II Business report

1 Economic conditions

Germany's economic situation remains challenging. In terms of economic output, the German economy fared somewhat better overall in the first half of 2026 than it had in the first half of 2025. Inflation-adjusted, seasonally adjusted, and calendar-adjusted gross domestic product (GDP) was 0.8 percent higher in the first half of 2026 than in the first half of 2025. Based on data published by the German Federal Statistical Office, consumer prices in Germany climbed by 2.4 percent in the first six months of 2026 compared with the same period of 2025, which had itself seen a 2.3 percent increase compared with the first half of 2024.

Following growth of 0.2 percent in 2025 as a whole, Germany's GDP went up by 0.4 percent in the first quarter of 2026 compared with the fourth quarter of 2025. It rose by 0.2 percent in the second quarter of 2026 compared with the previous quarter.

The eurozone economy delivered a weak performance overall in the first six months of 2026. In the first quarter of 2026, GDP in the eurozone was unchanged compared with the previous quarter and was thus outperformed by Germany's GDP. In the second quarter of 2026, economic output increased by 0.4 percent compared with the previous quarter and thereby outstripped Germany's growth rate.

On an annualized basis, US economic output swelled by 2.1 percent in the first quarter of 2026 compared with the previous quarter. In the second quarter of 2026, GDP advanced by 1.5 percent.

According to official figures, China's economic output went up by 5.0 percent in the first quarter of 2026 and by 4.3 percent in the second quarter, in each case in comparison with the same quarter of the previous year.

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

Geopolitical risks continued to fuel uncertainty in the capital markets in the first half of 2026. Nonetheless, the stock markets followed a positive trajectory over the reporting period.

The STOXX Europe 600, a share index comprising 600 large listed European companies, stood at 641.73 points as at June 30, 2026, which was 49.54 points higher than at the end of the previous year (December 31, 2025: 592.19 points). The index had added 33.75 points in the first half of 2025. The EURO STOXX 50, a share index comprising 50 large, listed companies in the eurozone, saw a rise of 537 points from the start of 2026, closing the reporting period on 6,328 points (December 31, 2025: 5,791 points). The index had improved by 407 points in the first half of 2025. The US dollar/euro exchange rate went from 0.8515 as at December 31, 2025 to 0.8747 as at June 30, 2026. In the prior-year period, the exchange rate had moved from 0.9657 as at December 31, 2024 to 0.8519 as at June 30, 2025.

The German real estate investment market was more buoyant in the first six months of 2026 than it had been in the corresponding months of 2025. The volume of commercial real estate transactions (including investment in housing) totaled €17.6 billion in the first half of 2026 and was therefore higher than in the prior-year period (first half of 2025: €15.3 billion).

Several EU countries continued to exceed the ratios for new and overall indebtedness required for compliance with the stability criteria specified in the Fiscal Compact agreed by the EU member states at the beginning of 2012. In the Fiscal Compact, the signatory countries committed to reducing their debt (as a proportion of GDP) each year by one twentieth of the difference between the debt level and the Maastricht limit of 60 percent of GDP.

At the end of the first quarter of 2026, the total borrowing of the 21 eurozone countries equated to 88.9 percent of their GDP.

The following key interest rates were relevant in the period under review. The monetary policy decision of the European Central Bank (ECB) on June 5, 2025 saw each of its three key rates reduced by 25 basis points. The deposit facility interest rate was thus set at 2.00 percent, the main refinancing operations rate at 2.15 percent, and the marginal lending facility rate at 2.40 percent. At its meeting on June 11, 2026, the ECB Governing Council decided to raise each of these rates by 25 basis points. This took the deposit facility interest rate to 2.25 percent, the main refinancing operations rate to 2.40 percent, and the marginal lending facility rate to 2.65 percent.

The range of the federal funds rate of the US Federal Reserve (Fed) was lowered by 0.25 percentage points on December 10, 2025. The resulting range of 3.50 to 3.75 percent did not change between that date and June 30, 2026.

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 €2,520 million in the first half of 2026 (first half of 2025: €2,127 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	Jan. 1– Jun. 30, 2026	Jan. 1– Jun. 30, 2025
Net interest income	1,803	1,913
Net fee and commission income	2,022	1,662
Gains and losses on trading activities	351	191
Gains and losses on investments	-1	-38
Other gains and losses on valuation of financial instruments	-31	21
Gains and losses from the derecognition of financial assets measured at amortized cost	3	8
Net income from insurance business	1,099	766
Loss allowances	-312	-241
Administrative expenses	-2,507	-2,321
Staff expenses	-1,207	-1,145
Other administrative expenses[1]	-1,299	-1,176
Other net operating income	93	165
Profit before taxes	2,520	2,127
Income taxes	-767	-633
Net profit	**1,753**	**1,494**

1 General and administrative expenses plus depreciation/amortization expense.

Operating income in the DZ BANK Group amounted to €5,339 million (first half of 2025: €4,688 million). This figure comprises net interest income, net fee and commission income, gains and losses on trading activities, gains and losses on investments, other gains and losses on valuation of financial instruments, gains and losses from the derecognition of financial assets measured at amortized cost, net income from insurance business, and other net operating income.

Net interest income decreased by €110 million to €1,803 million (first half of 2025: €1,913 million).

Within this figure, interest income from lending and money market business fell to €5,703 million (first half of 2025: €6,248 million), interest income from bonds and other fixed-income securities to €729 million (first half of 2025: €764 million), and interest income from portfolio hedges of interest-rate risk (portfolios comprising financial assets) to €118 million (first half of 2025: €286 million).

Interest expense on deposits from banks and customers amounted to €3,265 million (first half of 2025: €3,805 million), interest expense on debt certificates issued including bonds came to €1,418 million (first half of 2025: €1,500 million), and interest expense on portfolio hedges of interest-rate risk (portfolios comprising financial liabilities) totaled €39 million (first half of 2025: €65 million).

