Interim group management report

I DZ BANK Group fundamentals

1 Business model and strategic focus

The business model and strategic focus of the DZ BANK Group are described in detail on page 10 onward of the 2025 group management report. Those disclosures are also applicable to the first half of 2026.

2 Management of the DZ BANK Group

The management of the DZ BANK Group is described in detail on page 22 onward of the 2025 group management report. Those disclosures are also applicable to the first half of 2026.

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.

III Events after the balance sheet date

There were no events of particular importance after the end of the first half of 2026.

IV Outlook

1 Economic conditions

The outlook for the macroeconomic environment provides the basis for projections for 2026 regarding financial performance and financial position. Any adverse macroeconomic factors that present a material risk to the DZ BANK Group are addressed and examined in detail in chapter VI.3 of the risk report. Opportunities arising from favorable factors are presented in chapter V.3.1 of the opportunity report.

1.1 Global economic trends

The conflict between the United States and Iran, which has been ongoing since the end of February 2026, has had a major influence on economic conditions in the year to date. For five months now, the Strait of Hormuz has been virtually impassable for shipping. DZ BANK currently continues to assume that the United States and Iran will manage to reach a diplomatic agreement. This assumption rests primarily on the upcoming mid-term congressional elections in the United States, in which the Republicans may potentially lose their majority in at least one of the two chambers that form the US Congress. Consequently, the US President is under a great deal of political pressure to end the war. There is no doubt that the United States has failed to achieve its objectives with this war. The situation in the region is likely to remain fragile even after an agreement has been reached, and there could be obstacles to transiting through the Strait of Hormuz. DZ BANK therefore anticipates that the price of crude oil will remain at a historically high level throughout the forecast period, even if it undergoes a brief technical correction.

Each month that the Strait of Hormuz stays closed brings with it increased risks for global growth prospects. In addition to crude oil and gas, key commodities such as sulfur, urea, and helium – needed for the production of fertilizers and semiconductors – remain in short supply. The Supply Chain Pressure Index shows that pressure on supply chains is at its highest level in four years. Provided that the situation gradually eases over the course of the year, the global economy is likely to have turned the corner in the second quarter. DZ BANK forecasts that average global economic growth will be 2.8 percent in 2026, compared with 3.4 percent in 2025.

The rate of inflation continues to be the main macroeconomic risk. So far, rising energy prices have been the dominant inflationary factor, but indirect effects on consumer prices are now starting to emerge. The longer the blockade continues, the stronger their impact will be. This will drive up prices for food, industrial goods, and services. Even after the conflict has been resolved diplomatically, DZ BANK expects inflation rates to remain high for some time before they eventually start to fall.

1.2 Trends in the USA

DZ BANK predicts growth of 2.3 percent for the US economy in 2026. Even though consumer sentiment remains subdued and inflation has risen, the US economy remains on a growth trajectory. The factors supporting it are substantial levels of capital investment in software and data centers as part of the AI boom, fiscal stimulus created by the One Big Beautiful Bill Act, robust consumer spending by wealthy sections of the population (dubbed the 'K-shaped economy'), and rising oil exports from the United States, which is a net exporter and thus benefits from higher oil prices.

The US rate of inflation rose to 4.2 percent in May, which was the first time that it had exceeded the 4 percent mark in three years. Although inflation fell to 3.5 percent in June, it is still clearly too high. This elevated level of inflation was primarily driven by fuel prices, whereas price pressures have stayed relatively moderate for other items in the basket of goods so far. With tensions continuing in the Strait of Hormuz, energy prices are likely to remain a strong driver of inflation, while indirect effects will emerge with a time lag. DZ BANK forecasts inflation of 3.5 percent for 2026. The Federal Reserve is expected to keep its key interest rate unchanged this year given the moderately restrictive range of 3.50 to 3.75 percent.

