assets fall. This reflects the direction of interest-rate sensitivity of the defined benefit obligations and – as is increasingly happening as a result of the additional funding provided by DZ BANK AG during the year – reduces risk to a certain extent. The fixed-income investments in the form of Pfandbriefe, government bonds, and corporate bonds are generally of high quality. A small proportion of non-investment-grade corporate bonds are held. The bulk of the investments (particularly Pfandbriefe and government bonds) are of prime quality (AAA to AA). The defined benefit obligations and the plan assets are largely in the euro, US dollar, and pound sterling currency areas. If the defined benefit obligations and the plan assets are in different currencies, derivative hedges are entered into in order to hedge the currency risk. As at December 31, 2024, the plan assets included €145 million of the group's own, transferable financial instruments (December 31, 2023: €121 million). The real estate and other assets contained in the plan assets are not used by the companies themselves. The other investments are predominantly floating-rate securities (equities and investment fund units) from around the world, entitlements arising from insurance contracts, short-term investments, other shareholdings, and real estate assets.

Contributions to plan assets of €26 million under provisions (2024: €37 million) and €28 million under other liabilities (2024: €27 million) are expected for 2025.

Defined benefit obligations (net)

The following table shows the changes in the defined benefit obligations (net), comprising the present value of the defined benefit obligations, the fair value of the plan assets, and the change in the asset ceiling:

PROVISIONS

€ million	Present value of defined benefit obligations	Fair value of plan assets	Asset ceiling	**Defined benefit obligations (net)**
Balance as at Jan. 1, 2023	3,199	-2,352	55	903
Current service cost	44	-	-	44
Interest income/expense	115	-85	2	32
Return on plan assets (excluding interest income)	-	-57	-	-57
Actuarial gains (-)/losses (+) due to changes in demographic assumptions	-1	-	-	-1
Actuarial gains (-)/losses (+) due to changes in financial assumptions	162	-	-	162
Actuarial gains (-)/losses (+) arising from experience adjustments	25	-	-	25
Changes in the effect of the asset ceiling (excluding interest income/expense)	-	-	-6	-6
Contributions from employers	-	-25	-	-25
Contributions from beneficiaries (employees)	6	-7	-	-
Pension benefits paid including plan settlements	-142	89	-	-52
of which ongoing	-138	87	-	-51
of which as part of plan settlements	-3	2	-	-1
Plan takeovers	1	-1	-	1
Changes attributable to currency translation	6	-4	-	1
Balance as at Dec. 31, 2023	3,416	-2,440	51	1,027
Current service cost	49	-	-	49
Interest income/expense	107	-78	2	31
Return on plan assets (excluding interest income)	-	-22	-	-22
Actuarial gains (-)/losses (+) due to changes in financial assumptions	-113	-	-	-113
Actuarial gains (-)/losses (+) arising from experience adjustments	54	-	-	54
Changes in the effect of the asset ceiling (excluding interest income/expense)	-	-	5	5
Past service cost	-21	-	-	-21
Contributions from employers	-	-224	-	-224
Contributions from beneficiaries (employees)	6	-6	-	-
Pension benefits paid including plan settlements	-159	44	-	-115
of which ongoing	-155	41	-	-114
of which as part of plan settlements	-4	3	-	-1
Plan takeovers	2	-1	-	1
Changes attributable to currency translation	5	-4	-	1
Balance as at Dec. 31, 2024	**3,347**	**-2,730**	**58**	**675**

OTHER LIABILITIES

€ million	Present value of defined benefit obligations	Fair value of plan assets	Asset ceiling	**Defined benefit obligations (net)**
Balance as at Jan. 1, 2023	1,497	-1,653	275	119
Current service cost	25	-	-	**25**
Interest income/expense	54	-61	11	**4**
Return on plan assets (excluding interest income)	-	-24	-	**-24**
Actuarial gains (-)/losses (+) due to changes in financial assumptions	97	-	-	**97**
Actuarial gains (-)/losses (+) arising from experience adjustments	-33	-	-	**-33**
Changes in the effect of the asset ceiling (excluding interest income/expense)	-	-	-19	**-19**
Contributions from beneficiaries (employees)	-	-36	-	**-36**
Pension benefits paid including plan settlements	-68	59	-	**-9**
Balance as at Dec. 31, 2023	1,573	-1,715	267	125
Current service cost	26	-	-	**26**
Interest income/expense	49	-54	9	**4**
Return on plan assets (excluding interest income)	-	31	-	**31**
Actuarial gains (-)/losses (+) due to changes in financial assumptions	-43	-	-	**-43**
Actuarial gains (-)/losses (+) arising from experience adjustments	-4	-	-	**-4**
Changes in the effect of the asset ceiling (excluding interest income/expense)	-	-	11	**11**
Contributions from beneficiaries (employees)	-	-36	-	**-36**
Pension benefits paid including plan settlements	-70	61	-	**-9**
Balance as at Dec. 31, 2024	**1,530**	**-1,713**	**286**	**103**

The transactions to be recognized in profit or loss are included in staff expenses.

The actuarial gains to be recognized in other comprehensive income that were due to changes in the financial assumptions used to calculate the present value of the defined benefit obligations under provisions and other liabilities primarily resulted from the increase in the underlying discount rate to 3.40 percent as at December 31, 2024 (December 31, 2023: decrease to 3.20 percent). Moreover, in-year adjustments to current pension entitlements of employees at a number of group entities caused the markup calculated for inflation-driven higher pension adjustments to decrease to 1.0 percent (2023: increase from 4.0 percent to 6.4 percent), while the lowering of the annuity trend actuarial parameter from 2.3 percent to 2.2 percent resulted in further actuarial gains that had to be recognized in other comprehensive income.

A subsidiary carried out a plan amendment in which it introduced a capitalization option. This amendment caused the present value of the defined benefit obligation to decrease, resulting in a past service cost of €21 million within provisions.

DZ BANK AG provided additional funding for the CTA plan assets of €206 million in the year under review (2023: €5 million) (provisions).

The change in the carrying amounts is largely attributable to the accounting treatment of the pension obligations managed through R+V Pensionsversicherung a.G. The asset ceiling almost exclusively affects plan assets resulting from the initial recognition of the pension obligations managed through R+V Pensionsversicherung a.G. as defined benefit pension plans.

Multi-employer plans

Along with other financial institutions in Germany, entities of the DZ BANK Group are members of organizations such as BVV Versicherungsverein des Bankgewerbes a.G., Berlin, (BVV) and BVV Versorgungskasse des Bankgewerbes e.V., Berlin, (BVVeV). These pension providers provide retirement benefits to eligible employees in Germany. These include plans into which both employers and employees make regular contributions that are usually calculated by applying a contribution rate (as a percentage) to the monthly gross income of the current employees and adding the employer contribution. The tariffs of the pension providers cover both fixed annuity payments with policyholder participation and capital payments. The member entities participate in a settlement class containing the actuarial risk of all pension beneficiaries. There are no agreements about the distribution of deficits or surpluses if the plan is wound up or if a member entity withdraws from the plan. As at December 31, 2024, the two BVV pension providers did not disclose any deficit or asset shortfall. Each member entity is liable only for its own employment-law obligations in accordance with the insurance terms and conditions, benefit plans, and articles of association. The pension provider cannot allocate the assets in question and the defined benefit obligations relating to current and former employees to the individual member entities. The multi-employer defined benefit plans are therefore accounted for as if they were defined contribution plans in accordance with IAS 19.34. Of the 759 entities (December 31, 2023: 784) that are members of the BVV, 5 are DZ BANK Group entities (December 31, 2023: 4). As had also been the case a year earlier, under 1 percent of the policyholders and pensioners covered by the BVV and BVVeV are attributable to pension entitlements for current or former employees or to recipients of current benefits provided by the DZ BANK Group.

Obligations with minimum funding requirements outside Germany

Measured using the present value of the defined benefit obligations, a volume of €305 million was attributable to plans outside Germany that are subject to minimum funding requirements (December 31, 2023: €302 million). Occupational pension provision in Luxembourg is governed by the Luxembourg Occupational Pensions Act of June 8, 1999 in its most recent version dated January 1, 2019. DZ PRIVATBANK S.A. and IPC Luxemburg have decided to manage occupational pension provision through a pension fund. The legally independent pension fund is subject to the Luxembourg Pension Fund Act of July 13, 2005. The pension plan at DZ BANK's London branch is bound by the funding rules of the United Kingdom's Pensions Regulator. The pension obligations for employees of DZ BANK's New York branch are governed by the minimum funding requirements pursuant to the US Employee Retirement Income Security Act (ERISA). The rules laid down by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (Swiss BVG) apply to DZ PRIVATBANK Schweiz and IPC Schweiz.

» 107 Auditor fees

The total fees charged for 2024 by the independent auditors of the consolidated financial statements, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC), Frankfurt am Main, its affiliates, and other firms in the international PwC network are broken down by type of service as follows:

	2024		2023	
€ million	Total	of which Germany	Total	of which Germany
Auditing services	21.3	18.6	13.2	11.3
Other attestation services	5.7	5.0	1.5	1.2
Other services	0.5	0.4	0.3	0.3
Total	**27.5**	**24.0**	**15.1**	**12.8**

The fees for auditing services comprise expenses relating to the audit of the consolidated financial statements and group management report of DZ BANK as well as the audits of the annual financial statements and management reports of DZ BANK and consolidated subsidiaries carried out by the auditors of the consolidated financial statements. The fees for auditing services also comprise expenses relating to the review by the auditor of the condensed interim consolidated financial statements and interim group management report. The fees for other attestation services comprise the fees charged for the limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) in respect of the non-financial statement pursuant to sections 315b to 315c HGB, the audit in accordance with section 89 of the German Securities Trading Act (WpHG), and for other audits for which the auditors' professional seal must or can be applied, mainly in connection with regulatory requirements. The fees for other services predominantly include fees for consultancy services.

» 108 Remuneration for the Board of Managing Directors and Supervisory Board of DZ BANK

In 2024, overall remuneration for DZ BANK's Board of Managing Directors from the group in accordance with IAS 24.17 amounted to €14.3 million (2023: €13.3 million). This total is broken down into short-term employee benefits of €10.3 million (2023: €9.7 million), post-employment benefits of €2.1 million (2023: €1.9 million), and share-based payments of €1.9 million (2023: €1.7 million). The remuneration for the Board of Managing Directors in 2024 and 2023 included the total bonus awarded to the Board of Managing Directors for the year in question. Supervisory Board remuneration amounted to €1.0 million (2023: €1.0 million) and consisted of payments due in the short term.

The remuneration for the Board of Managing Directors included contributions of €0.6 million (2023: €0.4 million) to defined contribution pension plans. DZ BANK has defined benefit obligations for the members of the Board of Managing Directors amounting to €27.3 million (December 31, 2023: €30.1 million).

In 2024, the total remuneration for the Board of Managing Directors of DZ BANK for the performance of their duties at DZ BANK and its subsidiaries pursuant to section 314 (1) no. 6a HGB was €12.8 million (2023: €11.8 million), while the total remuneration for the Supervisory Board for the performance of these duties amounted to €1.0 million (2023: €1.0 million).

The total remuneration paid to former members of the Board of Managing Directors or their surviving dependants pursuant to section 314 (1) no. 6b HGB amounted to €9.4 million in 2024 (2023: €9.3 million). DZ BANK has defined benefit obligations for former members of the Board of Managing Directors or their surviving dependants amounting to €129.2 million (December 31, 2023: €134.3 million).

» 109 Share-based payment transactions

The entities in the DZ BANK Group have entered into share-based payment agreements with the members of the Board of Managing Directors and with certain other salaried employees.

BSH has entered into agreements governing share-based variable remuneration with the members of its Board of Managing Directors, the managing directors of Schwäbisch Hall Kreditservice GmbH, the heads of division, and a group of selected managers (risk takers). The amount of variable remuneration depends on the achievement of agreed targets. The parameters factored into the remuneration are management-related KPIs that are important to a building society. If the variable remuneration amounts to €50,000 or more, 20 percent of it is paid immediately in the following year and 20 percent after a one-year retention period. 60 percent of the bonus is deferred over a period of up to 5 years, with each payment made after a subsequent retention period of one year. All amounts earmarked for deferred payment are pegged to the change in the enterprise value of the building society. The enterprise value is determined each year by means of a business valuation. If the enterprise value falls, then the retained variable remuneration components are reduced according to specified bands. A rise in the value does not lead to an increase in the deferred remuneration. Negative contributions to profits are taken into account when setting bonuses and setting pro rata deferred bonuses and at the end of the retention period, which may cause the variable remuneration to be reduced or not be paid.

The following table shows the changes in unpaid remuneration components at BSH:

€ million	Board of Managing Directors	Risk takers
Unpaid share-based payments as at Jan. 1, 2023	1.9	0.5
Remuneration granted	0.7	0.3
Payment of remuneration granted in 2022	-0.2	-0.1
Payment of remuneration granted in previous years	-0.3	-
Unpaid share-based payments as at Dec. 31, 2023	2.1	0.7
Remuneration granted	0.8	0.3
Payment of remuneration granted in 2023	-0.2	-0.1
Payment of remuneration granted in previous years	-0.4	-0.1
Unpaid share-based payments as at Dec. 31, 2024	**2.3**	**0.8**

R+V has entered into agreements governing variable remuneration paid over several years with the members of its Board of Managing Directors and a group of selected salaried employees (risk takers). The amount of variable remuneration depends on the achievement of agreed targets. A proportion of 60 percent of the variable remuneration for members of the Board of Managing Directors, and 40 percent of that for the selected salaried employees, depends on the change in value of the shares in R+V Versicherung AG. In these arrangements, the share value equates to the fair market value of the unlisted shares in R+V Versicherung AG as at December 31 of the year in question. The portion of the bonus subject to payout restrictions will be paid out after 3 years without any reduction if the share value equates to more than 85 percent of the value at the end of the baseline year. If the share value is between 75 percent and 85 percent of this figure, the bonus portion subject to payout restrictions is reduced by half. If the share value falls below 75 percent, payment of the part of the bonus subject to payout restrictions is canceled in full.

The following table shows the changes in unpaid remuneration components at R+V:

€ million	Board of Managing Directors	Risk takers
Unpaid share-based payments as at Jan. 1, 2023	2.9	0.3
Remuneration granted	1.0	0.1
Payment of remuneration granted in previous years	-0.9	-0.1
Unpaid share-based payments as at Dec. 31, 2023	3.0	0.3
Remuneration granted	1.3	0.1
Payment of remuneration granted in previous years	-0.9	-0.1
Unpaid share-based payments as at Dec. 31, 2024	**3.3**	**0.3**

TeamBank has entered into agreements governing variable remuneration paid over several years with the members of its Board of Managing Directors and risk takers. The amount of variable remuneration depends on the achievement of agreed targets. 20 percent of the variable remuneration is paid immediately in the following year after it has been set. Another 20 percent is subject to a retention period of one calendar year. The remaining 60 percent is paid in 5 tranches, each of 12 percent, within 5 calendar years. The variable remuneration is dependent on the long-term changes in the enterprise value of TeamBank. The value is determined using the income capitalization approach.