Since the beginning of 2026, portfolios of credit-linked notes and derivatives have no longer been held for trading. Starting in the reporting period, the interest income and expense arising in connection with this business are now reported under net interest income and no longer under gains and losses on trading activities. The relevant amounts are interest income of €9 million from lending and money market business, interest expense of €44 million on deposits from banks and customers, and interest expense of €83 million on debt certificates issued including bonds.

Net fee and commission income grew by €360 million to €2,022 million (first half of 2025: €1,662 million). Net fee and commission income from securities business climbed to €1,658 million (first half of 2025: €1,322 million). This was mainly due to increases at UMH in the volume-related income contribution to €1,189 million (first half of 2025: €1,079 million) and in performance-related management fees to €238 million (first half of 2025: €13 million). Furthermore, net fee and commission income from asset management rose to €95 million (first half of 2025: €76 million) and that from lending and trust activities to €81 million (first half of 2025: €68 million).

The net gain under **gains and losses on trading activities** improved to €351 million (first half of 2025: €191 million).

Gains and losses on non-derivative financial instruments and embedded derivatives improved to a net gain of €189 million (first half of 2025: net loss of €234 million), while the net gain under gains and losses on exchange differences rose to €45 million (first half of 2025: €31 million). By contrast, the net gain under gains and losses on derivatives declined to €116 million (first half of 2025: €394 million).

Since the beginning of 2026, portfolios of credit-linked notes and derivatives have no longer been held for trading. Starting in the reporting period, the interest income and expense and the fair value gains and losses arising in connection with this business are now reported under net interest income and under other gains and losses on valuation of financial instruments and no longer under gains and losses on trading activities. This results in an increase of €110 million in gains and losses on trading activities compared with the figure that would have previously been disclosed. The changes predominantly affect gains and losses on non-derivative financial instruments and embedded derivatives, with a net loss of €85 million under net interest income and a net loss of €13 million under other gains and losses on valuation of financial instruments.

Gains and losses on investments stood at a net loss of €1 million (first half of 2025: net loss of €38 million). Within this figure, gains and losses on the disposal of bonds and other fixed-income securities improved to a net loss of €4 million (first half of 2025: net loss of €24 million).

Other gains and losses on valuation of financial instruments amounted to a net loss of €31 million (first half of 2025: net gain of €21 million). This deterioration was largely due to valuation effects in connection with changes in spreads.

Gains and losses on financial instruments designated as at fair value through profit or loss deteriorated to a net loss of €164 million (first half of 2025: net gain of €41 million), while gains and losses from fair value hedge accounting deteriorated to a net gain of €5 million (first half of 2025: net gain of €34 million). By contrast, gains and losses on derivatives used for purposes other than trading improved to a net gain of €90 million (first half of 2025: net loss of €58 million) and the net gain under gains and losses on financial instruments mandatorily measured at fair value through profit or loss increased to €37 million (first half of 2025: €5 million).

Since the beginning of 2026, portfolios of credit-linked notes and derivatives have no longer been held for trading. Starting in the reporting period, fair value gains of €8 million arising in connection with this business are now reported under other gains and losses on valuation of financial instruments and no longer under gains and losses on trading activities. This change affected gains and losses on derivatives used for purposes other than trading, with a net gain of €21 million, and gains and losses on financial instruments mandatorily measured at fair value through profit or loss, with a net loss of €13 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.

Net income from insurance business increased by €333 million to €1,099 million (first half of 2025: €766 million). The insurance service result amounted to a profit of €1,329 million (first half of 2025: profit of €1,078 million). This increase was driven by the favorable level of claims in non-life insurance and inward reinsurance business. Gains and losses on investments held by insurance companies and other insurance company gains and losses improved to a net gain of €3,698 million (first half of 2025: net loss of €226 million). This was driven by movements in the markets. Insurance finance income or expenses came to a net expense of €3,928 million (first half of 2025: net expense of €88 million), largely in relation to policyholders' share of investment returns.

Loss allowances amounted to a net addition of €312 million (first half of 2025: net addition of €241 million). The net addition to loss allowances for loans and advances to customers was €353 million (first half of 2025: net addition of €244 million). By contrast, there was a net reversal from other loss allowances for loans and advances of €44 million (first half of 2025: net reversal of €1 million).

Administrative expenses increased by €186 million to €2,507 million (first half of 2025: €2,321 million). Staff expenses advanced to €1,207 million (first half of 2025: €1,145 million), mainly due to salary increases and appointments to vacant positions. Other administrative expenses rose to €1,299 million (first half of 2025: €1,176 million), primarily as a result of higher expenses for IT and consultancy and higher contributions to the BVR deposit guarantee fund.

Other net operating income amounted to €93 million (first half of 2025: €165 million). Within this figure, income from the reversal of provisions and accruals declined to €54 million (first half of 2025: €100 million) and gains and losses on non-current assets and disposal groups classified as held for sale deteriorated to a net gain of €36 million (first half of 2025: net gain of €42 million).

Profit before taxes improved to €2,520 million because of the changes described above (first half of 2025: €2,127 million).

The **cost/income ratio** (i.e. the ratio of administrative expenses to operating income) came to 47.0 percent (first half of 2025: 49.5 percent).

The **regulatory return on risk-adjusted capital (RORAC)** was 24.8 percent (first half of 2025: 20.7 percent).

Income taxes amounted to €767 million (first half of 2025: €633 million).

The DZ BANK Group increased its **net profit** to €1,753 million in the first half of 2026, compared with a net profit of €1,494 million in the first half of 2025.

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 the first half of 2026 compared with the corresponding period of 2025.

