



Dr. Cornelius Riese, Chief Executive Officer

Dear Shareholders,

In the first half of 2025, the DZ BANK Group generated a very encouraging profit before taxes of €2.13 billion, representing a clear increase on the figure for the prior-year period (first half of 2024: €1.71 billion). This result underscores the strength and resilience of our banking group, particularly in light of the continuing challenging environment.

There were conflicting signals coming from the German economy in the first half of 2025. Despite an initial bout of optimism and modest growth at the start of the year, the economic situation remained difficult. Economic concerns – dominated by the US administration's tariff policy – stifled consumer spending and companies' propensity to invest. On the flip side, the stock markets were robust, with leading indices reaching new highs.

This situation was reflected in the DZ BANK Group's business performance. DZ BANK – central institution and corporate bank registered a healthy level of customer business in all three business lines. There was an increase in demand for project finance as well as for export and trade finance. Despite a general reluctance in the corporate sector to invest, the lending volume in Corporate Banking grew slightly in the first six months of the year. Demand for currency hedging was strong owing to a slide in the US dollar. Sales of money market products remained at a good level in all customer segments. In the Capital Markets business line, issuance activity was brisk, with the bank again facilitating placements by relevant supranational institutions. Within the Transaction Banking business line, both payments processing and custody business performed well. Besides the good customer business the central institution and corporate bank benefited from positive effects arising on the valuation of the bank's own issues. All in all, the bank significantly increased its profit before taxes for the first half of the year compared with the prior-year period.

With support from the upbeat stock markets, Union Investment continued to see volume growth. For R+V Versicherung, growing premium income and a moderate claims rate trend were among the contributors to a very good profit before taxes. DZ HYP's operating performance was steady, with a rising level of new business. At Bausparkasse Schwäbisch Hall, the profit trend is pointing upward once more. Consumer home finance saw modest growth amid falling interest rates. DZ PRIVATBANK continued on its positive business trajectory, ratcheting up growth in its private banking segment in particular.

Loss allowances remained at an unremarkable level across the group. The weakness of the economy was evident only in economically sensitive areas of consumer finance and among small businesses and self-employed customers. This was reflected in the loss allowances and financial performance of TeamBank and VR Smart Finanz in the first half of the year.

The key results in detail:

The DZ BANK Group's **net interest income** declined to €1.91 billion (first half of 2024: €2.36 billion). The figure for the prior-year period had been affected to a greater degree by valuation effects and accounting-related effects, from which there had been a positive impact on net interest income but a countervailing negative impact on gains and losses on trading activities. Customer business performed well, especially at the central institution and corporate bank. **Net fee and commission income** rose to €1.66 billion (first half of 2024: €1.57 billion). The main factors in this increase were robust fund inflows at Union Investment and higher fee and commission income in Transaction Banking at the central institution and corporate bank. **Gains and losses on trading activities** picked up significantly compared with the first six months of 2024 to stand at a net gain of €191 million (first half of 2024: net loss of €473 million). Capital markets operating business was on a par with the good level of the prior-year period. Gains and losses on trading activities in the first half of 2024 had been affected to a greater degree by valuation effects and accounting-related effects, although these had resulted in a countervailing positive impact on net interest income. **Gains and losses on investments** amounted a net loss of €38 million (first half of 2024: net gain of €12 million). **Other gains and losses on valuation of financial instruments** deteriorated to a net gain of €21 million due to negative valuation effects (first half of 2024: net gain of €112 million). Compared with the prior-year period, there was a clear increase in **net income from insurance business**, which came to €766 million (first half of 2024: €510 million). The healthy premiums trend played a key part in this rise. The level of claims has also been unremarkable in the year to date. **Loss allowances** amounted to €241 million (first half of 2024: 206 million), predominantly due to additions that were required at TeamBank. **Administrative expenses** came to €2.32 billion, which was in line with the figure for the first half of 2024 of €2.28 billion.

With a common equity Tier 1 capital ratio of 17.9 percent (December 31, 2024: 15.8 percent), the DZ BANK Group has a very good level of capitalization, as was confirmed by this year's stress test conducted by the European Banking Authority (EBA).

On behalf of the Board of Managing Directors, I would like to thank all the employees of the DZ BANK Group for their hard work, which played a key role in this excellent profit before taxes for the first half of 2025.

Despite the tariff agreement between the US and Europe, economic uncertainty remains high. The tariffs being imposed will likely weigh heavily on the German economy. For 2025, our economists predict that GDP will grow by just 0.1 percent. In view of the positive course of business so far, and with stock markets remaining robust, we anticipate that our profit before taxes for 2025 will be above €3.0 billion.

We are undeniably in the midst of a period of seismic change. The world order that has been established over decades under the leadership of the United States of America, and which has been a key factor in shaping global trade and international cooperation, is giving way to a new normal. This poses considerable challenges for our export-led economy in Germany. At the same time, it also creates opportunities for innovation and for Germany and Europe to take on a new leadership role. The planned investment in infrastructure and defense,

coupled with the determination and adaptability of domestic companies, fuel hope that these efforts will bear fruit in the long term.

As a partner to small and medium-sized enterprises, we are helping German industry to play its part in shaping the transition. To this end, we are continually investing in our infrastructure, in innovative solutions, and in expanding our market approach. This allows us to best meet the needs of our customers while simultaneously contributing to the success of the cooperative organization. One example of this is the strategic enhancement of our international business. This involves us strengthening the interconnectedness of all of DZ BANK's business lines, even across borders, and expanding our product expertise and presence in relevant markets, such as in Asia. We are already reaping the rewards in the Capital Markets business line, where we have been able to significantly increase our volume of business with institutional customers.

Another strategic thrust is payments processing, which is an anchor product for corporate customers and retail customers. We are one of the most important players in European payments processing, and our ambition is to help shape the future of the market. The pivot in US geopolitics underscores the relevance of the Wero payment system for strengthening European sovereignty.

Another particular focus is on enhancing our digital portfolio in order to attract and retain customers. Given the increasing dominance of Big Tech in terms of data, we are stepping up our strategic endeavors by making acquisitions and deepening our partnerships in platform business. As part of this approach, Bausparkasse Schwäbisch Hall is expanding the homes and housebuilding ecosystem. Through amberra, the cooperative corporate venturing studio, we and the primary institutions are investing in ubiMaster, an education start-up that is building a bridge to younger customers. DZ BANK's involvement in the MeinPlus customer retention program is aimed at boosting customer loyalty by offering added value at local level. The acquisition of the Compeon financing portal by FinCompare represents an important addition to our financing solutions for small and medium-sized enterprises that are rooted in their region. In securities trading, we are also expanding our digital offering for retail customers. Following a successful pilot phase, in the second half of the year we plan to enable all interested cooperative banks to integrate a crypto wallet into the VR Banking App.

Despite all the current headwinds, the DZ BANK Group is ideally positioned. It is highly profitable with a good level of capitalization and has extensive expertise at home and abroad, high-quality products, and vast know-how derived from Germany's second-largest banking network. This gives us the confidence to continue the growth trajectory of our organization.

Kind regards,



Dr. Cornelius Riese
Chief Executive Officer