The following table shows the changes in unpaid remuneration components at TeamBank:

€ million	Board of Managing Directors	Risk takers
Unpaid share-based payments as at Jan. 1, 2023	1.4	0.2
Remuneration granted	0.5	0.1
Payment of remuneration granted in 2022	-0.1	-
Payment of remuneration granted in previous years	-0.2	-
Unpaid share-based payments as at Dec. 31, 2023	1.5	0.3
Remuneration granted	0.4	0.1
Payment of remuneration granted in 2023	-0.1	-
Payment of remuneration granted in previous years	-0.3	-
Unpaid share-based payments as at Dec. 31, 2024	**1.5**	**0.3**

DZ BANK has entered into agreements governing variable remuneration paid over several years with the members of its Board of Managing Directors, heads of division, and a group of selected salaried employees (risk takers). The amount of variable remuneration depends on the achievement of agreed targets. In the case of members of the Board of Managing Directors and heads of division, 80 percent of the total variable remuneration is deferred over a period of up to 6 years from when the bonus is determined. For risk takers below the level of head of division with variable remuneration of more than €130,000, 80 percent of the total variable remuneration is deferred over a period of up to 5 years from when the bonus is determined. For risk takers below the level of head of division with variable remuneration of more than €50,000 and up to €130,000, 70 percent of the total variable remuneration is deferred over a period of up to 5 years from when the bonus is determined. Amounts are paid out after taking into account deferral or retention periods. The deferred portion of the variable remuneration may be reduced or even fully withdrawn if there is an adverse change in the value of DZ BANK shares or if there are negative contributions to profits from DZ BANK, individual divisions, or individual activities. A rise in the value of DZ BANK shares does not lead to an increase in the deferred remuneration. The value of the shares is determined each year by means of an independent business valuation. The deferred portion of the variable remuneration for members of the Board of Managing Directors is reduced by 50 percent if the share price falls by between 7.5 percent and 12.5 percent. If the share price drops by more than 12.5 percent, the deferred portion of the variable remuneration is canceled. In the case of heads of division and risk takers below the level of head of division, the deferred portion of the variable remuneration is reduced by 25 percent if the share price falls by between 15 percent and 20 percent. If the share price drops by between 20 percent and 25 percent, the deferred portion of the variable remuneration is reduced by 50 percent. If the share price drops by more than 25 percent, the deferred portion of the variable remuneration is canceled. If the change in the share price does not reach the specified threshold values, the deferred portion of the variable remuneration is not reduced as a result of the change in the share price. Based on a value per DZ BANK share of €8.35 as at December 31, 2019, a value per share of €8.05 as at December 31, 2020, a value per share of €8.80 as at December 31, 2021, a value per share of €9.05 as at December 31, 2022, a value per share of €10.45 as at December 31, 2023, and a value per share of €11.70 as at December 31, 2024, it can currently be assumed that the deferred remuneration will be paid in full. No options have been granted for these groups of employees. Share-based payments are granted in the year after they have been earned.

The following summary shows the change in unpaid share-based payment components at DZ BANK:

€ million	Board of Managing Directors	Risk takers
Unpaid share-based payments as at Jan. 1, 2023	3.6	12.4
Remuneration granted	1.9	3.9
Payment of remuneration granted in 2022	-0.4	-2.2
Payment of remuneration granted in previous years	-1.7	-3.9
Unpaid share-based payments as at Dec. 31, 2023	3.4	10.1
Remuneration granted	1.7	3.9
Payment of remuneration granted in 2023	-0.5	-1.9
Payment of remuneration granted in previous years	-1.0	-4.3
Unpaid share-based payments as at Dec. 31, 2024	**3.7**	**7.9**

DZ HYP has entered into agreements governing variable remuneration paid over several years with the members of its Board of Managing Directors and a group of selected salaried employees (risk takers). The level of variable performance-based remuneration is based on the achievement of quantitative and qualitative targets derived from the corporate strategy in the form of group, bank, area of board responsibility, and individual targets. 20 percent of the variable remuneration is paid immediately in the following year after the annual financial statements have been adopted and the variable remuneration has been set by the Supervisory Board. Payment of the remaining 80 percent of the bonus set for the previous year is spread out over a period of up to 6 years in total, taking into account deferral and retention periods. All amounts earmarked for deferred payment are linked to the long-term performance of DZ HYP because they are pegged to the value of its shares. Negative contributions to profits are taken into account when setting bonuses and pro rata deferrals, which may cause the variable remuneration to be reduced or cancelled.

The heads of division are classified as risk takers. Individual contractual agreements on variable performance-based remuneration have been reached with the heads of division. The variable performance-based remuneration is set with reference to a contractually agreed target bonus. Quantitative and qualitative targets derived from the corporate strategy in the form of group, overall bank, divisional, and individual targets are assessed and used to determine the actual bonus level. If the variable performance-based remuneration amounts to €50,000 or more, 20 percent of it is paid immediately in the following year. The other 80 percent of the calculated bonus is deferred over a period of up to 6 years. Of this deferred amount, 50 percent is pegged to the long-term performance of DZ HYP, which is calculated on the basis of the enterprise value. Negative contributions to profits are taken into account when setting bonuses and pro rata deferrals.

The following table shows the changes in unpaid remuneration components at DZ HYP:

€ million	Board of Managing Directors	Risk takers
Unpaid share-based payments as at Jan. 1, 2023	1.1	0.4
Remuneration granted	0.4	0.2
Payment of remuneration granted in 2022	-0.1	-0.1
Payment of remuneration granted in previous years	-0.3	-0.1
Unpaid share-based payments as at Dec. 31, 2023	1.0	0.5
Remuneration granted	0.4	0.1
Payment of remuneration granted in 2023	-0.1	-0.1
Payment of remuneration granted in previous years	-0.1	-0.1
Unpaid share-based payments as at Dec. 31, 2024	**1.3**	**0.4**

DZ PRIVATBANK has entered into arrangements about the payment of variable remuneration components with the members of its Board of Managing Directors and a group of selected salaried employees (risk takers).

The amount of variable remuneration depends on the achievement of agreed targets. 80 percent of the total variable remuneration is deferred over a period of up to 6 years from when the bonus is determined. Amounts are paid out after taking into account deferral or retention periods. All deferred payouts are linked to the long-term change in the enterprise value of DZ PRIVATBANK. The enterprise value is determined each year by means of a business valuation. Negative contributions to profits are taken into account when setting bonuses, when setting each pro rata deferred bonus, and when setting the pro rata deferred bonus at the end of the retention period, which may cause the variable remuneration to be reduced or not be paid.

The following table shows the changes in unpaid remuneration components at DZ PRIVATBANK:

€ million	Board of Managing Directors	Risk takers
Unpaid share-based payments as at Jan. 1, 2023	2.6	0.4
Remuneration granted	1.3	0.2
Payment of remuneration granted in 2022	-0.1	-
Payment of remuneration granted in previous years	-0.3	-0.1
Unpaid share-based payments as at Dec. 31, 2023	3.5	0.5
Remuneration granted	1.1	-
Payment of remuneration granted in 2023	-0.1	-
Payment of remuneration granted in previous years	-0.3	-0.1
Unpaid share-based payments as at Dec. 31, 2024	**4.1**	**0.4**

In addition to a basic salary, the remuneration system for the Board of Managing Directors of VR Smart Finanz includes a variable remuneration component. It is determined on the basis of quantitative and qualitative targets derived from the corporate strategy in the form of group, entity, area of board responsibility, and individual targets. A three-year period is applied as the basis for calculating target achievement. The maximum variable remuneration is set in the event of full achievement of each individual target. 20 percent of the bonus achieved is paid immediately in the following year after the annual financial statements have been adopted and the bonus has been set by the Supervisory Board. Another 20 percent is subject to a retention period of one calendar year. Payment of the remaining 60 percent of the bonus set by the Supervisory Board for the previous financial year is spread over a period of 5 calendar years in 5 tranches, each of 12 percent, taking into account deferral and retention periods. All amounts earmarked for deferred payment are linked to the long-term performance of VR Smart Finanz because they are pegged to its enterprise value. Negative contributions to profits are taken into account when setting the amount of variable remuneration and pro rata deferrals, which may cause the variable remuneration to be reduced or cancelled.

The following table shows the changes in unpaid remuneration components at VR Smart Finanz:

€ million	Board of Managing Directors
Unpaid share-based payments as at Jan. 1, 2023	1.1
Remuneration granted	0.4
Payment of remuneration granted in previous years	-0.2
Reduction of share-based payments	-0.2
Unpaid share-based payments as at Dec. 31, 2023	1.1
Remuneration granted	0.4
Payment of remuneration granted in 2023	-0.1
Payment of remuneration granted in previous years	-0.2
Reduction of share-based payments	-0.1
Unpaid share-based payments as at Dec. 31, 2024	**1.0**

In 2024, the agreements described above gave rise to expenses for share-based payment transactions in the DZ BANK Group of €14.6 million (2023: €18.6 million) and income from the reversal of provisions for share-based payments of €2.3 million (2023: €0.2 million). As at December 31, 2024, the provisions recognized for share-based payment transactions in the DZ BANK Group amounted to €63.1 million (December 31, 2023: €61.8 million).

» 110 Related party disclosures

DZ BANK enters into transactions with related parties (persons or entities) as part of its ordinary business activities. All of this business is transacted on an arm's length basis. Most of these transactions involve typical banking products and financial services.

Transactions with related parties (entities)

€ million	Dec. 31, 2024	Dec. 31, 2023
Loans and advances to banks	**34**	**53**
to joint ventures	34	53
Loans and advances to customers	**155**	**160**
to subsidiaries	40	53
to joint ventures	14	13
to associates	73	75
to pension plans for the benefit of employees	28	19
Financial assets held for trading	**1**	**2**
of other related parties (entities)	1	1
Investments	**5**	**16**
of subsidiaries	-	11
of joint ventures	5	5
Investments held by insurance companies	**406**	**246**
of subsidiaries	251	144
of pension plans for the benefit of employees	155	102
Property, plant and equipment, and investment property	**2**	**-**
of subsidiaries	2	-
Other assets	**42**	**32**
of subsidiaries	39	30
of joint ventures	2	-
of associates	-	1
of pension plans for the benefit of employees	1	-
Non-current assets and disposal groups classified as held for sale	**-**	**6**
of associates	-	6
Deposits from banks	**67**	**49**
owed to subsidiaries	-	5
owed to joint ventures	67	44
Deposits from customers	**282**	**254**
owed to subsidiaries	151	166
owed to associates	15	6
owed to other related parties (entities)	116	82
Financial liabilities held for trading	**5**	**4**
of other related parties (entities)	5	4
Insurance contract liabilities	**5**	**1**
of subsidiaries	5	1
Other liabilities	**19**	**17**
of subsidiaries	9	8
of joint ventures	1	1
of pension plans for the benefit of employees	9	8
Subordinated capital	**28**	**34**
of pension plans for the benefit of employees	28	34
Contingent liabilities	**2**	**-**
of subsidiaries	2	-

€ million	Dec. 31, 2024	Dec. 31, 2023
Financial guarantee contracts	**23**	**44**
for subsidiaries	22	42
for associates	-	1
Loan commitments	**962**	**998**
to subsidiaries	64	59
to joint ventures	350	350
to associates	2	1
to pension plans for the benefit of employees	546	588

Income of €5 million (2023: income of €3 million) in the total reported net interest income and income of €25 million (2023: expenses of €22 million) in the total reported net income from insurance business was attributable to transactions with related parties (entities). The balance of income and expenses included in the total reported net fee and commission income amounted to income of €3 million (2023: balance of €0 million).

Transactions with related parties (persons)

Related parties (persons) are key management personnel who are directly or indirectly responsible for the planning, management, and supervision of the activities of DZ BANK, as well as their close family members. For the purposes of IAS 24, the DZ BANK Group considers the members of the Board of Managing Directors and the members of the Supervisory Board to be key management personnel. As at December 31, 2024, the DZ BANK Group's loans and loan commitments to related parties (persons) amounted to €0.6 million (December 31, 2023: €0.4 million).

Like unrelated parties, key management personnel and their close family members also have the option of obtaining further financial services from the DZ BANK Group, for example in the form of insurance contracts, home savings contracts, and leases. Where they make use of this option, the transactions are carried out on an arm's-length basis.

» 111 Board of Managing Directors

Dr. Cornelius Riese
(Chief Executive Officer since July 1, 2024,
Co-Chief Executive Officer until June 30, 2024)
Responsibilities: Cooperative Banks/Verbund;
Communications & Marketing; Group Audit;
Legal; Strategy & Group Development
(including Sustainability Coordination)

Uwe Fröhlich
(Co-Chief Executive Officer until June 30, 2024)

Souâd Benkredda
Responsibilities: Capital Markets Trading;
Capital Markets Institutional Clients;
Capital Markets Retail Clients; Group Treasury
Structured Finance

Uwe Berghaus
Responsibilities: Corporate Banking Baden-Württemberg; Corporate Banking Bavaria;
Corporate Banking North and East;
Corporate Banking West/Central;
Investment Promotion; Central Corporate Banking

Dr. Christian Brauckmann
Responsibilities: IT; Services & Organisation

Ulrike Brouzi
Responsibilities: Bank Finance; Compliance;
Group Finance; Group Financial Services

Johannes Koch
(Member of the Board of Managing Directors since
January 1, 2024)
Responsibilities: Group Human Resources; Research
and Economics; Strategy & Group Development
(including Sustainability Coordination)

Michael Speth
Responsibilities: Group Risk Controlling;
Group Risk Control & Services; Credit

Thomas Ullrich
Responsibilities: Operations & Depository Bank;
Payments & Accounts; Transaction Management

» 112 General Executive Manager

Stefan Beismann
(since January 1, 2025)

Dr. Imke Jacob
(since October 1, 2024)

» 113 Supervisory Board

Henning Deneke-Jöhrens
(Chairman of the Supervisory Board)
Chief Executive Officer
Volksbank eG Hildesheim-Lehrte-Pattensen

Ulrich Birkenstock
(Deputy Chairman of the Supervisory Board)
Employee
R+V Allgemeine Versicherung AG

Ingo Stockhausen
(Deputy Chairman of the Supervisory Board)
Chief Executive Officer
Volksbank Oberberg eG
(Member of the Supervisory Board until May 16, 2024)

Dr. Gerhard Walther
(Deputy Chairman of the Supervisory Board
since May 16, 2024)
Chief Executive Officer
VR-Bank Mittelfranken Mitte eG

Uwe Barth
Spokesman of the Board of Managing Directors (ret.)
Volksbank Freiburg eG

Heiner Beckmann
Senior manager
Sales Director South-West
R+V Allgemeine Versicherung AG
(Member of the Supervisory Board until May 16, 2024)

Pia Erning
Employee
DZ BANK AG
Deutsche Zentral-Genossenschaftsbank

Timm Häberle
Chief Executive Officer
VR-Bank Ludwigsburg eG

Dr. Peter Hanker
Spokesman of the Board of Managing Directors
Volksbank Mittelhessen eG

Andrea Hartmann
Employee
Bausparkasse Schwäbisch Hall AG

Pilar Herrero Lerma
Employee
DZ BANK AG
Deutsche Zentral-Genossenschaftsbank

Dr. Dierk Hirschel
Head of the Economic Policy Division
ver.di Bundesverwaltung

Josef Hodrus
Spokesman of the Board of Managing Directors
Volksbank Allgäu-Oberschwaben eG