3.2.1 BSH

Net interest income in the BSH subgroup increased by €71 million to €380 million (first half of 2025: €309 million).

Interest expense in building society operations (including interest expense on hedges for liabilities-side business) went down by €29 million to €255 million (first half of 2025: €284 million). Within this figure, interest expense for home savings deposits amounted to €245 million (first half of 2025: €270 million). The amount for the reporting period included additions to provisions relating to building society operations of €96 million (first half of 2025: €104 million) and a sum of €148 million (first half of 2025: €166 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 €13 million (first half of 2025: €15 million).

In the case of loans issued under advance or interim financing arrangements and other building loans, income amounted to €560 million (first half of 2025: €537 million). Income from home savings loans came to €102 million (first half of 2025: €82 million).

Interest income arising on investments totaled €140 million (first half of 2025: €153 million). Interest expense for borrowing decreased to €103 million (first half of 2025: €104 million).

BSH incorporates the fees, commissions, and transaction costs directly assignable to the acquisition of home savings contracts and loan agreements into the effective interest method applied to home savings deposits and building loans. In the reporting period, this decreased net interest income by €65 million (first half of 2025: €78 million). Of this sum, €9 million was attributable to home savings deposits (first half of 2025: €25 million) and €56 million to building loans (first half of 2025: €53 million).

Net fee and commission income amounted to €2 million (first half of 2025: €9 million).

In the home savings business, BSH entered into approximately 169 thousand (first half of 2025: 164 thousand) new home savings contracts with a volume of €9.4 billion (first half of 2025: €8.8 billion) in Germany.

In the home finance business, the realized volume of new business came to €5.9 billion (first half of 2025: €5.0 billion) in Germany.

Gains and losses on investments amounted to a net loss of €10 million (first half of 2025: net loss of €12 million) due to losses on disposals of bonds.

Loss allowances amounted to a net addition totaling €16 million (first half of 2025: net addition of €17 million).

Administrative expenses rose by €17 million to €270 million (first half of 2025: €253 million). Staff expenses swelled to €147 million (first half of 2025: €140 million), predominantly as a result of collectively negotiated salary increases. Other administrative expenses went up by €10 million to €123 million (first half of 2025: €113 million), primarily owing to higher expenses for the BVR deposit guarantee fund and for IT.

Other net operating income fell to €24 million (first half of 2025: €54 million). The change compared with the first half of 2025 was mainly attributable to the reversal of provisions outside the lending business during the prior-year period.

As a result of the changes described above, **profit before taxes** increased by €24 million to €110 million (first half of 2025: €86 million).

The **cost/income ratio** came to 68.2 percent in the period under review (first half of 2025: 70.9 percent).

Regulatory RORAC was 19.2 percent (first half of 2025: 14.5 percent).

3.2.2 R+V

The **insurance service result** amounted to a profit of €1,334 million (first half of 2025: profit of €1,072 million). This figure included insurance revenue of €6,686 million (first half of 2025: €6,274 million) and insurance service expenses of €5,146 million (first half of 2025: €5,068 million). Net expenses from reinsurance contracts held stood at €206 million (first half of 2025: €134 million).

In the life and health insurance business, insurance revenue amounted to €1,528 million (first half of 2025: €1,263 million). Insurance service expenses totaled €1,032 million (first half of 2025: €940 million). Net income from reinsurance contracts held in this business stood at €6 million (first half of 2025: net expenses of €1 million). This included the release of the contractual service margin in an amount of €178 million (first half of 2025: €159 million) and the release of the risk adjustment in an amount of €47 million (first half of 2025: €33 million).

In the non-life insurance business, insurance revenue amounted to €4,218 million (first half of 2025: €4,006 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 €3,571 million (first half of 2025: €3,537 million). Of this sum, €2,667 million (first half of 2025: €2,741 million) was attributable to expenses for claims, comprising payments for claims of €2,695 million (first half of 2025: €2,620 million) and the change in the liability for incurred claims amounting to an increase of €28 million (first half of 2025: decrease of €122 million). It also included the change in losses on insurance contracts, which amounted to an increase of €46 million (first half of 2025: increase of €130 million). Other insurance service expenses included insurance acquisition cash flows and administration costs and totaled €950 million (first half of 2025: €926 million). Net expenses from reinsurance contracts held in this business came to €124 million (first half of 2025: €111 million). The combined ratio (net), which is the ratio of the sum of insurance service expenses and net income/expenses from reinsurance contracts held to insurance revenue, stood at 87.59 percent (first half of 2025: 91.07 percent). Major incurred claims from natural disasters came to a total of €0 million in the reporting period (first half of 2025: €0 million).

Insurance revenue in the inward reinsurance business amounted to €940 million (first half of 2025: €1,005 million). This included not only premium income but also the release of the contractual service margin in an amount of €117 million (first half of 2025: €120 million) under the general measurement model. Insurance service expenses came to €543 million (first half of 2025: €591 million). Net expenses from reinsurance contracts held in this business came to €88 million (first half of 2025: €22 million). Major incurred claims, which predominantly related to natural disasters, totaled €195 million in the reporting period and were therefore lower than in the prior-year period (first half of 2025: €260 million).

Gains and losses on investments held by insurance companies and other insurance company gains and losses improved by €3,903 million to a net gain of €3,753 million (first half of 2025: net loss of €150 million).

The long-term interest rates that are relevant to R+V were at a higher level than in the prior-year period. The ten-year Bund/swap rate was 2.93 percent as at June 30, 2026 (December 31, 2025: 2.93 percent). In the comparative period, this rate had risen from 2.36 percent as at December 31, 2024 to 2.59 percent as at June 30, 2025. A weighted credit spread calculated in accordance with R+V’s portfolio structure stood at 41.5 points as at June 30, 2026 (December 31, 2025: 44.0 points). In the comparative period, this spread had fallen from 65.2 points as at December 31, 2024 to 55.5 points as at June 30, 2025.