1.3 Trends in the eurozone

The economy of the eurozone is facing huge challenges this year. The war in Iran is fueling inflation and therefore depressing consumer spending, while the high level of political and geopolitical uncertainty is holding back capital expenditure. There was significant fluctuation in the GDP rates for the eurozone during the first half of 2026. On a positive note, however, growth held up better in the second quarter than had originally been anticipated. Nevertheless, the eurozone's growth is likely to remain below the 1.0 percent mark this year.

Driven by rising energy prices, the European inflation rate rose to 3.2 percent in May before dropping back to 2.8 percent in June. The rate for July is currently estimated at 2.9 percent. This trend is attributable to the emerging signs of an agreement being reached between the United States and Iran, causing energy prices to undergo a significant correction. However, the situation is becoming increasingly unclear again at present, and shipping through the Strait of Hormuz is once more severely restricted. As the blockade continues, upward pressure on prices for food and industrial goods is likely to grow. DZ BANK forecasts inflation of 3.0 percent for 2026 and anticipates a subsequent reduction only once there has been a lasting decrease in energy prices and the year-on-year numbers start to fall. In DZ BANK's opinion, the ECB will likely respond to the elevated inflation risks by hiking interest rates again, with the deposit facility interest rate rising to 2.50 percent in autumn 2026.

1.4 Trends in Germany

The German economy made a strong start to the year, and GDP rose by 0.4 percent in the first quarter of 2026 compared with the previous quarter. However, momentum faded in the second quarter as a result of supply chain disruptions and the increase in inflation. According to the Federal Ministry of Finance's monitoring report, the hoped-for economic boost from the German government's special off-budget infrastructure and climate action fund is materializing more slowly than envisaged. Stagnant growth is anticipated in the third quarter, but the economy should pick up a little after that. For 2026 as a whole, DZ BANK anticipates growth of 1.1 percent. Economic growth will thus fall just short of what was expected at the start of the year. This is due not only to the delayed effects of the fiscal stimulus package and the conflict in the Middle East but also to the so far unsatisfactory implementation of the ambitious plans for reform. Although the coalition government has succeeded in sending a strong signal with its pension reforms, other plans have not yet had the necessary impact. The main aim must be to encourage domestic companies to invest more in Germany.

In the past few months, the inflation rate in Germany has been volatile owing to the countervailing forces of sharply rising energy prices and government measures aimed at containing prices (temporary reduction in fuel duty). The latest estimates show that, at 2.8 percent, inflation was very strong again in July compared with a year earlier. The main factors here were high energy prices. Given that the situation in the Middle East remains unclear, inflationary pressure is likely to continue to increase for the time being. Indirect effects are becoming increasingly observable, such as rising food prices. DZ BANK forecasts inflation of 3.0 percent for 2026.

1.5 Trends in the financial sector

At the start of July, the DAX outstripped its previous all-time high – recorded in January – by climbing to around 25,800 points, at which point the market started to see moderate levels of profit taking. However, sentiment in the stock markets has recently been very positive again, and the DAX soared to a further record high of 26,000 points. The increase was driven not only by tech stocks, which had been leading the way, but increasingly too by Germany-focused stocks that had previously fallen behind. The accompanying broadening of the market forms the basis for DZ BANK's forecast for the end of the year of 27,500 points. DZ BANK is adhering to this constructive outlook in its forecasts, although phases of speculation that the Fed will raise interest rates could lead to small corrections.

DZ BANK continues to expect that the fiscal stimulus now being provided will have a stronger impact in the second half of the year and that the recently agreed package of reforms will sustain the brightening sentiment. This will particularly benefit the Germany-focused industrial stocks that had fallen behind. Moreover, the leading players from the semiconductor and energy technology sectors, which have surged ahead of the rest of the market, and the data center construction company that has recently joined the DAX are likely to maintain their level. The rise is thus gaining an additional source of stability and improving in quality because it is no longer being driven by just a handful of stocks.