Marija Kolak
President
Bundesverband der Deutschen Volksbanken
und Raiffeisenbanken e.V. (BVR)

Sascha Monschauer
Chief Executive Officer
VR Bank RheinAhrEifel eG

Dr. Florian Müller
Member of the Board of Managing Directors
Volksbank Sauerland eG
(Member of the Supervisory Board since May 16, 2024)

Wolfgang Nett
Sales Director
Union Investment Privatfonds GmbH
(Member of the Supervisory Board until February 28, 2025)

Jan Picklaps
Employee
Reisebank AG
(Member of the Supervisory Board since March 1, 2025)

Rolf Dieter Pogacar
Employee
R+V Allgemeine Versicherung AG

Michael Sauer
Customer and Sales Director North
R+V Allgemeine Versicherung AG
(Member of the Supervisory Board since May 16, 2024)

Stephan Schack
Member of the Board of Managing Directors
Volksbank Raiffeisenbank eG, Itzehoe

Sigrid Stenzel
Freelance employee
ver.di Niedersachsen-Bremen

Kevin Voß
Labor union secretary
Banking industry group
ver.di Bundesverwaltung
(Member of the Supervisory Board until December 31, 2024)

Stefan Wittmann
Labor union secretary
Banking industry expert group
ver.di Bundesverwaltung
(Member of the Supervisory Board since January 1, 2025)

Supervisory Board committees

Nominations Committee
Henning Deneke-Jöhrens, Chairman
Ulrich Birkenstock*, Deputy Chairman
Pia Erning*
Timm Häberle
Andrea Hartmann*, member since March 1, 2025
Wolfgang Nett*, member until February 28, 2025
Ingo Stockhausen, member until May 16, 2024
Dr. Gerhard Walther, member since May 16, 2024

Audit Committee
Timm Häberle, Chairman
Henning Deneke-Jöhrens
Pia Erning*
Dr. Peter Hanker
Andrea Hartmann*
Marija Kolak
Rolf Dieter Pogacar*
Stephan Schack
Ingo Stockhausen, member until May 16, 2024
Dr. Gerhard Walther, member since May 16, 2024

Remuneration Control Committee
Henning Deneke-Jöhrens, Chairman
Ulrich Birkenstock*, Deputy Chairman
Pia Erning*
Dr. Peter Hanker
Andrea Hartmann*, member since March 1, 2025
Wolfgang Nett*, member until February 28, 2025
Ingo Stockhausen, member until May 16, 2024
Dr. Gerhard Walther, member since May 16, 2024

Risk Committee
Dr. Peter Hanker, Chairman
Heiner Beckmann*, member until May 16, 2024
Henning Deneke-Jöhrens
Timm Häberle
Andrea Hartmann*
Pilar Herrero Lerma*
Dr. Dierk Hirschel*
Josef Hodrus, member since May 16, 2024
Sascha Monschauer
Michael Sauer*, member since May 16, 2024
Ingo Stockhausen, member until May 16, 2024
Dr. Gerhard Walther

Mediation Committee
Henning Deneke-Jöhrens, Chairman
Ulrich Birkenstock*, Deputy Chairman
Dr. Dierk Hirschel*
Ingo Stockhausen, member until May 16, 2024
Dr. Gerhard Walther, member since May 16, 2024

*Employee representatives.

» 114 Supervisory mandates held by members of the Board of Managing Directors and employees

Within DZ BANK

As at December 31, 2024, members of the Board of Managing Directors and employees also held mandates on the statutory supervisory bodies of major companies. These and other notable mandates are listed below. Companies included in the consolidation are indicated with an asterisk (*).

Members of the Board of Managing Directors

Dr. Cornelius Riese (Chief Executive Officer)	Bausparkasse Schwäbisch Hall AG, Schwäbisch Hall (*) Chairman of the Supervisory Board
	R+V Versicherung AG, Wiesbaden (*) Chairman of the Supervisory Board
	TeamBank AG Nürnberg, Nuremberg (*) Chairman of the Supervisory Board
	Union Asset Management Holding AG, Frankfurt am Main (*) Chairman of the Supervisory Board
Souâd Benkredda	R+V Lebensversicherung AG, Wiesbaden (*) Member of the Supervisory Board
Uwe Berghaus	DZ HYP AG, Hamburg and Münster (*) Member of the Supervisory Board
	EDEKABANK AG, Hamburg Member of the Supervisory Board
Dr. Christian Brauckmann	Atruvia AG, Frankfurt am Main Member of the Supervisory Board
	Deutsche WertpapierService Bank AG, Frankfurt am Main Chairman of the Supervisory Board
	DZ PRIVATBANK S.A., Strassen (*) Deputy Chairman of the Supervisory Board

Ulrike Brouzi	Bausparkasse Schwäbisch Hall AG, Schwäbisch Hall (*) Member of the Supervisory Board
	R+V Allgemeine Versicherung AG, Wiesbaden (*) Member of the Supervisory Board
	R+V Lebensversicherung AG, Wiesbaden (*) Member of the Supervisory Board
	Salzgitter AG, Salzgitter Member of the Supervisory Board
	Union Asset Management Holding AG, Frankfurt am Main (*) Member of the Supervisory Board
Johannes Koch	DZ HYP AG, Hamburg and Münster (*) Chairman of the Supervisory Board
	DZ PRIVATBANK S.A., Strassen (*) Chairman of the Supervisory Board
	VR Smart Finanz AG, Eschborn (*) Chairman of the Supervisory Board
Michael Speth	BAG Bankaktiengesellschaft, Hamm Member of the Supervisory Board
	DZ HYP AG, Hamburg and Münster (*) Member of the Supervisory Board
	R+V Versicherung AG, Wiesbaden (*) Member of the Supervisory Board
	VR Smart Finanz AG, Eschborn (*) Deputy Chairman of the Supervisory Board
Thomas Ullrich	Deutsche WertpapierService Bank AG, Frankfurt am Main Member of the Supervisory Board
	TeamBank AG Nürnberg, Nuremberg (*) Deputy Chairman of the Supervisory Board
	VR Payment GmbH, Frankfurt am Main (*) Chairman of the Supervisory Board

DZ BANK employees

Rolf Büscher	Reisebank AG, Frankfurt am Main (*) Member of the Supervisory Board
Gottfried Finken	AKA Ausfuhrkredit-Gesellschaft mbH, Frankfurt am Main Member of the Supervisory Board
Dr. Imke Jacob	Deutsche WertpapierService Bank AG, Frankfurt am Main Member of the Supervisory Board Reisebank AG, Frankfurt am Main (*) Member of the Supervisory Board
Andrea Meier	Reisebank AG, Frankfurt am Main (*) Member of the Supervisory Board
Jochen Philipp	Banco Cooperativo Español S.A., Madrid Member of the Board of Directors
Claudio Ramsperger	Cassa Centrale Banca – Credito Cooperativo Italiano S.p.A., Trento Member of the Board of Directors
Gregor Roth	Reisebank AG, Frankfurt am Main (*) Chairman of the Supervisory Board VR Payment GmbH, Frankfurt am Main (*) Member of the Supervisory Board
Peter Tenbohlen	Deutsche WertpapierService Bank AG, Frankfurt am Main Member of the Supervisory Board
Dr. Ulrich Walter	Deutsche WertpapierService Bank AG, Frankfurt am Main Member of the Supervisory Board
Dagmar Werner	Banco Cooperativo Español S.A., Madrid Member of the Board of Directors

In the DZ BANK Group

As at December 31, 2024, members of the Boards of Managing Directors and employees also held mandates on the statutory supervisory bodies of the following major companies in Germany. Companies included in the consolidation are indicated with an asterisk (*).

Mike Kammann Chief Executive Officer Bausparkasse Schwäbisch Hall AG	Schwäbisch Hall Kreditservice GmbH, Schwäbisch Hall (*) Chairman of the Supervisory Board
Peter Magel Member of the Board of Managing Directors Bausparkasse Schwäbisch Hall AG	Schwäbisch Hall Kreditservice GmbH, Schwäbisch Hall (*) Member of the Supervisory Board
Claudia Klug General Executive Manager Bausparkasse Schwäbisch Hall AG	Schwäbisch Hall Facility Management GmbH, Schwäbisch Hall (*) Chairwoman of the Supervisory Board
Dr. Dirk Otterbach Senior manager Bausparkasse Schwäbisch Hall AG	Schwäbisch Hall Facility Management GmbH, Schwäbisch Hall (*) Member of the Supervisory Board

Dr. Norbert Rollinger Chief Executive Officer R+V Versicherung AG	Condor Lebensversicherungs-AG, Hamburg (*) Chairman of the Supervisory Board
	KRAVAG-ALLGEMEINE Versicherungs-AG, Hamburg (*) Chairman of the Supervisory Board
	KRAVAG-LOGISTIC Versicherungs-AG, Hamburg (*) Chairman of the Supervisory Board
	Raiffeisendruckerei GmbH, Neuwied Member of the Supervisory Board
	R+V Allgemeine Versicherung AG, Wiesbaden (*) Chairman of the Supervisory Board
	R+V Krankenversicherung AG, Wiesbaden (*) Chairman of the Supervisory Board
	R+V Lebensversicherung AG, Wiesbaden (*) Chairman of the Supervisory Board
	R+V Pensionsfonds AG, Wiesbaden (*) Chairman of the Supervisory Board
	Union Asset Management Holding AG, Frankfurt am Main (*) Member of the Supervisory Board
Claudia Andersch Member of the Board of Managing Directors R+V Versicherung AG	CHEMIE Pensionsfonds AG, Munich (*) Member of the Supervisory Board
	Condor Lebensversicherungs-AG, Hamburg (*) Member of the Supervisory Board
	R+V Pensionsfonds AG, Wiesbaden (*) Deputy Chairwoman of the Supervisory Board
	R+V Pensionskasse AG, Wiesbaden (*) Chairwoman of the Supervisory Board
Dr. Klaus Endres Member of the Board of Managing Directors R+V Versicherung AG	R+V Direktversicherung AG, Wiesbaden (*) Chairman of the Supervisory Board
	Securitas Holding GmbH, Berlin (*) Member of the Supervisory Board
	Sprint Sanierung GmbH, Cologne (*) Chairman of the Supervisory Board

Jens Hasselbächer Member of the Board of Managing Directors R+V Versicherung AG	R+V Direktversicherung AG, Wiesbaden (*) Deputy Chairman of the Supervisory Board R+V Krankenversicherung AG, Wiesbaden (*) Deputy Chairman of the Supervisory Board
Dr. Christoph Lamby Member of the Board of Managing Directors R+V Versicherung AG	Extremus Versicherungs-AG, Cologne Member of the Supervisory Board KRAVAG-ALLGEMEINE Versicherungs-AG, Hamburg (*) Member of the Supervisory Board KRAVAG-LOGISTIC Versicherungs-AG, Hamburg (*) Member of the Supervisory Board R+V Pensionskasse AG, Wiesbaden (*) Member of the Supervisory Board
Tillmann Lukosch Member of the Board of Managing Directors R+V Versicherung AG	KRAVAG-ALLGEMEINE Versicherungs-AG, Hamburg (*) Member of the Supervisory Board KRAVAG-LOGISTIC Versicherungs-AG, Hamburg (*) Member of the Supervisory Board R+V Direktversicherung AG, Wiesbaden (*) Member of the Supervisory Board
Julia Merkel Member of the Board of Managing Directors R+V Versicherung AG	KRAVAG-ALLGEMEINE Versicherungs-AG, Hamburg (*) Member of the Supervisory Board R+V Pensionskasse AG, Wiesbaden (*) Member of the Supervisory Board Südzucker AG, Mannheim Member of the Supervisory Board

Marc René Michallet Member of the Board of Managing Directors R+V Versicherung AG	CHEMIE Pensionsfonds AG, Munich (*) Member of the Supervisory Board Condor Lebensversicherungs-AG, Hamburg (*) Deputy Chairman of the Supervisory Board GWG Gesellschaft für Wohnungs- und Gewerbebau Baden-Württemberg AG, Stuttgart (*) Chairman of the Supervisory Board KRAVAG-ALLGEMEINE Versicherungs-AG, Hamburg (*) Member of the Supervisory Board KRAVAG-LOGISTIC Versicherungs-AG, Hamburg (*) Member of the Supervisory Board R+V Pensionsfonds AG, Wiesbaden (*) Member of the Supervisory Board
Christian Polenz Chief Executive Officer TeamBank AG Nürnberg	SCHUFA Holding AG, Wiesbaden Chairman of the Supervisory Board
Hans Joachim Reinke Chief Executive Officer Union Asset Management Holding AG	Union Investment Institutional GmbH, Frankfurt am Main (*) Deputy Chairman of the Supervisory Board Union Investment Privatfonds GmbH, Frankfurt am Main (*) Chairman of the Supervisory Board Union Investment Real Estate GmbH, Hamburg (*) Deputy Chairman of the Supervisory Board
Sonja Albers Member of the Board of Managing Directors Union Asset Management Holding AG	Union Investment Service Bank AG, Frankfurt am Main (*) Chairwoman of the Supervisory Board

Dr. Frank Engels Member of the Board of Managing Directors Union Asset Management Holding AG	Quoniam Asset Management GmbH, Frankfurt am Main (*) Chairman of the Supervisory Board Union Investment Institutional Property GmbH, Hamburg (*) Deputy Chairman of the Supervisory Board Union Investment Privatfonds GmbH, Frankfurt am Main (*) Deputy Chairman of the Supervisory Board Union Investment Service Bank AG, Frankfurt am Main (*) Deputy Chairman of the Supervisory Board
André Haagmann Member of the Board of Managing Directors Union Asset Management Holding AG	Union Investment Institutional GmbH, Frankfurt am Main (*) Chairman of the Supervisory Board Union Investment Institutional Property GmbH, Hamburg (*) Chairman of the Supervisory Board Union Investment Real Estate GmbH, Hamburg (*) Chairman of the Supervisory Board
Dr. Daniel Günnewig Employee Union Asset Management Holding AG	Union Investment Service Bank AG, Frankfurt am Main (*) Member of the Supervisory Board
Dr. Gunter Haueisen Employee Union Asset Management Holding AG	Quoniam Asset Management GmbH, Frankfurt am Main (*) Member of the Supervisory Board
Harald Rieger Member of the Board of Managing Directors Union Investment Institutional GmbH	Quoniam Asset Management GmbH, Frankfurt am Main (*) Deputy Chairman of the Supervisory Board
Dr. Michael Bütter Chief Executive Officer Union Investment Real Estate GmbH	Union Investment Institutional Property GmbH, Hamburg (*) Member of the Supervisory Board
Jörg Kotzenbauer Member of the Board of Managing Directors ZBI GmbH	ZBI Fondsmanagement GmbH, Erlangen (*) Chairman of the Supervisory Board
Fabian John Chief Executive Officer ZBI GmbH	ZBI Fondsmanagement GmbH, Erlangen (*) Member of the Supervisory Board