During the first half of 2026, 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 537 points from the start of 2026, closing the reporting period on 6,328 points (December 31, 2025: 5,791 points). The index had added 407 points in the prior-year period.

Movements in exchange rates between the euro and various currencies were generally more favorable in the first half of 2026 than in the prior-year period. For example, the US dollar/euro exchange rate rose from 0.8515 as at December 31, 2025 to 0.8747 as at June 30, 2026. In the first half of 2025, the exchange rate had fallen from 0.9657 as at December 31, 2024 to 0.8519 as at June 30, 2025.

These trends resulted in a €2,580 million positive change – due to the effects of changes in positive fair values – in unrealized gains and losses to a net gain of €2,304 million (first half of 2025: net loss of €276 million), a €1,405 million improvement in foreign-exchange gains and losses to a net gain of €281 million (first half of 2025: net loss of €1,124 million), a €99 million improvement in the contribution to earnings from the derecognition of investments to €37 million (first half of 2025: net loss of €62 million), an improvement of €43 million in net income under current income and expense to €1,497 million (first half of 2025: net income of €1,454 million), and a €4 million improvement in the balance of depreciation, amortization, impairment losses, and reversals of impairment losses to a net expense of €52 million (first half of 2025: net expense of €56 million). However, other non-insurance gains and losses deteriorated by €227 million to a net loss of €314 million (first half of 2025: net loss of €87 million).

Changes in gains and losses on investments held by insurance companies are offset to an extent by corresponding changes in insurance finance income or expenses, so the overall effect on profit or loss is only partial.

Insurance finance income or expenses deteriorated by €3,840 million to a net expense of €3,928 million (first half of 2025: net expense of €88 million). In the life and health insurance business, this line item deteriorated to a net expense of €3,736 million (first half of 2025: net income of €95 million), which was mainly due to the aforementioned compensatory effect. Insurance finance income or expenses came to a net expense of €119 million in the non-life insurance business (first half of 2025: net expense of €103 million) and a net expense of €73 million in inward reinsurance (first half of 2025: net expense of €79 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 €94 million in non-life insurance (first half of 2025: net expense of €101 million) and a net expense of €73 million in inward reinsurance (first half of 2025: net expense of €79 million).

The factors described above resulted in an increase in **profit before taxes** to €1,177 million (first half of 2025: €875 million).

Regulatory RORAC was 23.3 percent (first half of 2025: 17.0 percent).

3.2.3 TeamBank

Net interest income amounted to €267 million (first half of 2025: €266 million). Average loans and advances to customers in the reporting period came to €9,487 million (first half of 2025: €9,801 million).

As at June 30, 2026, loans and advances to customers stood at €9,421 million (December 31, 2025: €9,553 million). The number of customers rose to 1,071 thousand (December 31, 2025: 1,067 thousand). As at June 30, 2026, TeamBank was working with 596 (December 31, 2025: 599) of Germany's 633 (December 31, 2025: 636) cooperative banks and with 174 (December 31, 2025: 173) partner banks in Austria.

Net fee and commission income came to a net expense of €20 million (first half of 2025: net expense of €15 million) and was dominated by expenses for bonuses paid to partner banks.

The net addition to **loss allowances** amounted to €117 million (first half of 2025: net addition of €118 million).

Administrative expenses stood at €140 million (first half of 2025: €141 million). Within this figure, staff expenses came to €52 million (first half of 2025: €54 million). Other administrative expenses totaled €88 million (first half of 2025: €87 million).

Other net operating income increased to €11 million (first half of 2025: €3 million), largely as a result of income from the reversal of provisions.

Amid challenging market conditions and a difficult risk situation, TeamBank achieved a **profit before taxes** of €1 million. This represented an improvement of €6 million compared with the loss before taxes of €5 million reported for the first half of 2025.

TeamBank's **cost/income ratio** came to 54.3 percent (first half of 2025: 55.5 percent).

Regulatory RORAC was 0.4 percent (first half of 2025: minus 1.9 percent).

3.2.4 UMH

Net fee and commission income improved by €339 million to €1,487 million (first half of 2025: €1,148 million). Within this figure, the volume-related income contribution advanced to €1,189 million (first half of 2025: €1,079 million), performance-related management fees increased to €238 million (first half of 2025: €13 million), and income from transaction fees for properties in Union Investment's real estate funds rose to €17 million (first half of 2025: €13 million). Expenses for the performance bonus for sales partners came to €37 million (first half of 2025: €45 million).

The average assets under management totaled €548.1 billion (first half of 2025: €506.6 billion).

The substantial increase in performance-related management fees was largely the result of a higher number of funds satisfying the prerequisites for such fees in the period under review.

Union Investment generated net inflows from its retail business of €6.6 billion (first half of 2025: €6.6 billion) in collaboration with the local cooperative banks.

In its institutional business, Union Investment recorded net inflows of €3.4 billion (first half of 2025: €3.8 billion).

The net gain under **other gains and losses on valuation of financial instruments** rose to €67 million (first half of 2025: €32 million), which was largely attributable to the net gain of €64 million arising on the valuation of Union Investment's own-account investments (first half of 2025: net gain of €34 million), with a net gain of €3 million on guarantee commitments (first half of 2025: net loss of €3 million).

Administrative expenses increased by €41 million to €677 million (first half of 2025: €636 million). Staff expenses went up by €11 million to €319 million (first half of 2025: €308 million) owing to higher salaries on average and appointments to new and vacant posts. Other administrative expenses climbed by €30 million to €358 million (first half of 2025: €328 million), mainly because of higher expenses for consultancy, public relations, and marketing as well as a rise in other general and administrative expenses.

Other net operating income amounted to a net expense of €9 million (first half of 2025: net income of €21 million). This change was mainly attributable to the recognition of provisions.

As a result of the changes described above, **profit before taxes** increased by €314 million to €889 million (first half of 2025: €575 million).

The **cost/income ratio** came to 43.2 percent in the period under review (first half of 2025: 52.5 percent).

Regulatory RORAC was greater than 100.0 percent (first half of 2025: greater than 100.0 percent).

3.2.5 DZ BANK – CICB

Net interest income is primarily attributable to the lending business portfolios (Corporate Banking business line), the portfolios from the capital markets business (including the portfolios of Group Treasury), and the long-term equity investments allocated to the central institution and corporate bank. Net interest income decreased by €33 million to €693 million (first half of 2025: €726 million).

In the Corporate Banking business line, net interest income rose by €12 million to €319 million (first half of 2025: €307 million). The net interest income in the four regional corporate customer divisions plus Central Corporate Banking was almost unchanged relative to the prior-year period at €178 million (first half of 2025: €179 million). Net interest income in the Structured Finance and Investment Promotion divisions came to €141 million, a rise of €13 million compared with the figure for the first half of 2025 of €128 million. This was due to the growth of the lending volume in the Structured Finance division.

Net interest income from money market and capital markets business decreased by €42 million to €337 million (first half of 2025: €379 million). Within this figure, the fall in interest rates in the money market led to reduced net interest income from the investment of liquidity from the excess of non-interest-bearing liabilities (e.g. equity) over non-interest-bearing assets.

Other net interest income from loan administration fees rose by €2 million to €17 million (first half of 2025: €15 million).

Income from profit-pooling, profit-transfer, and partial profit-transfer agreements, together with income from other shareholdings and current income from investments in subsidiaries, amounted to €20 million (first half of 2025: €25 million).

Net fee and commission income fell by €6 million to €356 million (first half of 2025: €362 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 €19 million higher than in the prior-year period at €135 million (first half of 2025: €116 million). One of the main reasons for this increase was the changed assignment of fees and commissions in the securitization business (previously assigned to the Capital Markets business line). Applying this changed assignment, net fee and commission income in the Corporate Banking business line would have come to €137 million in the first half of 2025. There was also a rise in fees and commissions in connection with loan processing.

In the Capital Markets business line, the contribution to net fee and commission income fell by €28 million to €117 million (first half of 2025: €145 million). This was due to the changed assignment of fees and commissions in the securitization business (now assigned to the Corporate Banking business line) and lower fund sales commission.

Net fee and commission income in the Transaction Banking business line amounted to €125 million, which was up by €4 million compared with the figure of €121 million in the first half of 2025. This was mainly due to increased income from payments processing and depository business as well as lower expenses paid under the service procurement agreement with equensWorldline SE as a result of bringing payments processing activities inhouse again at DZ BANK, a process that commenced in 2024. These changes were partly offset by higher expenses for services from dwpbank.

Gains and losses on trading activities amounted to a net gain of €284 million (first half of 2025: net gain of €228 million). This figure comprised the gains and losses on operating trading activities as well as effects resulting from the IFRS rules on measuring financial instruments (IFRS-related effects).

The gains and losses on operating trading activities chiefly reflect the business activity of the Capital Markets Trading division and, in particular, transactions where there is an intent to trade. It should be borne in mind that IFRS rules can result in an accounting mismatch, with certain contributions to earnings in the Capital Markets Trading division being recognized in different income items (e.g. net interest income) instead of under gains and losses on operating trading activities. The IFRS rules can also impact on the timing of the recognition of income from the operating business in the income statement. This means that, in certain cases, effects cannot be recognized in gains and losses on operating trading activities in the same period and, instead, can only be recognized over the whole term of the affected transactions.

Gains and losses on operating trading activities in the Capital Markets Trading division came to a net gain of €306 million, compared with a net gain of €275 million in the first half of 2025. This rise largely stemmed from the positive performance of the bank's own structured issues.

The IFRS-related effects also reflect the fact that under the IFRS rules, the valuation effects that arise on transactions between the Capital Markets Trading division and other divisions in the course of risk and liquidity management are not taken into consideration.

These IFRS-related effects can have a material impact on the level of gains and losses on trading activities, primarily due to movements in interest rates and spreads. In the first half of 2026, these effects on gains and losses on trading activities improved by €25 million compared with the prior-year period to a net loss of €22 million (first half of 2025: net loss of €47 million).

Gains and losses on investments came to a net gain of €6 million, representing an improvement of €18 million compared with the first six months of 2025. The net gain in the reporting period resulted from expenses of €20 million (first half of 2025: expenses of €34 million) from the sale of securities in the category 'financial assets measured at fair value through other comprehensive income' (fair value OCI) that were offset by income of €25 million (first half of 2025: income of €21 million) arising from the unwinding of hedges accounted for in the category 'fair value through other comprehensive income' in the context of portfolio fair value hedge accounting. Securities in the category 'financial assets and liabilities measured at fair value through profit or loss' (fair value PL) generated a net gain of €1 million (first half of 2025: net gain of €1 million).

Other gains and losses on valuation of financial instruments contains the effects from financial instruments measured at fair value that are not held for trading as well as effects from hedge accounting. This item thus also contains fair value gains and losses on financial assets and liabilities designated as at fair value through profit or loss (fair value option), with credit rating effects from financial liabilities to which the fair value option is applied being recognized in equity.

Other gains and losses on valuation of financial instruments deteriorated to a net loss of €108 million (first half of 2025: net gain of €55 million). Of this amount, a net loss of €115 million was attributable to valuation effects in connection with declines in spreads on own issues (first half of 2025: net gain of €25 million). In addition, other gains and losses on valuation of financial instruments included a net gain of €6 million from ineffectiveness in hedge accounting (first half of 2025: net gain of €33 million).