» 115 List of shareholdings

SUBSIDIARIES

Name	Location	Shareholding	Voting rights, if different	Equity in € '000	Profit/loss in € '000	
Alchemy Parts (Malta) Limited i.L. 3)	Floriana, Malta	-		68	-11	*
APZ Beteiligungs GmbH 1)	Darmstadt	88.50	100.00	5,719	-753	*
APZ CarMotion GmbH 1)	Fischamend, Austria	100.00		586	-76	*
APZ GmbH 1)	Darmstadt	100.00		7,021	-	*
APZ Mobility GmbH 1)	Darmstadt	100.00		-	-41	*
APZ Smart Repair GmbH 1)	Munich	100.00		139	-	*
Assimoco S.p.A. 1)	Milan, Italy	66.77		336,686	-7,976	*
Assimoco Vita S.p.A. 1)	Milan, Italy	100.00		368,836	21,584	*
Attrax Financial Services S.A. 1)	Senningerberg, Luxembourg	100.00		84,805	22,056	*
Aufbau und Handelsgesellschaft mbH 1)	Stuttgart	94.90		525	-	*
AXICA Kongress- und Tagungszentrum Pariser Platz 3 GmbH 4)	Berlin	100.00		26	-	*
axytos Finance Holding GmbH 1)	Langen	100.00		4,097	142	*
axytos GmbH 1)	Langen	100.00		-5,454	-2,362	*
axytos Software GmbH 1)	Langen	100.00		1,882	-933	*
axytovento GmbH 1)	Langen	100.00		-71	-100	*
BankingGuide GmbH	Düsseldorf	60.00		1,900	-	*
BAUFINEX GmbH 1)	Schwäbisch Hall	70.00		1,261	477	
BAUFINEX Service GmbH 1)	Berlin	50.00	75.00	25	-	
Bausparkasse Schwäbisch Hall Aktiengesellschaft - Bausparkasse der Volksbanken und Raiffeisenbanken - 4)	Schwäbisch Hall	97.60		1,812,302	-	
BCC Assicurazioni S.p.A. 1)	Milan, Italy	51.00		19	3	*
Beteiligungsgesellschaft Westend 1 mbH & Co. KG	Frankfurt am Main	94.90		20,560	3,086	
BWG Baugesellschaft Württembergischer Genossenschaften mbH 1)	Stuttgart	94.78		9,965	-	*
carexpert Kfz-Sachverständigen GmbH 1)	Mainz	60.00		2,139	304	
CHEMIE Pensionsfonds AG 1)	Wiesbaden	100.00		35,818	3,000	
CI CONDOR Immobilien GmbH 1)	Hamburg	100.00		20,100	-	
compertis Beratungsgesellschaft für betriebliches Vorsorgemanagement mbH 1)	Wiesbaden	100.00		4,271	813	
Condor Dienstleistungs GmbH 1)	Hamburg	100.00		645	27	
Condor Lebensversicherungs-Aktiengesellschaft 1)	Hamburg	94.98		51,742	-	
Delfco Leasing (Malta) Limited i.L. 3)	Floriana, Malta	-		-	-	*
Deucalion Capital II Limited i.L. 3)	George Town, Cayman Islands	-		204	-39	*
Deucalion Capital X Limited	George Town, Cayman Islands	-		373	39	*
Deucalion Limited 3)	George Town, Cayman Islands	-		747	2,487	
DEVIF-Fonds Nr. 150 Deutsche Gesellschaft für Investmentfonds 1)	Frankfurt am Main	-		n/a	n/a	
DEVIF-Fonds Nr. 2 Deutsche Gesellschaft für Investmentfonds 1)	Frankfurt am Main	-		n/a	n/a	
DEVIF-Fonds Nr. 250 Deutsche Gesellschaft für Investmentfonds 1)	Frankfurt am Main	-		n/a	n/a	
DEVIF-Fonds Nr. 500 Deutsche Gesellschaft für Investmentfonds 1)	Frankfurt am Main	-		n/a	n/a	
DEVIF-Fonds Nr. 528 Deutsche Gesellschaft für Investmentfonds 1)	Frankfurt am Main	-		n/a	n/a	
DEVIF-Fonds Nr. 60 Deutsche Gesellschaft für Investmentfonds 1)	Frankfurt am Main	-		n/a	n/a	
Dilax Beteiligungs Verwaltungsgesellschaft mbH 1)	Berlin	100.00		24	-	*
Dilax Beteiligungsgesellschaft mbH & Co. KG 1)	Berlin	100.00		10,010	-313	*
Dilax Management Investment Reserve GmbH 1)	Berlin	100.00		232	2	*
Dilax Management Investment Verwaltungsgesellschaft mbH 1)	Berlin	100.00		13	-1	*
Dilax Management Investmentgesellschaft mbH & Co. KG 1)	Berlin	49.98	71.45	157	-7	*
DVB Bank America N.V. i.L.	Willemstad, Curaçao	100.00		5,686	1	*
DVB Fontainburg Aviation Capital Services Ltd (Cayman Islands)	Grand Cayman, Cayman Islands	-		-	-	*
DVB Transport Finance Limited	London, UK	100.00		34,551	-1,204	*
DVG Deutsche Vermögensverwaltungs-Gesellschaft mit beschränkter Haftung 4)	Frankfurt am Main	100.00		82	-	
DZ BANK Kunststiftung gGmbH	Frankfurt am Main	100.00		82	-	*
DZ BANK Sao Paulo Representacao Ltda.	São Paulo, Brazil	100.00		435	45	*
DZ Beteiligungsgesellschaft mbH Nr. 11 4)	Frankfurt am Main	100.00		4,220	-	
DZ Beteiligungsgesellschaft mbH Nr. 18 4)	Frankfurt am Main	100.00		62,557	-	
DZ Beteiligungsgesellschaft mbH Nr. 21 4)	Frankfurt am Main	100.00		25	-	
DZ Beteiligungsgesellschaft mbH Nr. 22	Frankfurt am Main	100.00		31	-2	
DZ Beteiligungsgesellschaft mbH Nr. 23 4)	Frankfurt am Main	100.00		25	-	
DZ CompliancePartner GmbH 4)	Neu-Isenburg	100.00		2,086	-	
DZ FINANCIAL MARKETS LLC	New York, USA	100.00		8,575	1,488	*
DZ Gesellschaft für Grundstücke und Beteiligungen mbH 4)	Frankfurt am Main	100.00		5,258	-	
DZ HYP AG 3) 4)	Hamburg/Münster	96.42		1,127,331	-	

SUBSIDIARIES

Name	Location	Shareholding	Voting rights, if different	Equity in € '000	Profit/loss in € '000	
DZ PRIVATBANK (Schweiz) AG 1)	Zurich, Switzerland	100.00		203,726	10,266	
DZ PRIVATBANK S.A. 3)	Strassen, Luxembourg	91.84		1,288,099	87,564	
DZ Versicherungsvermittlung Gesellschaft mbH 4)	Frankfurt am Main	100.00		281	-	
easymize GmbH 1)	Wiesbaden	100.00		761	-1,729	
Englische Strasse 5 GmbH 1)	Wiesbaden	90.00		15,456	596	
Evo IT Holding GmbH 1)	Vienna, Austria	80.00		11,666	1,611	*
Evo.People GmbH 1)	Vienna, Austria	85.00		n/a	n/a	
Evol.X Customer Experience GmbH 1)	Vienna, Austria	100.00		-98	-133	*
Evolit Consulting GmbH 1)	Vienna, Austria	100.00		1,960	1,925	*
Evolit Schweiz AG 1)	Zurich, Switzerland	70.00		n/a	n/a	
Evolit Slovakia s.r.o. 1)	Poprad, Slovakia	75.00		243	134	*
Fischer Privatkunden Makler GmbH 1)	Nagold	90.00		204	172	*
FKS-NAVIGIUM GmbH 1)	Eschborn	100.00		-3,992	390	
FPAC (Malta) Limited i.L. 3)	Floriana, Malta	100.00		1	-48	*
GAF Active Life 1 Renditebeteiligungs-GmbH & Co. KG i.L. 1)	Nidderau	96.56		10,810	-4,737	*
GAF Active Life 2 Renditebeteiligungs-GmbH & Co. KG 1)	Nidderau	95.03		76,988	4,640	*
GENO Broker GmbH 4)	Frankfurt am Main	100.00		10,000	-	
Genoflex GmbH 1)	Nuremberg	70.00		630	-337	*
GMS Holding GmbH 1)	Paderborn	88.89	75.00	22,381	423	*
GMS Management und Service GmbH 1)	Frankfurt am Main	100.00		239	137	*
GWG 1. Wohn GmbH & Co. KG 1)	Stuttgart	100.00		2,000	1,000	*
GWG 2. Wohn GmbH & Co. KG 1)	Stuttgart	100.00		3,000	183	*
GWG 3. Wohn GmbH & Co. KG 1)	Stuttgart	100.00		7,000	1,507	*
GWG 4. Wohn GmbH & Co. KG 1)	Stuttgart	100.00		9,000	1,477	*
GWG Beteiligungsgesellschaft mbH 1)	Stuttgart	100.00		31	-	*
GWG Gesellschaft für Wohnungs- und Gewerbebau Baden-Württemberg AG 1)	Stuttgart	91.62		397,324	12,850	*
GWG Hausbau GmbH 1)	Stuttgart	94.48		2,750	-	*
GWG ImmoInvest GmbH 1)	Stuttgart	94.90		13,171	250	*
GWG Wohnpark Sendling GmbH 1)	Stuttgart	94.00		4,028	-	*
HMV GmbH 1)	Erlangen	100.00		55	-	*
HumanProtect Consulting GmbH 1)	Cologne	100.00		723	138	*
Ihr Autoputzmeister Service GmbH 1)	Graz, Austria	100.00		834	214	*
Immobilien-Verwaltungsgesellschaft 'DG BANK-Turm, Frankfurt am Main, Westend' mbH	Frankfurt am Main	100.00		48	13	*
IMPETUS Bietergesellschaft mbH 4)	Düsseldorf	100.00		38,855	-	
INFINDO Development GmbH 1)	Wiesbaden	100.00		100,552	-	
IPConcept (Luxemburg) S.A. 1)	Strassen, Luxembourg	100.00		21,565	11,485	
IPConcept (Schweiz) AG 1)	Zurich, Switzerland	100.00		7,563	387	
KRAVAG Umweltschutz und Sicherheitstechnik GmbH 1)	Hamburg	100.00		452	11	
KRAVAG-ALLGEMEINE Versicherungs-Aktiengesellschaft 1)	Hamburg	100.00		155,690	12,739	
KRAVAG-LOGISTIC Versicherungs-Aktiengesellschaft 1)	Hamburg	51.00		257,507	22,344	
MD Aviation Capital Pte. Ltd. i.L.	Singapore, Singapore	100.00		1,134	-	
MDAC 6 Pte Ltd. i.L.	Singapore, Singapore	100.00		18	-	
MI-Fonds 384 Metzler Investment GmbH 1)	Frankfurt am Main	-		n/a	n/a	
MI-Fonds 391 Metzler Investment GmbH 1)	Frankfurt am Main	-		n/a	n/a	
MI-Fonds 392 Metzler Investment GmbH 1)	Frankfurt am Main	-		n/a	n/a	
MI-Fonds F 57 Metzler Investment GmbH 1)	Frankfurt am Main	-		n/a	n/a	
MI-Fonds F43 Metzler Investment GmbH 1)	Frankfurt am Main	-		n/a	n/a	
MI-Fonds F44 Metzler Investment GmbH 1)	Frankfurt am Main	-		n/a	n/a	
MI-Fonds F47 Metzler Investment GmbH 1)	Frankfurt am Main	-		n/a	n/a	
MI-Fonds J01 Metzler Investment GmbH 1)	Frankfurt am Main	-		n/a	n/a	
MI-Fonds J03 Metzler Investment GmbH 1)	Frankfurt am Main	-		n/a	n/a	
MIRADOR Development GmbH 1)	Wiesbaden	100.00		115,178	-	
MSU Management-, Service- und Unternehmensberatung GmbH 1)	Landau in der Pfalz	60.00		901	-6	*
NEF-Conservative 1)	Luxembourg, Luxembourg	-		n/a	n/a	
NewVolit GmbH 1)	Vienna, Austria	100.00		16	-19	*
NTK Immobilien GmbH 1)	Hamburg	100.00		43	1	*
NTK Immobilien GmbH & Co. Management KG 1)	Hamburg	100.00		865	-386	**
Pascon GmbH 1)	Wiesbaden	100.00		44	-4	
PCAM Issuance II SA Issue RV AVL 001 1)	Luxembourg, Luxembourg	-		n/a	n/a	
PDZ Personaldienste & Zeitarbeit GmbH 4)	Darmstadt	100.00		60	-	
Pension Consult-Beratungsgesellschaft für Altersvorsorge mbH 1)	Wiesbaden	100.00		1,103	145	
Phoenix Beteiligungsgesellschaft mbH 4)	Düsseldorf	100.00		5,849	-	
Quoniam Asset Management GmbH 1)	Frankfurt am Main	97.60	100.00	22,989	1,928	*
Quoniam Funds Selection SICAV - Equities Climate Transformation EUR A dis 1)	Senningerberg, Luxembourg	-		n/a	n/a	
Quoniam Funds Selection SICAV - Equities Climate Transformation EUR I acc 1)	Senningerberg, Luxembourg	-		n/a	n/a	

SUBSIDIARIES

Name	Location	Shareholding	Voting rights, if different	Equity in € '000	Profit/loss in € '000	
R+V AIFM S.à.r.l. 1)	Munsbach, Luxembourg	100.00		3,163	1,461	*
R+V Allgemeine Versicherung Aktiengesellschaft 1) 4)	Wiesbaden	95.00		1,065,937	-	
R+V Deutschland Real (RDR) 1)	Hamburg	-		n/a	n/a	
R+V Dienstleistungs GmbH 1)	Wiesbaden	100.00		791	11	
R+V Direktversicherung AG 1) 4)	Wiesbaden	100.00		13,320	-	
R+V KOMPOSIT Holding GmbH 1) 4)	Wiesbaden	100.00		2,115,763	-	
R+V Krankenversicherung AG 1)	Wiesbaden	100.00		173,485	20,000	
R+V Lebensversicherung Aktiengesellschaft 1)	Wiesbaden	100.00		1,206,933	-	
R+V Mannheim P2 GmbH 1)	Wiesbaden	94.00		53,763	1,776	
R+V Pensionsfonds AG 1)	Wiesbaden	100.00		42,403	2,600	
R+V Pensionskasse AG 1)	Wiesbaden	100.00		124,478	900	
R+V Personen Holding GmbH 1)	Wiesbaden	100.00		1,273,172	200,316	
R+V Rechtsschutz-Schadenregulierungs-GmbH 1)	Wiesbaden	100.00		403	126	
R+V Service Center GmbH 1) 4)	Wiesbaden	100.00		2,869	-	
R+V Service Holding GmbH 1) 4)	Wiesbaden	100.00		231,783	-	
R+V Treuhand GmbH 1)	Wiesbaden	100.00		2,652	1,474	
R+V Versicherung AG 4)	Wiesbaden	92.32		2,397,253	-	
RC II S.a.r.l. 1)	Munsbach, Luxembourg	90.00		10,149	707	*
REDOS Einzelhandel Deutschland IV 1)	Hamburg	-		n/a	n/a	
Reisebank AG 4)	Frankfurt am Main	100.00		19,267	-	
RUV Agenturberatungs GmbH 1)	Wiesbaden	100.00		574	306	
RV AIP S.C.S. SICAV-SIF 1)	Munsbach, Luxembourg	99.00		10	-	*
RV AIP S.C.S. SICAV-SIF - RV TF 2 Infra Debt 1)	Munsbach, Luxembourg	97.55		641,176	24,216	*
RV AIP S.C.S. SICAV-SIF – RV TF 6 Infra Debt II 1)	Munsbach, Luxembourg	94.40		460,529	12,710	*
RV AIP S.C.S. SICAV-SIF – RV TF 7 Private Equity 1)	Munsbach, Luxembourg	99.01		153,694	-3,069	*
RV AIP S.C.S. SICAV-SIF - RV TF 8 Acquisition Financing Large Cap 1)	Munsbach, Luxembourg	99.00		n/a	n/a	
RV AIP S.C.S. SICAV-SIF - RV TF Acquisition Financing 1)	Munsbach, Luxembourg	98.67		374,045	13,807	*
RV AIP S.C.S. SICAV-SIF – TF 3 Primaries 1)	Munsbach, Luxembourg	99.25		54,584	-3,418	*
RV AIP S.C.S. SICAV-SIF – TF 4 Secondaries 1)	Munsbach, Luxembourg	99.25		68,673	-817	*
RV AIP S.C.S. SICAV-SIF – TF 5 Co-Investments 1)	Munsbach, Luxembourg	99.25		98,837	-1,047	*
RV Securitisation I S.à.r.l. 1)	Senningerberg, Luxembourg	100.00		12	-	*
RV Securitisation I S.à.r.l. - Aviation Opportunities I 1)	Senningerberg, Luxembourg	-		12	-	**
RVL Grundstücks GmbH & Co. KG 1)	Wiesbaden	100.00		361,319	-	
RVL Grundstücksverwaltung GmbH 1)	Wiesbaden	100.00		26	3	
Schwäbisch Hall Facility Management GmbH - Gebäude und mehr - 1)	Schwäbisch Hall	100.00		4,860	1,176	
Schwäbisch Hall Kreditservice GmbH 1) 4)	Schwäbisch Hall	100.00		18,775	-	
Schwäbisch Hall Transformation GmbH 1)	Schwäbisch Hall	100.00		761	-1,662	
Schwäbisch Hall Wohnen GmbH 1)	Schwäbisch Hall	100.00		1,790	891	
SERVICE 1 GmbH 1)	Paderborn	100.00		6,507	-219	*
Sprint Sanierung GmbH 1)	Cologne	100.00		19,328	-11,259	*
STARTRAIFF GmbH 1)	Wiesbaden	100.00		1,451	-1,992	
Taiping Fontainburg DVB Aviation Capital L.P. i.L.	Grand Cayman, Cayman Islands	-		81,868	739	*
TeamBank AG Nürnberg 2) 4)	Nuremberg	92.64		439,699	-	
Immobilien-Gesellschaft 'DG Bank-Turm, Frankfurt am Main, Westend' mbH & Co. KG des genossenschaftlichen Verbundes 2)	Frankfurt am Main	95.97		83,345	344,494	*
UI Infrastruktur Management SARL 1)	Senningerberg, Luxembourg	100.00		53	8	*
UI Management S.à r.l. 1)	Senningerberg, Luxembourg	100.00		17	1	*
UI Private Debt Management S.à r.l. 1)	Senningerberg, Luxembourg	100.00		12	-	*
UI Vario: 2 issued by Union Investment Luxembourg S.A. 1)	Senningerberg, Luxembourg	-		n/a	n/a	
UII Anzinger Strasse 29 Verwaltung LP GmbH 1)	Hamburg	100.00		55	14	*
UII Issy 3 Moulins SARL 1)	Paris, France	100.00		-	-	*
UII MS Immobilien GP GmbH 1)	Hamburg	100.00		35	5	*
UII MS Immobilien Verwaltung LP GmbH 1)	Hamburg	100.00		53	14	*
UII PSD KN ImmoInvest GP GmbH 1)	Hamburg	100.00		184	49	*
UII SCE Management GP GmbH 1)	Hamburg	100.00		106	15	*
UII Verwaltungsgesellschaft mbH 1)	Hamburg	100.00		25	2	*
UIN Union Investment Institutional Fonds Nr. 1039 1)	Frankfurt am Main	-		n/a	n/a	
UIN Union Investment Institutional Fonds Nr. 1041 1)	Frankfurt am Main	-		n/a	n/a	
UIN Union Investment Institutional Fonds Nr. 1059 1)	Frankfurt am Main	-		n/a	n/a	
UIN Union Investment Institutional Fonds Nr. 560 1)	Frankfurt am Main	-		n/a	n/a	
UIN Union Investment Institutional Fonds Nr. 578 1)	Frankfurt am Main	-		n/a	n/a	
UIN Union Investment Institutional Fonds Nr. 635 1)	Frankfurt am Main	-		n/a	n/a	
UIN Union Investment Institutional Fonds Nr. 670 1)	Frankfurt am Main	-		n/a	n/a	
UIN Union Investment Institutional Fonds Nr. 772 1)	Frankfurt am Main	-		n/a	n/a	
UIN Union Investment Institutional Fonds Nr. 817 1)	Frankfurt am Main	-		3,282,176	-2,175	**
UIN Union Investment Institutional Fonds Nr. 834 1)	Frankfurt am Main	-		n/a	n/a	
UIN Union Investment Institutional Fonds Nr. 839 1)	Frankfurt am Main	-		n/a	n/a	

SUBSIDIARIES

Name	Location	Shareholding	Voting rights, if different	Equity in € '000	Profit/loss in € '000	
UIN Union Investment Institutional Fonds Nr. 913 1)	Frankfurt am Main	-		n/a	n/a	
UIN-Fonds Nr. 1086 1)	Frankfurt am Main	-		n/a	n/a	
UIR Verwaltungsgesellschaft mbH 1)	Hamburg	100.00		82	-3	*
UIW Austria Verwaltungs GmbH 1)	Erlangen	100.00		23	-	*
UMB Unternehmens-Managementberatungs GmbH 1)	Wiesbaden	100.00		5,918	1,665	
Union Asset Management Holding AG 2)	Frankfurt am Main	96.60		1,934,633	490,707	*
Union Investment Austria GmbH 1)	Vienna, Austria	100.00		18,213	1,223	*
Union Investment Institutional GmbH 1)	Frankfurt am Main	100.00		103,970	-	
Union Investment Institutional Property GmbH 1)	Hamburg	90.00		45,451	11,768	*
Union Investment Luxembourg S.A. 1)	Senningerberg, Luxembourg	100.00		469,228	124,885	*
Union Investment Privatfonds GmbH 1)	Frankfurt am Main	100.00		980,942	-	
Union Investment Real Estate Asia Pacific Pte. Ltd. 1)	Singapore, Singapore	100.00		498	-291	*
Union Investment Real Estate Austria AG 1)	Vienna, Austria	94.50		9,191	2,081	*
Union Investment Real Estate France SAS 1)	Paris, France	100.00		3,132	1,545	*
Union Investment Real Estate GmbH 2)	Hamburg	94.50		203,974	69,485	*
Union Investment Service Bank AG 1)	Frankfurt am Main	100.00		133,115	-	
Union IT-Services GmbH 1) 5)	Frankfurt am Main	100.00		8,090	1,119	
Union Service-Gesellschaft mbH 1) 5)	Frankfurt am Main	100.00		15,033	2,115	
Unterstützungskasse der Condor Versicherungsgesellschaften GmbH 1)	Hamburg	100.00		26	-	
URA Verwaltung GmbH 1)	Vienna, Austria	100.00		27	-5	*
VisualVest GmbH 1) 4)	Frankfurt am Main	100.00		28,525	-	
VR Consultingpartner GmbH 1)	Frankfurt am Main	100.00		1,078	-	*
VR Equity Gesellschaft für regionale Entwicklung in Bayern mbH 1)	Frankfurt am Main	100.00		5,217	16	*
VR Equitypartner Beteiligungskapital GmbH & Co. KG UBG 2)	Frankfurt am Main	100.00		44,501	5,843	
VR Equitypartner GmbH 4)	Frankfurt am Main	100.00		69,070	-	
VR Factoring GmbH 4)	Eschborn	100.00		104,385	-	
VR GbR 2)	Frankfurt am Main	100.00		235,290	90,322	
VR HYP GmbH 1)	Hamburg	100.00		25	-1	
VR Kreditservice GmbH 1) 4)	Hamburg	100.00		25	-	
VR Makler GmbH 1)	Hannover	100.00		554	-983	*
VR Mittelstandskapital Unternehmensbeteiligungs GmbH 2)	Düsseldorf	100.00		3,911	2,521	
VR Payment GmbH	Frankfurt am Main	95.00		69,103	7,224	
VR Real Estate GmbH 1)	Hamburg	100.00		25	-1	
VR Smart Finanz AG 4)	Eschborn	100.00		211,070	-	
VR Smart Finanz Bank GmbH 1) 4)	Eschborn	100.00		250,147	-	
VR Smart Finanz Beteiligungs GmbH 1)	Eschborn	100.00		100,062	2,237	
VR Smart Guide GmbH 1)	Eschborn	100.00		525	-5,511	*
VR WERT Gesellschaft für Immobilienbewertung mbH 1) 4)	Hamburg	100.00		100	-	
WBS Wohnwirtschaftliche Baubetreuungs- und Servicegesellschaft mbH 1)	Stuttgart	94.90		26,030	-278	*
ZBI Beteiligungs GmbH i.L. 1)	Erlangen	100.00		21	-2	*
ZBI Fondsmanagement GmbH 1)	Erlangen	100.00		8,133	-	*
ZBI Fondsverwaltungs GmbH 1)	Erlangen	100.00		247	1	*
ZBI GmbH 1)	Erlangen	94.90		4,877	-9,786	*
ZBI Immobilienmanagement GmbH 1)	Erlangen	100.00		11,913	-	*
ZBI Professional Fondsverwaltungs GmbH 1)	Erlangen	100.00		270	27	*
ZBI Regiofonds Wohnen GF GmbH 1)	Erlangen	100.00		7	-	*
ZBI Regiofonds Wohnen GmbH 1)	Erlangen	100.00		17	-	*
ZBI Vorsorge - Plan Wohnen GF GmbH 1)	Erlangen	100.00		24	1	*
ZBI Vorsorge - Plan Wohnen GmbH 1)	Erlangen	100.00		23	-	*
ZBI Wohnen Plus Verwaltungs GmbH 1)	Erlangen	100.00		21	-	*
ZBI WohnWert Verwaltungs GmbH 1)	Erlangen	100.00		16	-	*
ZBVV - Zentral Boden Vermietung und Verwaltung GmbH 1)	Erlangen	100.00		6,061	-	*

JOINT VENTURES

Name	Location	Shareholding	Voting rights, if different	Equity in € '000	Profit/loss in € '000	
BAU + HAUS Management GmbH 1)	Wiesbaden	50.00		8,584	925	
BEA Union Investment Management Limited 1)	Hong Kong, Hong Kong	49.00		57,454	2,386	*
Blitz 24-216 GmbH 1)	Munich	42.60		n/a	n/a	
Deutsche WertpapierService Bank AG	Frankfurt am Main	50.00		388,036	52,811	
DZ BANK Galerie im Städel Kunstverwaltungsgesellschaft mbH	Frankfurt am Main	50.00		25	-2	*
Norafin Verwaltungs GmbH 1)	Mildenau	44.72	46.81	29,664	1,829	*
PolarXpress SCS 1)	Wasserbillig, Luxembourg	58.82		90,951	13,095	*
Prvá stavebná sporiteľna, a.s. 1)	Bratislava, Slovakia	32.50		324,483	12,472	
R+V Kureck Immobilien GmbH Grundstücksverwaltung Braunschweig i.L. 1)	Wiesbaden	50.00		631	-8	
Smart Access Holding GmbH 1)	Villingen-Schwenningen	35.00		25	-	*
Trustlog GmbH 1)	Hamburg	50.00		7,601	-1,948	*
VAD Beteiligungen GmbH	Berlin	25.16		39,750	-67	*
Versicherungs-Vermittlungsgesellschaft des Sächsischen Landesbauernverbandes mbH 1)	Dresden	50.00		220	7	*
Versicherungs-Vermittlungsgesellschaft mbH des Bauernverbandes Mecklenburg-Vorpommern e.V. (VVB) 1)	Neubrandenburg	50.00		374	33	*
Versicherungs-Vermittlungsgesellschaft mbH des Landesbauernverbandes Brandenburg (VVB) 1)	Teltow	50.00		37	6	*
Versicherungs-Vermittlungsgesellschaft mbH des Landesbauernverbandes Sachsen-Anhalt e.V. (VVB) 1)	Magdeburg	50.00		77	4	*
Zhong De Zuh Fang Chu Xu Yin Hang (Sino-German-Bausparkasse) Ltd. 1)	Tianjin, China	24.90		413,231	10,787	