Gains and losses from the derecognition of financial assets measured at amortized cost deteriorated by €6 million to a net gain of €3 million (first half of 2025: net gain of €9 million).

Loss allowances amounted to a net addition of €96 million (first half of 2025: net addition of €46 million). Of this total, net additions of €5 million (first half of 2025: net additions of €3 million) related to loss allowances in stage 1, net additions of €12 million (first half of 2025: net reversals of €9 million) related to loss allowances in stage 2, and net additions of €79 million related to loss allowances in stage 3 including gains and losses on purchased or originated credit-impaired assets (POCI assets) and other income/expense from loss allowances (first half of 2025: net additions of €52 million).

Administrative expenses increased by €76 million to €814 million (first half of 2025: €738 million).

Staff expenses went up by €30 million to €396 million (first half of 2025: €366 million). This was due to salary increases and also to higher wages and salaries – and thus higher social security expenses – resulting from a rise in the number of employees. Other administrative expenses rose by €46 million to €418 million (first half of 2025: €372 million), which was due to higher contributions to the BVR deposit guarantee fund and increased project costs.

Other net operating income, which totaled €10 million (first half of 2025: €26 million), included income of €16 million from the reversal of provisions and accruals (first half of 2025: €36 million).

Profit before taxes amounted to €335 million in the reporting period, which was €275 million lower than the figure of €610 million reported for the comparative period.

The **cost/income ratio** came to 65.4 percent in the first half of 2026 (first half of 2025: 52.9 percent).

Regulatory RORAC was 11.8 percent (first half of 2025: 21.2 percent).

3.2.6 DZ HYP

At €419 million, the **net interest income** of DZ HYP was €26 million higher than in the prior-year period (first half of 2025: €393 million). This increase was predominantly due to amortization of €43 million in connection with hedge accounting (first half of 2025: €28 million), whereas net operating interest income held steady. The average volume of real estate loans stood at €57,391 million (first half of 2025: €57,356 million).

In the corporate customer business, the volume of new business came to €3,589 million (first half of 2025: €3,574 million). In the retail customer business, the volume of new commitments amounted to €1,089 million (first half of 2025: €738 million). In the public-sector business, DZ HYP generated a new business volume of €318 million (first half of 2025: €277 million).

Other gains and losses on valuation of financial instruments amounted to a net loss of €43 million (first half of 2025: net loss of €54 million). The change compared with the prior-year period was chiefly due to the negative liquidity-spread-related valuation effects on own issues of €15 million (first half of 2025: negative effects of €40 million). The change in credit spreads and liquidity spreads on bonds resulted in a decrease in the contribution to earnings to €8 million (first half of 2025: €18 million).

Net additions to **loss allowances** rose to €48 million (first half of 2025: net addition of €40 million), primarily as a result of additions in stage 3 in connection with specific material exposures.

Administrative expenses increased by €12 million to €148 million (first half of 2025: €136 million). Staff expenses amounted to €67 million (first half of 2025: €64 million). Other administrative expenses rose to €82 million (first half of 2025: €73 million), largely because of the increase in the contributions to the BVR deposit guarantee fund.

As a result of the changes described above, **profit before taxes** increased by €15 million to €186 million (first half of 2025: €171 million).

The **cost/income ratio** came to 38.8 percent (first half of 2025: 39.1 percent).

Regulatory RORAC was 30.0 percent (first half of 2025: 28.9 percent).

3.2.7 DZ PRIVATBANK

The **net interest income** of DZ PRIVATBANK rose by €1 million to €74 million (first half of 2025: €73 million). Net interest income is primarily driven by income in the money market and by income from interest on deposits.

Net fee and commission income went up by €25 million to €146 million (first half of 2025: €121 million). Contributions to earnings in private banking and the fund services business are the main drivers of net fee and commission income.

As at June 30, 2026, high-net-worth individuals' assets under management, which comprise the volume of securities, derivatives, and deposits of customers in the private banking income-generating business, came to €34.1 billion. This was a significant increase of €6.5 billion on the figure as at June 30, 2025 of €27.6 billion. There was a clear increase of €26.8 billion in assets held for investment funds, which advanced from €169.0 billion as at June 30, 2025 to €195.8 billion as at June 30, 2026. The number of fund-related mandates was 570 (June 30, 2025: 559).

Other gains and losses on valuation of financial instruments deteriorated by €9 million to a net loss of €7 million (first half of 2025: net gain of €2 million) and was influenced by factors such as liquidity-spread-related negative valuation effects on own issues measured using the fair value option.

Administrative expenses went up by €8 million to €164 million (first half of 2025: €156 million). At €96 million, staff expenses were higher than in the prior-year period (first half of 2025: €91 million), partly because of the increase in the number of employees in connection with the planned expansion of business. Other administrative expenses amounted to €68 million (first half of 2025: €65 million).

Mainly as a result of the changes described above, **profit before taxes** increased to €71 million (first half of 2025: €53 million).

The **cost/income ratio** came to 69.8 percent (first half of 2025: 76.1 percent).

Regulatory RORAC was 45.6 percent (first half of 2025: 25.0 percent).

3.2.8 VR Smart Finanz

Net interest income at VR Smart Finanz rose to €77 million (first half of 2025: €75 million). The increase in net interest income was mainly due to the growth of the lending and object finance portfolio volume from €3,110 million as at June 30, 2025 to €3,172 million as at June 30, 2026 (December 31, 2025: €3,115 million).

New lending and object finance business with customers in the small business, self-employed, and SME segments amounted to €628 million in the reporting period, which was 8.3 percent higher than the figure of €580 million for the first six months of 2025. This growth compared with the prior-year period was largely attributable to new collateralized finance business, which totaled €303 million (first half of 2025: €254 million). New business involving the 'VR Smart flexibel' and 'VR Smart basis' business loan products amounted to €325 million (first half of 2025: €325 million).