ASSOCIATES

Name	Location	Shareholding	Voting rights, if different	Equity in € '000	Profit/loss in € '000	
Accso - Accelerated Solutions GmbH 1)	Darmstadt	25.19	25.57	n/a	n/a	
adorsys GmbH & Co. KG 1)	Nuremberg	25.89		2,939	1,615	*
adorsys Verwaltungs GmbH 1)	Nuremberg	25.90		34	3	*
aku.beteiligung GmbH 1)	Aalen	46.04		6,629	-128	*
Bankenkonsortium der Zenit GmbH, GbR	Düsseldorf	33.30		153	-	*
bbv-service Versicherungsmakler GmbH 1)	Munich	25.20		2,737	675	*
Berlin-AI Management S.à r.l. 1)	Senningerberg, Luxembourg	20.00		12	-	*
Blitz SKB GmbH 1)	Giessen	41.76		41,614	4,927	*
Bookwire Holding GmbH 1)	Frankfurt am Main	49.00		2,248	350	*
Copenhagen Energy Islands ApS 1)	Copenhagen, Denmark	5.00		50,116	206	
Cygna Labs Group GmbH 1)	Heilbronn	26.03		11,207	-4,634	*
DeSign Verbund GmbH 1)	Hochstadt am Main	49.80		3,073	569	*
DITTRICH + CO Holding GmbH 1)	Frankfurt am Main	49.85		9,917	-15	*
Dr. Förster Holding GmbH i.L. 1)	Neu-Isenburg	20.06		-	-139	*
GBS Beteiligungsgesellschaft mbH 1)	Bayreuth	42.33		12,367	875	*
GHM MPP Reserve GmbH 1)	Remscheid	50.00		959	-24	*
GHM MPP Verwaltungs GmbH 1)	Remscheid	50.00		245	-19	*
Glas Strack Holding GmbH 1)	Bochum	51.06	49.90	9,283	81	*
HERO Group GmbH 1)	Frankfurt am Main	49.45	49.90	n/a	n/a	
Impleco GmbH 1)	Berlin	44.23		7,729	-2,938	
Informatik Consulting Systems Holding GmbH 1)	Stuttgart	49.83	49.43	10,470	1,527	*
Interni Erwerbsgesellschaft mbH 1)	Düsseldorf	49.90		44,105	-1,368	*
Kapitalbeteiligungsgesellschaft für die mittelständische Wirtschaft in Nordrhein-Westfalen mbH - KBG -	Neuss	16.15		6,735	782	*
KTP Holding GmbH 1)	Bous	16.80	24.96	49,224	3,470	*
Kunststoffpartner Verwaltung GmbH 1)	Villingen-Schwenningen	49.00		22,052	2,909	*
paydirekt GmbH	Frankfurt am Main	33.33		17,601	-7,747	*
payfree GmbH 1)	Düsseldorf	60.00		5,454	-1,544	**
Pesca Management GmbH 1)	Munich	49.30		12,966	-409	*
riparo gmbh 1)	Holzerlingen	25.00		3,047	2,004	*
Solectrix Holding GmbH 1)	Fürth	49.90		12,592	643	*
TF H III Technologiefonds Hessen Gesellschaft mit beschränkter Haftung	Wiesbaden	25.00		5,183	-941	*
TF H IV Technologiefonds Hessen GmbH & Co. KG	Wiesbaden	21.74		195	-308	*
Treuhand- und Finanzierungsgesellschaft für Wohnungs- und Bauwirtschaft mit beschränkter Haftung. Treufinanz	Düsseldorf	33.14		1,277	3	*
TRUUCO Beteiligungs GmbH 2)	Frankfurt am Main	49.00		33	-2	*
TRUUCO GmbH 2)	Frankfurt am Main	35.93		14,089	-7,932	*
VR Unternehmerkapital GmbH 1)	Frankfurt am Main	49.00		21	-4	*
Wallee Group AG 1)	Winterthur, Switzerland	20.00		n/a	n/a	
Weisshaar Holding GmbH 1)	Deisslingen	84.94	49.92	n/a	n/a	
Zimmer & Hälbig Holding GmbH 1)	Bielefeld	50.29	49.90	24,685	4,270	*

SHAREHOLDINGS OF 20% OR MORE

Name	Location	Shareholding	Voting rights, if different	Equity in € '000	Profit/loss in € '000	
amberra GmbH 2)	Berlin	20.00		13,604	-2,394	*
Ares Infrastructure Debt Fund IV (EUR), L.P. 1)	Luxembourg, Luxembourg	39.84		385,091	-6,637	*
Ares Infrastructure Debt Fund V (EUR), L.P. 1)	Luxembourg, Luxembourg	68.14		390,855	21,786	*
Assiconf S.r.l. 1)	Turin, Italy	20.00		92	1	*
BREDS IV Aggregator SCSp 1)	Luxembourg, Luxembourg	90.91		203,470	16,576	*
Burghofspiele GmbH 1)	Eltville	20.00		-	-21	**
Bürgschaftsbank Brandenburg GmbH	Potsdam	25.31		40,663	3,894	*
Bürgschaftsbank Mecklenburg-Vorpommern GmbH	Schwerin	30.67		17,792	288	*
Bürgschaftsbank Sachsen-Anhalt GmbH	Magdeburg	29.73		17,557	341	*
Bürgschaftsbank Thüringen GmbH	Erfurt	22.13		28,710	1,014	*
Cheyne Real Estate Credit (CRECH) Fund IV Loans SCS SICAV-SIF 1)	Luxembourg, Luxembourg	20.83		227,925	5,756	*
Cheyne Real Estate Credit Holdings VII 1)	Luxembourg, Luxembourg	21.56		1,264,469	66,817	*
Credit Suisse Global Infrastructure SCA SICAR 1)	Luxembourg, Luxembourg	30.09		8,500	-870	**
DigitalBridge II Foreign Feeder-MV, SCSp 1)	Luxembourg, Luxembourg	68.10		8,254,299	657,296	*
EIG Global Project Fund V-A, L.P. 1)	Wilmington, USA	51.28		556,511	81,214	*
Finatem II GmbH & Co. KG 1)	Frankfurt am Main	20.20		689	-122	*
FREUNDE DER EINTRACHT FRANKFURT Aktiengesellschaft	Frankfurt am Main	32.05	19.84	7,642	-1	*
GENOPACE GmbH 1) 5)	Berlin	27.49		200	-	*
GIP CAPS II Feeder Fund AIV 2, L.P. 1)	Wilmington, USA	27.99		9,492	1,202	*
Global Energy & Power Infrastructure Fund III E, SCSp 1)	Luxembourg, Luxembourg	35.34		237,213	6,928	*
Global Infrastructure Partners III-C2, L.P. 1)	New York, USA	27.97		572,782	28,622	*
GTIS Brazil II S-Feeder LP 1)	Edinburgh, UK	100.00		22,454	1,585	*
ICG Infrastructure Equity Fund I SCSp 1)	Senningerberg, Luxembourg	24.54		811,062	114,951	*
ICG SE V (EUR Feeder) SCSp 1)	Senningerberg, Luxembourg	24.48		13,173	-3,635	*
KKR Global Impact Fund II EEA Feeder SCSp 1)	Luxembourg, Luxembourg	95.33		44,030	-6,443	*
KKR North America Fund XIII EEA Feeder SCSp 1)	Luxembourg, Luxembourg	95.43		80,810	5,431	*
Kreditgarantiegemeinschaft in Baden-Württemberg Verwaltungs-GmbH	Stuttgart	20.00		1,023	-	*
Macquarie Asia Infrastructure Fund 2 SCSp 1)	Luxembourg, Luxembourg	50.48		418,090	71,850	*
Macquarie Asia Infrastructure Fund EU Feeder L.P. 1)	London, UK	100.00		71,752	6,795	*
MB Asia Real Estate Feeder (Scot.) L.P. 1)	Edinburgh, UK	34.80		497	-76	*
Medico 12 GmbH & Co. KG 1)	Frankfurt am Main	99.98		-28	-39	*
RV-CVIII Holdings, LLC 1)	Camden, USA	100.00		89,561	-29,790	*
Schroder Property Services B.V. S.à.r.l. 1)	Senningerberg, Luxembourg	30.00		264	-18	*
Swiss Life ESG Health Care Germany V S.C.S., SICAV-SIF 1)	Luxembourg, Luxembourg	41.33		616,257	9,357	*
Swiss Life Health Care III SICAV-FIS 1)	Luxembourg, Luxembourg	33.33		295,911	8,752	*
Swiss Life Health Care IV SICAV-FIS 1)	Luxembourg, Luxembourg	46.51		204,935	6,424	*
Technology DZ Venture Capital Fund I GmbH & Co. KG i.L. 1)	Munich	34.33		7,975	-80	*
TF H Technologie-Finanzierungsfonds Hessen Gesellschaft mit beschränkter Haftung (TF H GmbH) i.L.	Wiesbaden	33.33		481	-25	*
Tishman Speyer Brazil Feeder (Scots/D), L.P. 1)	Edinburgh, UK	100.00		14,201	-4,083	*
Tishman Speyer European Real Estate Venture VIII Parallel SCSp 1)	Luxembourg, Luxembourg	55.88		57,043	-22,308	*
VBI Beteiligungs GmbH 1)	Vienna, Austria	24.50		752	-47	*
VR-NetWorld GmbH 2)	Bonn	43.48		7,991	736	*

SHAREHOLDINGS OF LESS THAN 20%

Name	Location	Shareholding	Voting rights, if different	Equity in € '000	Profit/loss in € '000	
ABE Clearing S.A.S a Capital Variable	Paris, France	2.08		52,300	5,661	*
AERS Consortio AG i.L. 1)	Stuttgart	16.50		86	-9	*
AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung	Frankfurt am Main	0.31		291,821	8,025	*
amberra Fonds GmbH & Co. KG	Berlin	1.92		n/a	n/a	
Architrave GmbH 1)	Berlin	10.42		-	-	*
ARDIAN Infrastructure Fund V B S.C.S., SICAV-RAIF 1)	Luxembourg, Luxembourg	13.58		1,357,742	147,988	*
Assicoop-Assicurazioni Cooperative S.r.l. 1)	Catania, Italy	0.41		n/a	n/a	
assistance partner GmbH & Co. KG 1)	Munich	5.01		1,782	632	*
Atruvia AG 2)	Frankfurt am Main	0.35		467,275	27,764	*
Atruvia Beteiligungs GmbH & Co. KG Nord 2)	Münster	2.48		119,597	3,016	*
Banco Cooperativo Español S.A.	Madrid, Spain	12.03		718,300	47,213	*
Bank Polskiej Spoldzielczosci Spolka Akcyjna	Warsaw, Poland	0.91		194,945	-8,881	**
BayBG Bayerische Beteiligungsgesellschaft mbH	Munich	9.38		269,260	5,132	*
Bayerische Raiffeisen-Beteiligungs-Aktiengesellschaft 2)	Beilngries	1.93		871,391	42,237	*
Berliner Volksbank eG 1)	Berlin	-	0.10	1,200,349	38,621	*
Beteiligungs-Aktiengesellschaft der bayerischen Volksbanken 1)	Pöcking	1.15		233,359	8,644	**
BGG Bayerische Garantiegesellschaft mit beschränkter Haftung für mittelständische Beteiligungen	Munich	13.15		62,971	429	*
Blackrock Renewable Income Europe Fund 1)	Dublin, Ireland	7.69		590,279	-87,048	*
Blackstone Real Estate Partners Europe III L.P. 1)	New York, USA	1.62		159,067	-83,001	*
BLHV Versicherungs-Service GmbH 1)	Freiburg	9.00		400	212	*
Bürgschaftsbank Bremen GmbH	Bremen	4.86		10,175	646	*
Bürgschaftsbank Hamburg GmbH	Hamburg	6.36		27,682	257	*
Bürgschaftsbank Hessen GmbH	Wiesbaden	15.87		24,716	967	*
Bürgschaftsbank Niedersachsen GmbH	Hannover	17.68		36,968	1,947	*
Bürgschaftsbank Nordrhein-Westfalen GmbH Kreditgarantiegemeinschaft	Neuss	15.75		42,915	1,425	*
Bürgschaftsbank Rheinland-Pfalz GmbH	Mainz	14.31		17,692	66	*
Bürgschaftsbank Sachsen GmbH	Dresden	14.66	16.59	45,065	129	*
Bürgschaftsbank Schleswig-Holstein Gesellschaft mit beschränkter Haftung	Kiel	11.79		42,671	393	*
Cash Logistik Security AG	Düsseldorf	4.10		6,850	3,165	*
CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO S.P.A.	Trento, Italy	3.69		1,187,345	31,123	*
CI IV US AIV Non-QFPF K/S 1)	Copenhagen, Denmark	15.24		417,083	-109,089	*
CLS Group Holdings AG	Lucerne, Switzerland	0.68		387,652	-8,734	*
CMMT Partners L.P. 1)	Camden, USA	18.58		1,130,712	30,878	*
Copenhagen Infrastructure Energy Transition Fund I DK B K/S 1)	Copenhagen, Denmark	16.71		8,788	-329	*
Copenhagen Infrastructure Energy Transition Fund I K/S 1)	Copenhagen, Denmark	8.81		56,304	-19,666	*
Copenhagen Infrastructure Energy Transition Fund I US Non-QFPF K/S 1)	Copenhagen, Denmark	17.09		3,722	-713	*
Copenhagen Infrastructure III K/S 1)	Copenhagen, Denmark	5.94		348,416	34,464	**
Copenhagen Infrastructure III US AIV Non-QFPF Blocker K/S 1)	Copenhagen, Denmark	13.20		n/a	n/a	
Copenhagen Infrastructure III-A K/S 1)	Copenhagen, Denmark	6.17		669,872	269,439	**
Copenhagen Infrastructure IV K/S 1)	Copenhagen, Denmark	7.15		1,150,531	-119,669	*
Crown Secondaries Special Opportunities II S.C.S. 1)	Luxembourg, Luxembourg	7.66		1,476,148	124,792	*
Crown Secondaries Special Opportunities III Feeder SCSp 1)	Luxembourg, Luxembourg	9.78		258,406	42,033	*
Curzon Capital Partners III LP 1)	London, UK	11.99		4,990	-25,044	*
Curzon Capital Partners IV LP 1)	London, UK	10.73		131,789	-9,985	*
Deutsche Bauernsiedlung - Deutsche Gesellschaft für Landentwicklung (DGL) mbH i.L. 1)	Frankfurt am Main	16.26		5,642	-222	**
Deutsche Börse Commodities GmbH	Frankfurt am Main	16.20	14.48	12,921	7,645	*
DG IMMOBILIEN MANAGEMENT Gesellschaft mbH	Frankfurt am Main	5.01		22,577	4,690	*
DG Nexolution eG 2)	Wiesbaden	1.59		10,251	3,298	*
DI Rathaus-Center Pankow Nr.35 KG i.L. 1)	Düren	3.86		35,335	2,297	**
Die Familiengenossenschaft eG 1)	Mannheim	4.71		20	-8	**
Domus Beteiligungsgesellschaft der Privaten Bausparkassen mbH Berlin 1)	Berlin	14.13		5	-6,021	*
DUCAH - Digital Urban Center for Aging and Health eG i.Gr. 1)	Berlin	1.66		68	-589	*
EDEKABANK Aktiengesellschaft	Hamburg	8.35		239,689	11,906	*
EIG Energy Fund XVI (Scotland) L.P. 1)	Edinburgh, UK	14.02		349,825	-25,958	*
EIG Energy Fund XVII (Scotland) L.P. 1)	Edinburgh, UK	15.61		666,923	90,427	*
EPI Company SE	Brussels, Belgium	6.49		265,938	-27,676	*
Euro Capital S.A.S. 1)	Metz, France	4.44		32,577	1,116	*
EURO Kartensysteme GmbH	Frankfurt am Main	19.60		12,918	277	*
European Property Investors Special Opportunities, L.P. 1)	London, UK	6.35		4,494	162	*
EXTREMUS Versicherungs-Aktiengesellschaft 1)	Cologne	5.00		62,760	1,013	*
FIDUCIA Mailing Services eG 2)	Karlsruhe	0.14		73	-	*
GBK Holding GmbH & Co. KG 1)	Kassel	0.02		454,910	-	*