Net fee and commission income amounted to a net expense of €21 million (first half of 2025: net expense of €19 million), mainly reflecting the fees and commissions paid to the local cooperative banks and the increase in their activity.

Loss allowances were higher than in the prior-year period, amounting to a net addition of €34 million in the reporting period (first half of 2025: net addition of €23 million). This rise was attributable to an increase in company insolvencies and customers' growing payment difficulties.

Administrative expenses held steady at €42 million (first half of 2025: €42 million).

Mainly as a result of the changes described above, VR Smart Finanz's **loss before taxes** deteriorated to €24 million (first half of 2025: €11 million).

The **cost/income ratio** came to 80.8 percent (first half of 2025: 77.8 percent).

Regulatory RORAC was minus 26.7 percent (first half of 2025: minus 12.9 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 €70 million in the period under review (first half of 2025: net expense of €62 million).

The net interest expense on purchased and issued subordinated capital and senior non-preferred paper amounted to €51 million (first half of 2025: €37 million).

The net interest expense resulting from obtaining liquidity from the excess of non-interest-bearing assets over non-interest-bearing liabilities amounted to €19 million in the period under review (first half of 2025: €25 million). This decrease was due to a market interest rate-related reduction in the short-dated segment.

Administrative expenses increased by €15 million year on year to €121 million (first half of 2025: €106 million).

The protection levies (in particular the contributions to the BVR protection scheme) rose by €10 million to €29 million (first half of 2025: €19 million) due to higher contributions to the BVR deposit guarantee fund. Furthermore, IT and project expenses increased from €34 million in the first six months of 2025 to €37 million in the period under review. Expenses from the group management function went up by €2 million to €40 million (first half of 2025: €38 million). Other expenses for the benefit of the group and local cooperative banks were on a par with the prior-year period at €15 million (first half of 2025: €15 million).

3.2.10 Other/Consolidation

The consolidation-related adjustments shown under Other/Consolidation to reconcile operating segment profit/loss before taxes to consolidated profit/loss before taxes are attributable to the elimination of intragroup transactions and to the fact that investments in joint ventures and associates are accounted for using the equity method. Differences between the figures in internal management reporting and those reported in the consolidated financial statements that arise from the recognition of internal transactions in the DZ BANK – CICB operating segment are also eliminated.

The adjustments to net interest income were primarily the result of the elimination of intragroup dividend payments and were also attributable to the early redemption of issued bonds and commercial paper that had been acquired by entities in the DZ BANK Group other than the issuer. Internal transactions in the DZ BANK – CICB operating segment are also eliminated in net interest income with offsetting entries under gains and losses on trading activities, and in other gains and losses on valuation of financial instruments.

The figure under Other/Consolidation for net fee and commission income largely relates to the fee and commission business of TeamBank and the BSH subgroup with the R+V subgroup.

The remaining adjustments are mostly also attributable to the consolidation of income and expenses.

4 Net assets

As at June 30, 2026, the DZ BANK Group's **total assets** amounted to €675,686 million (December 31, 2025: €661,425 million) based on the changes described below.

The **volume of business** amounted to €1,346,683 million (December 31, 2025: €1,292,783 million). This figure comprised the total assets, the assets under management at UMH as at June 30, 2026 amounting to €569,320 million (December 31, 2025: €534,613 million), the financial guarantee contracts and loan commitments amounting to €100,355 million (December 31, 2025: €95,406 million), and the volume of trust activities amounting to €1,322 million (December 31, 2025: €1,339 million).

Cash and cash equivalents declined to €59,586 million (December 31, 2025: €73,978 million). This decrease was predominantly attributable to DZ BANK – CICB (liquidity management function).

Loans and advances to banks rose to €153,860 million (December 31, 2025: €150,288 million). Loans and advances to banks in Germany amounted to €133,037 million (December 31, 2025: €129,105 million), comprising loans and advances to affiliated banks of €112,971 million (December 31, 2025: €115,612 million) and loans and advances to other banks of €20,066 million (December 31, 2025: €13,493 million). Loans and advances to foreign banks stood at €20,823 million (December 31, 2025: €21,183 million).

Loans and advances to customers amounted to €214,169 million, which was higher than the figure of €210,224 million reported as at December 31, 2025. Loans and advances to customers in Germany grew to €181,827 million (December 31, 2025: €179,248 million), while loans and advances to foreign customers rose to €32,343 million (December 31, 2025: €30,976 million).

Financial assets held for trading came to €37,731 million (December 31, 2025: €29,631 million). Within this amount, bonds and other fixed-income securities stood at €20,812 million (December 31, 2025: €12,285 million), derivatives (positive fair values) at €12,920 million (December 31, 2025: €13,201 million), shares and other variable-yield securities at €3,295 million (December 31, 2025: €3,174 million), and promissory notes and registered bonds at €704 million (December 31, 2025: €962 million).

Investments rose to €69,253 million (December 31, 2025: €62,885 million). The main reasons for this change were an increase in bonds and other fixed-income securities to €64,363 million (December 31, 2025: €58,136 million) and an increase in shares and other variable-yield securities to €4,093 million (December 31, 2025: €4,027 million).

Investments held by insurance companies grew to €132,603 million (December 31, 2025: €125,690 million). Within this amount, fixed-income securities came to €60,171 million (December 31, 2025: €57,596 million), assets related to unit-linked contracts to €29,801 million (December 31, 2025: €26,758 million), mortgage loans to €12,733 million (December 31, 2025: €12,498 million), and variable-yield securities to €12,602 million (December 31, 2025: €12,138 million).