SHAREHOLDINGS OF LESS THAN 20%

Name	Location	Shareholding	Voting rights, if different	Equity in € '000	Profit/loss in € '000	
GDV Dienstleistungs-GmbH 1)	Hamburg	2.82		33,341	2,474	*
GenoHotel Karlsruhe Gebäude GmbH 1)	Karlsruhe	0.03		-	-	*
GI Data Infrastructure Fund-A LP 1)	Wilmington, USA	13.60		1,877,839	241,250	**
GIP Capital Solutions Feeder Fund II (EEA) 1)	Luxembourg, Luxembourg	10.97		360,100	21,109	*
GIP CAPS II Feeder Fund AIV 1, L.P. 1)	Wilmington, USA	15.00		177,165	8,954	*
GIP CAPS II Finco, L.P. 1)	Wilmington, USA	11.36		29,942	1,541	*
GLADBACHER BANK Aktiengesellschaft von 1922	Mönchengladbach	17.53		40,578	1,697	*
Global Infrastructure Partners IV-C2, L.P. 1)	Luxembourg, Luxembourg	17.17		2,650,982	103,757	*
Global Renewable Power Infrastructure Fund III (C), SCSp 1)	Luxembourg, Luxembourg	6.40		2,206,135	216,883	*
GMB Systems GmbH & Co. KG 1)	Hamburg	10.75		5,950	-	*
GMS Mitarbeiter Beteiligungsgesellschaft UG & Co.KG 1)	Paderborn	4.00		956	-6	*
Grand Hotel Heiligendamm GmbH & Co. KG Fundus Fonds Nr. 34 i.L. 1)	Vettweiss-Disternich	1.90		11,754	-3,546	**
Gründerfonds Ruhr GmbH & Co. KG 1)	Essen	7.25		16,449	11,130	*
heal.capital I GmbH & Co. KG 1)	Berlin	2.33		46,261	-5,248	*
heal.capital II GmbH & Co. KG 1)	Berlin	2.33		-	188	*
Hines European Value Fund SCSp 1)	Luxembourg, Luxembourg	13.87		582,463	-99,162	*
Immo Feest en Cultuurpaleis Oostende SA 1)	Brussels, Belgium	-		14,684	-294	*
Interessengemeinschaft Frankfurter Kreditinstitute GmbH	Frankfurt am Main	7.01		24,115	8,433	*
IVS Immobilien GmbH 1)	Schiffweiler	6.00		26	-	*
K in Kortrijk S.A. 1)	Brussels, Belgium	-		99,478	-4,034	*
KLAAS MESSTECHNIK GmbH 1)	Seelze-Harenberg	15.00		76	18	*
KLV BAKO Vermittlungs-GmbH	Karlsruhe	10.00		276	8	*
Konsortium der Absatzfinanzierungsinstitute plettac-assco GbR i.L.	Wuppertal	-	7.08	n/a	n/a	
Kreditgarantiegemeinschaft der Freien Berufe Baden-Württemberg Verwaltungs GmbH	Stuttgart	4.76		153	-	*
Kreditgarantiegemeinschaft der Industrie, des Verkehrsgewerbes und des Gastgewerbes Baden-Württemberg Verwaltungs-GmbH	Stuttgart	15.28		1,300	-	*
Kreditgarantiegemeinschaft des bayerischen Gartenbaues GmbH	Munich	9.07		649	-	*
Kredit-Garantiegemeinschaft des bayerischen Handwerks Gesellschaft mit beschränkter Haftung	Munich	12.00		4,846	-	*
Kreditgarantiegemeinschaft des Gartenbaues Baden-Württemberg Verwaltungs-GmbH	Stuttgart	12.00		138	-	*
Kreditgarantiegemeinschaft des Handels Baden-Württemberg Verwaltungs-GmbH	Stuttgart	10.05		1,022	-	*
Kreditgarantiegemeinschaft des Handwerks Baden-Württemberg Verwaltungs-GmbH	Stuttgart	10.05		1,001	-	*
Kreditgarantiegemeinschaft des Hotel- und Gaststättengewerbes in Bayern GmbH	Munich	9.66		4,359	-	*
Kreditgarantiegemeinschaft für den Handel in Bayern GmbH	Munich	7.19		6,317	-	*
Kunststiftung Baden-Württemberg GmbH 1)	Stuttgart	0.50		9,954	-75	*
Les Grands Pres S.A. 1)	Brussels-Zaventem, Belgium	-	0.11	20,116	6,300	*
Macquarie European Infrastructure Fund 4 L.P. 1)	St. Peter Port, Guernsey	5.70		1,237,198	208,327	
Macquarie European Infrastructure Fund 6 SCSp 1)	Luxembourg, Luxembourg	4.15		7,132,750	601,100	
MBG H Mittelständische Beteiligungsgesellschaft Hessen GmbH	Wiesbaden	16.26		11,788	139	*
MBG Mittelständische Beteiligungsgesellschaft Baden-Württemberg Gesellschaft mit beschränkter Haftung	Stuttgart	9.94	8.33	107,902	8,304	*
MBG Mittelständische Beteiligungsgesellschaft Hamburg mbH	Hamburg	10.00		5,734	132	*
MBG Mittelständische Beteiligungsgesellschaft Rheinland-Pfalz mbH	Mainz	9.80	11.11	17,466	193	*
MBG Mittelständische Beteiligungsgesellschaft Schleswig-Holstein mbH	Kiel	14.59	15.22	51,686	2,387	*
MED Platform II S.L.P. 1)	Lyon, France	3.59		405,034	-106,634	*
Mittelständische Beteiligungsgesellschaft Berlin-Brandenburg mbH	Potsdam	8.89		27,796	1,389	*
Mittelständische Beteiligungsgesellschaft Mecklenburg-Vorpommern mbH	Schwerin	16.00		20,208	594	*
Mittelständische Beteiligungsgesellschaft Niedersachsen (MBG) mit beschränkter Haftung	Hannover	19.92		17,099	284	*
Mittelständische Beteiligungsgesellschaft Sachsen mbH	Dresden	9.38		49,983	347	*
Mittelständische Beteiligungsgesellschaft Sachsen-Anhalt (MBG) mbH	Magdeburg	19.84		26,295	917	*
Mittelständische Beteiligungsgesellschaft Thüringen mbH	Erfurt	10.28		30,019	889	*
Münchener Hypothekenbank eG 2)	Munich	0.99	-	1,785,889	102,121	*
Munster S.A. 1)	Senningerberg, Luxembourg	0.07		1,037	-636	*
North Haven Infrastructure Partners III Feeder A L.P. 1)	Kitchener, Canada	3.05		966,377	-23,962	*
North Haven Infrastructure Partners III SCSp 1)	Luxembourg, Luxembourg	0.61		1,165,160	62,219	*
Opción Jamantab S. A. DE C. V. 1)	Mexico City, Mexico	-		14,025	-164	*
PANELLINIA BANK SOCIETE ANONYME (under special liquidation)	Athens, Greece	8.42	5.28	n/a	n/a	*
Partners Group Direct Equity IV (EUR) S.C.A., SICAV-RAIF 1)	Luxembourg, Luxembourg	6.84		2,097,246	92,075	*

SHAREHOLDINGS OF LESS THAN 20%

Name	Location	Shareholding	Voting rights, if different	Equity in € '000	Profit/loss in € '000	
Partners Group Direct Infrastructure III (EUR), L.P. S.C.Sp., SICAV-RAIF 1)	Luxembourg, Luxembourg	15.80		958,627	109,105	*
Partners Group Global Mezzanine 2007 S.C.A., SICAR 1)	Luxembourg, Luxembourg	2.24		1,479	-77	*
Prosa Beteiligungs GmbH & Co. KG 1)	Frankfurt am Main	15.63		28	-23	**
Protektor Lebensversicherungs-AG 1)	Berlin	5.27		7,950	95	*
Raiffeisen Waren-Zentrale Rhein-Main AG 2)	Cologne	2.23		164,460	30,222	*
Raiffeisendruckerei GmbH 1)	Neuwied	7.88		34,806	932	*
Raiffeisen-Kassel A-Beteiligungs GmbH & Co. KG	Kassel	8.22		40,390	296	*
Raiffeisen-Kassel B-Beteiligungs GmbH & Co. KG	Kassel	8.22		40,390	296	*
Royale 120 S.A. 1)	Brussels-Zaventem, Belgium	0.01		31,510	1,293	*
RPD Real Property Development GmbH 1)	Langenwang, Austria	10.00		1,470	37	*
RREEF Pan-European Infrastructure Feeder GmbH & Co. KG 1)	Eschborn	17.70		121,363	-21,939	*
S.W.I.F.T. Society for Worldwide International Financial Telecommunication 2)	La Hulpe, Belgium	0.24		655,357	28,858	*
Saarländische Wagnisfinanzierungsgesellschaft mbH	Saarbrücken	2.59		5,643	-1,960	*
Sana Kliniken AG 1)	Ismaning	0.69		1,318,492	34,075	*
SCHUFA Holding AG 2)	Wiesbaden	19.93		156,067	42,189	*
Schulze-Delitzsch-Haus, eingetragene Genossenschaft 1)	Bonn	0.97		2,627	1,055	*
Société de la Bourse de Luxembourg S.A. 1)	Senningerberg, Luxembourg	0.04		278,288	10,645	*
Société Phocénne de Participations	Marseille, France	1.04	0.01	n/a	n/a	
Splash Investment GmbH 1)	Kerpen	10.98		148,160	-88	*
Strategie Invest SICAV 1)	Zurich, Switzerland	0.07		376,227	-3,723	*
Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG	Ochsenfurt	4.44	4.55	252,195	23,915	*
Target Partners Capital GmbH & Co. KG 1)	Munich	10.00	10.01	267	-8	*
Technologiezentrum Schwäbisch Hall GmbH 1)	Schwäbisch Hall	4.17	5.56	586	-30	*
Teko - Technisches Kontor für Versicherungen Gesellschaft mit beschränkter Haftung 1)	Düsseldorf	10.00		145	35	*
True Sale International GmbH	Frankfurt am Main	7.69		4,536	-136	*
Ufficio Centrale Italiano di Assistenza Assicurativa Automobilisti in Circolazione Internazionale -U.C.I. Societe consortie a R.L. 1)	Milan, Italy	0.09		n/a	n/a	
UII Anzinger Strasse 29 GmbH & Co. KG 1)	Hamburg	0.01		n/a	n/a	
UIR Belgique 1 S.A. 1)	Brussels, Belgium	0.13		68,422	2,659	*
UIR Le Président 1 1)	Brussels-Zaventem, Belgium	-	0.06	12,626	-3,086	*
UIR MU III S.A. de C.V. 1)	Mexico City, Mexico	-		10,126	-380	*
Verimi GmbH	Berlin	9.56	10.17	1,208	-10,304	*
Visa Inc.	San Francisco, USA	-		34,189,488	11,676,756	*
VNT Automotive GmbH 1)	Langenwang, Austria	10.00		13,085	4,800	*
VR-Bank Heilbronn Schwäbisch Hall eG 1)	Schwäbisch Hall	-	0.01	288,394	8,560	*
VR-IMMOBILIEN-LEASING GmbH 1)	Eschborn	6.00		8,741	3,449	*
WESTFLEISCH Finanz AG 1)	Münster	0.36		94	2	*
WRW Wohnungswirtschaftliche Treuhand Rheinland-Westfalen Gesellschaft mit beschränkter Haftung i.L.	Düsseldorf	2.73		n/a	n/a	
ZBI Vorsorge-Plan Wohnen 1 GmbH & Co. KG 1)	Erlangen	0.76		2,318	112	**
ZG Raiffeisen eG	Karlsruhe	1.01	0.02	83,353	10,329	*

1) Held indirectly.
2) Including shares held indirectly.
3) A letter of comfort exists.
4) Profit-and-loss transfer agreement with DZ BANK (direct or indirect).
5) Section 264 (3) HGB and section 264b HGB have been applied.
n/a = no figures available.
* Prior-year figures.
** Latest available financial statements before 2023

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group in accordance with German principles of proper accounting, and the group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the material opportunities and risks associated with the expected development of the group.

Frankfurt am Main, March 4, 2025

DZ BANK AG
Deutsche Zentral-Genossenschaftsbank

The Board of Managing Directors

Dr. Riese	Benkredda	Berghaus	Dr. Brauckmann
Brouzi	Koch	Speth	Ullrich

Independent auditor’s report[1]

To DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main

Report on the audit of the consolidated financial statements and of the group management report

Audit Opinions

We have audited the consolidated financial statements of DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2024, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of DZ BANK AG Deutsche Zentral-Genossenschaftsbank for the financial year from 1 January to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the non-financial group statement pursuant to §§ [Articles] 315b to 315c of the German Commercial Code (HGB) [Handelsgesetzbuch: German Commercial Code].

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the "IFRS Accounting Standards"), as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. [paragraph] 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2024, and of its financial performance for the financial year from 1 January to 31 December 2024, and
- the accompanying group management report as a whole provides an appropriate view of the Group’s position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the non-financial group statement referred to above.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

[1] Translation of the auditor's report issued in German language on the consolidated financial statements prepared in German language by the management of DZ BANK AG Deutsche Zentral-Genossenschaftsbank. The German auditor’s report is authoritative.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

❶ **Risk provisions for loans and advances to customers measured at amortised cost**

❷ **Measurement of assets recognised at fair value, for which the fair value is determined using valuation techniques that incorporate at least one significant unobservable market parameter**

❸ **Measurement of Bauspar-technical provisions (provisions relating to building society operations)**

❹ **Measurement of certain underwriting liabilities**

Our presentation of these key audit matters has been structured in each case as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matters:

❶ Risk provisions for loans and advances to customers measured at amortised cost

① In the consolidated financial statements, loans and advances to customers measured at amortised cost amounting to € 202.951 million (30.8 % of total assets) are reported under the balance sheet item „Loans and advances to customers“. As of 31 December 2024, there is an allowance for credit losses for the loan portfolio consisting of specific and general loan loss provisions of € 2.788 million in total. The measurement of risk provisioning in customer credit business is determined in particular by the structure and quality of the loan portfolio, macroeconomic factors and the estimates of the executive directors with regard to future loan defaults, among other things, also considering the further development of macroeconomic factors on the customer lending business. The amount of specific loan loss provisions corresponds to the difference between the outstanding loan amount and the present value of the cash flows still expected from the loan. Existing collateral are taken into account. Portfolio loan loss provisions are created for foreseeable counterparty risks in the lending business that have not yet been specified for individual borrowers. For this purpose, general loan loss provisions are recognized for loans not individually impaired in the amount of the expected loss for an observation period of twelve months, unless the credit default risk increased significantly since initial recognition. In the event of a significant increase in credit risk, a general loan loss provision is recognized for the expected losses over the remaining term of the loan in issue. To take into account current economic developments due to macroeconomic conditions, the Group updated the macroeconomic forecasts and made expert-based adjustments to the model-based probability of default profiles (shift factors) and classified the credit risk of not individually impaired loans as a whole as significantly increased for particularly affected portfolios.

In the recognition of risk provisions, the group has also made further adjustments for the retail installment loan business. These adjustments take into account the expectations of the executive directors with regard to existing uncertainties in the retail installment loan business that have not yet been considered in the models, including the shift factors, concerning default probabilities, recovery rates in case of default, and the timing of loan replacements.

The value adjustments in the customer credit business are highly significant for the assets, liabilities and financial performance of the Group and also involve considerable scope for judgment of the executive directors with regard to macroeconomic forecasts and the shift factors used, the overall rating of the credit risk of portfolios, the further adjustments as well as the cash flows still expected from an individually impaired loan exposure. In addition, the valuation parameters applied, which are also subject to significant uncertainties due to the impact of macroeconomic factors, have a significant influence on the recognition and amount of any necessary value adjustments. Against this background, this matter was of particular significance in the context of our audit.

② As part of our audit, we first assessed the adequacy of the IT system for determining the risk provisioning in the customer credit business and the design of the controls in the Group's relevant internal control system and tested the functionality of the controls, in particular with regard to the collection of business data, the risk classification of borrowers, the determination of the risk provisioning, and the validation of the valuation models. In addition, we assessed the valuation of loan receivables, including the appropriate application of valuation methods and adequacy of estimated values, on the basis of risk-based samples of loan exposures. In doing so, we evaluated, among other things, the available documentation of the Group with regard to the economic situation and the recoverability of the corresponding collateral. We also analysed and assessed the executive directors' assessment with regards to the effects of the macroeconomic factors and their consideration in the valuation of the loan receivables. In terms of the valuation of real estate and wind power financings, we verified the application of the valuation models and assessed the appropriateness of the input factors and forward-looking assumptions with the involvement of our experts for the valuation of real estate and for renewable energies.

Furthermore, in order to assess the value adjustments made, we traced and assessed the valuation methods applied by the Group, the underlying input data, macroeconomic assumptions and parameters as well as the results of the validation procedures. In particular, we assessed the expert-based adjustments of the statistically determined shift factors with the involvement of our internal experts from the area of financial mathematics. Moreover, we have evaluated the reasons for the overall classification of credit default risk of individual portfolios as significantly increased. We also questioned the necessity of further adjustments and assessed the calculation of the amounts. On the basis of our audit procedures we performed, we were able to assure the overall reasonableness of the assumptions made by the executive directors in assessing the recoverability of the loan portfolio as well as the appropriateness and effectiveness of the controls implemented by the Group.

③ The Group's disclosures on risk provisions for loans and advances to customers measured at amortised cost are included in the notes to the consolidated financial statements in sections 05 „Financial instruments", 22 „Loss allowances", 42 „Loss allowances", 58 „Loss allowances" and 85 „Nature and extent of risks arising from financial instruments".

❷ Measurement of assets recognised at fair value, for which the fair value is determined using valuation techniques that incorporate at least one significant unobservable market parameter

① In the consolidated financial statements assets amounting to € 34.070 million (5.2 % of total assets) are reported under the balance sheet items „Loans and advances to banks", „Loans and advances to customers", „Financial assets held for trading", „Investments", „Investments held by insurance companies" and "Assets held for sale" for which the fair value is determined using valuation techniques that incldude at least one significant valuation parameter that is not observable on the market (so-called Level 3 assets).

In the valuation of Level 3 assets, there is an increased valuation risk due to the necessity of using model-based calculations and significant valuation parameters that are not observable on the market. The executive directors must make judgments, estimates and assumptions in this context, including with respect to the development of interest rate curves and other macroeconomic conditions (including default probabilities, discount rate for shares in companies, bond spreads, faire value adjustments, volatilities). Minor changes to those assumptions or to the methods used may have a material impact on the valuation of these assets. Due to the material significance of Level 3 assets to the Group's assets, liabilities and financial performance, as well as the scope for judgments on the part of the executive directors and the associated estimation uncertainties, the valuation of the Level 3 assets was of particular significance in the context of our audit.

② As part of our audit, we assessed the models used by the Group for the valuation of Level 3 assets and the assumptions made by the executive directors. In doing so, we used, among other things, our valuation expertise for financial instruments, our industry knowledge and our industry experience. We also assessed the design and effectiveness of the Group's controls over the valuation of Level 3 assets and their recognition in the statement of comprehensive income. Based on this, we performed tests of detail in relation to the valuation of these assets. Our tests of detail included assessing the selected methods, assessing the assumptions made and the mathematical correctness of the procedures applied. In addition, we tested the completeness and accuracy of the underlying portfolio data and the resulting carrying amounts for impairment in a risk-based sample. Based on our audit procedures, we were able to assure that the estimates and assumptions made by the executive directors for the purpose of measuring the Level 3 assets are substantiated and sufficiently documented.

③ With regard to the valuation principles applied, we refer to the Group's disclosures in the notes to the consolidated financial statements in section 74 „Assets and liabilities measured at fair value on the balance sheet".

❸ Measurement of Bauspar-technical provisions (provisions relating to building society operations)

① In the Group's consolidated financial statements Bauspar-specific provisions (provisions relating to building society operations) amounting to € 833 million are reported under the „Provisions" balance sheet item. These include Bauspar-technical provisions that relate to the Group's obligations from interest bonuses (particularly loyalty bonuses) on Bauspar deposits. According to the tariff terms and conditions of the Bausparkasse, interest bonuses are granted to Bauspar customers subject to the occurrence of various conditions, such as the Bauspar customer's choice to exercise their option to receive the interest bonus, compliance with a waiting period, which, if the option is exercised, begins on the valuation date on which the target valuation figure and a certain minimum Bauspar deposit are reached, the attainment of a minimum term of the Bauspar contract, and the waiver of the right to draw down the allocated Bauspar loan. The interest bonuses represent obligations that are uncertain in terms of their amount and maturity. They are measured at the amount that is the best estimate of the expenses required to settle the present obligation at the reporting date. The calculation of the amount of provisions is carried by using the so-called accounting method which is based on a forecast of the loyalty bonus payout and the interest to be credited on deposits from the basic scenario of the Bauspar-technical simulation calculation (collective simulation), as well as a forecast period of 50 years. In the course of selecting the parameters for these simulation calculation, the executive directors also make assumptions regarding the future behaviour of Bauspar customers on the basis of historical data and the forecast capital market rate of interest. The forecast quality of the underlying model for the Bauspar-technical simulation calculation is validated on an annual basis. The calculation of the Bauspar-technical provisions required the use of judgments and assumptions by the executive directors. Minor changes in these assumptions in the model used for the Bauspar-technical simulation calculation can have a significant impact on the measurement of the Bauspar-technical provisions for interest bonuses.

Due to the material significance of these provisions for the assets, liabilities and financial performance of the Group as well as the associated estimation uncertainties and the considerable scope for judgment on the part of the executive directors in measuring the provisions, the measurement of the Bauspar-technical provisions was of particular significance in the context of our audit.

② As part of our audit we assessed, together with our internal specialists for Bauspar-specific mathematics the model used for the Bauspar-technical simulation calculation, the calculation of provisions using the accounting method as well as the estimates and assumptions made by the executive directors. Among other things, we used our industry knowledge and our industry experience as a basis. We also assessed the appropriate processing of the underlying assumptions and parameters within the process for determining and recognizing Bauspar-technical provisions. Therewith, we assessed the calculated result for the amount of the provisions and verified the consistent application of the underlying model.

Based on our audit procedures, we were able to verify that the estimates and the assumptions made by the executive directors for the purpose of measuring the Bauspar-technical provisions are substantiated and sufficiently documented.

③ The Group's disclosures relating to Bauspar-technical provisions are contained in sections 26 „Provisions" and 66 „Provisions" of the notes to the consolidated financial statements.

❹ Measurement of certain underwriting liabilities

① In the consolidated financial statements, liabilities of € 111.340 million (16.9 % of total assets) are reported under the "Liabilities arising from insurance contracts" balance sheet item. Of the liabilities arising from insurance contracts, € 12.856 million is attributable to the "provision for outstanding claims" and € 98.482 million to the " benefit reserve".

The provision for outstanding claims represents the Group's expectation of future payments for known and unknown claims and benefits as well as the associated expenses. Different methods are used by the Group to estimate this obligation. In addition, the measurement of this provision requires a high degree of judgement by the executive directors of the Group with regard to assumptions to be made, such as the effects of changing inflation rates, settlement patterns and regulatory changes. The executive directors also have significant discretionary scope when determining the discount rate for calculating the provision. In particular, product lines with a low claims frequency, high individual claims or long claims settlement periods are usually subject to increased estimation uncertainties.

The benefit reserve represents the present value of the future cash flows estimated by the Group. The valuation is carried out using complex actuarial methods on the basis of comprehensive processes to determine assumptions about future developments in the insurance portfolios to be valued. When measuring liabilities, the present values of the estimated future cash flows in particular are affected by possible material uncertainties. This uncertainty stems from the risk of chance, change and error associated with the estimation of the present value of the cash flows and the methods and financial and non-financial assumptions used for this purpose. In particular, assumptions in connection with the development of life expectancy or the state of health of the insured persons, existing options and rights on the part of the policyholder or the insurance company to adjust the duration or amount of the insurance cover, the expected future administrative expenses incurred in connection with the fulfilment of the insurance benefit and expectations regarding the development of interest rates and financial indices have a significant impact on the valuation.

The general measurement model (GMM), the variable fee approach (VFA) and the premium allocation approach (PAA) are used to measure underwriting liabilities.

Considering this and given the complexity on determining the underlying assumptions and estimates made by the executive directors, the measurement of these certain underwriting liabilities was of particular significance in the context of our audit.

② As part of our audit, we assessed the appropriateness of selected controls of the Group for selecting the valuation methods applied and for determining assumptions and making estimates for the valuation of certain technical liabilities.

With the involvement of our internal valuation specialists, we compared the valuation methods and significant assumptions used in each case with generally accepted valuation methods and industry standards and examined the extent to which these are suitable for the valuation of the technical liabilities.

Our audit also included an assessment of the appropriateness and integrity of the data and assumptions used in the valuation, including the executive directors' assessment of the impacts of changing inflation rates, as well as an examination of the development of the claims settlement. In addition, we recalculated the amount of the provisions for selected product lines, in particular product lines with large provision amounts in terms of volume or with increased estimation uncertainties. For these product lines, we compared the amounts calculated by us with the values determined by the Group for the provisions and assessed any differences. We also examined whether any adjustments to estimates in the loss reserves were appropriately documented and justified. We also focused on assessing the mapping of the cash flows used by the IT systems employed and the appropriate derivation and use of assumptions for the measurement of certain underwriting liabilities.

On the basis of the audit procedures we performed, we were able to verify that the methods, estimates and assumptions used by the executive directors to measure certain underwriting liabilities are appropriate overall.

③ The Group's disclosures on the measurement of certain liabilities arising from insurance contracts are contained in sections 11 "Insurance business", 67 "Liabilities arising from insurance contracts" and section 90 "Changes in the carrying amounts of liabilities arising from insurance contracts" in the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information.

The other information comprises

– the non-financial group statement to comply with §§ 315b to 315c HGB as an unaudited part of the group management report.
– The other information comprises further all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor’s report

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

– is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
– otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group’s position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group’s financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group’s position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor’s report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
– Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control and these arrangements and measures (systems) respectively.
– Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor’s report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit.We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group’s position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file dzbankkonzern-2024-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor’s Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

– Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
– Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
– Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
– Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
– Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 16 May 2024. We were engaged by the supervisory board on 30 October 2024. We have been the group auditor of the DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, without interruption since the financial year 2021.

We declare that the audit opinions expressed in this auditor’s report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to an other matter – Use of the auditor´s report

Our auditor’s report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the “Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB” and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German public auditor responsible for the engagament

The German Public Auditor responsible for the engagement is Kerstin Voeller.

Frankfurt am Main, 7 March 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Ralf Schmitz Wirtschaftsprüfer (German Public Auditor)	sgd. Kerstin Voeller Wirtschaftsprüfer (German Public Auditor)

Assurance Report of the Independent German Public Auditor to the Group Sustainability Report

To DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main

Assurance Report of the Independent German Public Auditor on a Limited Assurance Engagement in Relation to the Group Sustainability Report

Assurance Conclusion

We have conducted a limited assurance engagement on the group sustainability report of DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, (hereinafter the "company") included in section "sustainability report" of the group management report for the financial year from 1 January to 31 December 2024 (hereinafter the "group sustainability report"). The group sustainability report has been prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as §§ [Articles] 315b to 315c HGB [Handelsgesetzbuch: German Commercial Code] to prepare a group non-financial statement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying group sustainability report is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, § 315c in conjunction with §§ 289c to 289e HGB to prepare a group non-financial statement as well as with the supplementary criteria presented by the executive directors of the company. This assurance conclusion includes that no matters have come to our attention that cause us to believe:

– that the accompanying group sustainability report does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the company to identify the information to be included in the group sustainability report (hereinafter the "materiality assessment") is not, in all material respects, in accordance with the description set out in section "Approach for materiality assessment (IRO-1)" of the group sustainability report, or
– that the disclosures set out in section "Mandatory disclosures for the DZ BANK banking group under the EU Taxonomy" of the group sustainability report do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

Basis for the Assurance Conclusion

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the "German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Report" section.

We are independent of the company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has complied with the quality management system requirements of the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibility of the Executive Directors and the Supervisory Board for the Group Sustainability Report

The executive directors are responsible for the preparation of the group sustainability report in accordance with the requirements of the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the company. They are also responsible for the design, implementation and maintenance of such internal controls that they have considered necessary to enable the preparation of a group sustainability report in accordance with these regulations that is free from material misstatement, whether due to fraud (i.e., manipulation of the group sustainability report) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the group sustainability report, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the group sustainability report.

Inherent Limitations in the Preparation of the Group Sustainability Report

The CSRD and the relevant German statutory and other European regulations contain wording and terms that are still subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the group sustainability report.

German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Report

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the group sustainability report has not been prepared, in all material respects, in accordance with the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the company, and to issue an assurance report that includes our assurance conclusion on the group sustainability report.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process to prepare the group sustainability report, including the materiality assessment process carried out by the company to identify the information to be included in the group sustainability report.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls. In addition, the risk of not detecting a material misstatement within value chain information from sources not under the control of the company (value chain information) is generally higher than the risk of not detecting a material misstatement of value chain information from sources under the control of the company, as both the executive directors of the company and we, as assurance practitioners, are ordinarily subject to limitations on direct access to the sources of value chain information.

consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor
A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In conducting our limited assurance engagement, we have, amongst other things:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the group sustainability report.
- inquired of the executive directors and relevant employees involved in the preparation of the group sustainability report about the preparation process, including the materiality assessment process carried out by the company to identify the information to be included in the group sustainability report, and about the internal controls relating to this process.
- evaluated the reporting policies used by the executive directors to prepare the group sustainability report.
- evaluated the reasonableness of the estimates and the related disclosures provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors have been unable to obtain.
- performed analytical procedures and made inquiries in relation to selected information in the group sustainability report.
- performed site visits.
- considered the presentation of the information in the group sustainability report.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the group sustainability report.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the company's purposes and that the report is intended solely to inform the company about the result of the assurance engagement. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is solely towards the company. We do not accept any responsibility, duty of care or liability towards third parties.

Frankfurt am Main, 7 March 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Ralf Schmitz

Wirtschaftsprüfer
[German public auditor]

sgd. ppa. Nicolle Pietsch

Wirtschaftsprüfer
[German public auditor]

Report of the Supervisory Board

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

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 ON€ 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

Editorial information

DZ BANK AG
Deutsche Zentral-Genossenschaftsbank,
Frankfurt am Main
Platz der Republik
60325 Frankfurt am Main
Germany

Postal address:
60265 Frankfurt am Main
Germany

Telephone +49 (0)69 7447 01
Fax +49 (0)69 7447 1685
mail@dzbank.de
www.dzbank.com

This annual report is available in
electronic form on our website at
www.annualreport.dzbank.com.

DZ BANK AG
Deutsche Zentral-Genossenschaftsbank,
Frankfurt am Main
Platz der Republik
60325 Frankfurt am Main
Germany

www.dzbank.com