Deposits from banks contracted to €186,174 million (December 31, 2025: €189,844 million). Within this total, deposits from domestic banks decreased to €159,387 million (December 31, 2025: €166,735 million), which included a fall in deposits from affiliated banks to €68,713 million (December 31, 2025: €79,308 million). By contrast, deposits from foreign banks increased to €26,787 million (December 31, 2025: €23,108 million).

Since the beginning of 2026, portfolios of credit-linked notes have no longer been held for trading. Consequently, issued credit-linked notes that had previously been recognized under financial liabilities held for trading were recognized under deposits from banks in an amount of €34 million as at June 30, 2026.

Deposits from customers swelled to €151,178 million (December 31, 2025: €148,398 million). Within this total, deposits from domestic customers rose to €135,043 million (December 31, 2025: €132,105 million), whereas deposits from foreign customers fell to €16,134 million (December 31, 2025: €16,293 million).

Since the beginning of 2026, portfolios of credit-linked notes have no longer been held for trading. Consequently, issued credit-linked notes that had previously been recognized under financial liabilities held for trading were recognized under deposits from customers in an amount of €85 million as at June 30, 2026.

At the end of the half-year reporting period, the carrying amount of **debt certificates issued including bonds** was €121,621 million (December 31, 2025: €111,452 million), partly because of a rise in commercial paper and increased issues of mortgage Pfandbriefe. Within the total figure, the portfolio of bonds issued came to €94,770 million (December 31, 2025: €87,339 million), of which €56,360 million was accounted for by other bonds (December 31, 2025: €50,077 million). The portfolio of other debt certificates issued stood at €26,851 million (December 31, 2025: €24,112 million). As was also the case as at December 31, 2025, all other debt certificates issued are commercial paper.

Since the beginning of 2026, portfolios of credit-linked notes have no longer been held for trading. Consequently, issued credit-linked notes that had previously been recognized under financial liabilities held for trading were recognized within other bonds under debt certificates issued including bonds in an amount of €5,819 million as at June 30, 2026.

Financial liabilities held for trading declined to €38,517 million (December 31, 2025: €41,148 million). The main changes within this total were a decrease in bonds issued to €18,361 million (December 31, 2025: €22,841 million) and a reduction in derivatives (negative fair values) to €14,212 million (December 31, 2025: €14,559 million). By contrast, short positions rose to €5,899 million (December 31, 2025: €3,578 million).

Since the beginning of 2026, portfolios of credit-linked notes have no longer been held for trading. Consequently, issued credit-linked notes that had previously been recognized under financial liabilities held for trading were recognized under debt certificates issued including bonds in an amount of €5,819 million, under deposits from customers in an amount of €85 million, and under deposits from banks in an amount of €34 million as at June 30, 2026.

Insurance contract liabilities increased to €120,268 million (December 31, 2025: €113,616 million). This was predominantly due to the rise in the liability for remaining coverage to €107,534 million (December 31, 2025: €101,014 million).

As at June 30, 2026, **equity** had advanced to €36,728 million (December 31, 2025: €35,196 million). This growth was mainly due to the increase in retained earnings to €21,277 million (December 31, 2025: €19,918 million). The reserve from other comprehensive income amounted to minus €689 million (December 31, 2025: minus €789 million).

The **capital adequacy** of the DZ BANK Group and the DZ BANK banking group is described in the risk report within this interim group management report (chapter VI.5).

5 Financial position

In the context of liquidity management, the DZ BANK Group distinguishes between **short-term liquidity** (liquidity in the maturity band of up to one year) and **structural liquidity** (liquidity in the maturity band of more than one year).

The DZ BANK Group has a diversified funding base for short-term liquidity. A considerable portion is accounted for by money market activities resulting from the cash-pooling function with the local cooperative banks. This enables cooperative banks – within the approved limits – to invest available liquidity with DZ BANK or to obtain liquidity from DZ BANK if they need it. This regularly results in a liquidity surplus, which provides one of the main bases for short-term funding in the unsecured money markets. Corporate customers and institutional clients are another important source of funding for covering short-term liquidity requirements.

For funding purposes, the DZ BANK Group also issues money market products based on debt certificates under a standardized groupwide multi-issuer euro commercial paper program through its offices and branches in Frankfurt am Main, New York, Hong Kong, London, and Luxembourg. In addition, a US CP head office program is used centrally by DZ BANK Frankfurt am Main.

Key repo and securities lending activities, together with the collateral management process, are managed centrally in DZ BANK's Group Treasury division as a basis for secured money market financing activities. Funding on the interbank market is not strategically important to the DZ BANK Group.

The DZ BANK Group also has at its disposal liquid securities that form part of its counterbalancing capacity. These securities can be used as collateral in monetary policy funding transactions with central banks, or in connection with secured funding in private markets.

Structural liquidity activities are used to manage and satisfy the long-term funding requirements (more than one year) of DZ BANK and, in coordination with the group entities, those of the DZ BANK Group.

Both the economic and the normative perspective of **liquidity adequacy** are used to assess the financial position of the DZ BANK Group and the DZ BANK banking group. As described in chapter VI.2.4 of the risk report in this interim group management report, solvency was never in jeopardy at any point during the first half of 2026. Information on the use of liquidity adequacy KPIs for the purposes of risk management is provided in chapters VI.4.2 and VI.4.3 of the risk report in the 2025 group management report. The KPIs for liquidity risk as at the reporting date can be found in chapter VI.4.2.2 (liquidity adequacy in the economic perspective) and chapters VI.4.3.1 and VI.4.3.2 (liquidity adequacy in the normative perspective).

The changes in cash flows from operating activities, investing activities, and financing activities during the first half of 2026 and in the corresponding period of the previous year are shown in the **statement of cash flows** in the interim consolidated financial statements.