There are increasing levels of excess supply in the market for office and retail/wholesale real estate. E-commerce, remote working, and AI have reduced demand and changed the profile of requirements for commercial real estate. Demand is increasingly focused on modern and sustainable office and retail space in good locations. However, high construction and borrowing costs are making it difficult to carry out the necessary process of modernizing properties or changing their use. More than four years after the rise in interest rates, there is still no positive outlook in sight for the commercial real estate market. Conditions are unlikely to ease noticeably in the forecast period due to geopolitical uncertainties in the Middle East and elsewhere, slightly higher capital market yields, and the more restrictive monetary policy of the ECB.

The situation also remains difficult in the housing market. High financing costs and construction costs are acting as a brake on housing starts, as is excessive regulation. Furthermore, extensive regulation of the rental segment is limiting yield expectations and thus holding back the pace of investment in the residential rental segment. Although initiatives such as the rent controls introduced in 2015 have had almost no effect, DZ BANK believes that a change of policy direction in the residential rental market is unlikely.

The situation is slightly more positive when it comes to existing properties. Despite the considerable amount of investment needed to meet legal requirements regarding energy efficiency improvements, market values are stabilizing in this segment. Prices for owner-occupied housing and for multi-unit residential properties are expected to rise by 2 to 3 percent per annum this year and next, supported by the shortage of supply and steadily rising rents. Whereas residential real estate in flourishing urban regions offers the most stable prospects, there is a danger of an excess supply of single-family dwellings in more peripheral areas in the medium term that will be partly attributable to demographic change.

The financial sector continues to face both cost pressures and pressure to adapt as a result of ongoing structural changes and growing price competition. These pressures represent an additional challenge on top of the economic factors. To counter them, existing business processes need to be optimized and made more efficient by digitalizing them. At the same time, existing business models need to be reviewed and adapted if required.

The implementation of future EU banking regulations will result in further changes for the financial sector too. The sector has already reduced its leverage by improving capital and liquidity adequacy and has also strengthened its risk-bearing capacity. Nevertheless, the supervisory authorities’ agenda of reforms will continue to necessitate adjustments. Despite efforts to cut bureaucracy, a challenge in this regard remains implementing these regulatory requirements in overall business management, risk management, and reporting systems.

2 Financial performance

The forecasts below are based on the outcome of the DZ BANK Group’s projection process. Some of the forecasts have changed compared with those in the 2025 group management report due to new information coming to light. Changes in the aforementioned assumptions, particularly as a result of the macroeconomic conditions described above, may lead to deviations from the forecasts.

Net interest income, including net income from long-term equity investments, is expected to fall moderately compared with 2025. This will mainly be due to accounting-related effects that had a positive impact on net interest income and a countervailing negative impact on gains and losses on trading activities in 2025. These effects had resulted in higher net interest income in 2025, but are not expected to materialize to the same extent in 2026. The countervailing growth of net interest income in the BSH operating segment will not fully offset these effects.

For 2026, the DZ BANK Group predicts a marked rise in **net fee and commission income** that will primarily be attributable to the DZ PRIVATBANK and UMH operating segments.

The DZ BANK Group continues to anticipate a considerable improvement in **gains and losses on trading activities** compared with 2025. This will be due to the accounting-related effects explained under net interest income that had adversely affected gains and losses on trading activities in 2025 and, in particular, to a higher net gain in the DZ BANK – CICB operating segment in the forecast period.

Based on the latest projections, **net income from insurance business** is expected to be at a substantially lower level in 2026, following on from the exceptionally positive figure achieved in 2025 and despite the improvement in the first half of this year. This constitutes a very good result when compared over a multi-year period.

The DZ BANK Group's **expenses for loss allowances** are forecast to rise markedly in 2026 compared with 2025. This will mainly be attributable to markedly rising expenses in the DZ BANK – CICB operating segment, which are expected in light of the forecast geopolitical and macroeconomic conditions.

A further moderate increase in **administrative expenses** is projected for 2026. The biggest influence on this line item is expected to be the level of general and administrative expenses in the DZ BANK – CICB and UMH operating segments.

Profit before taxes is projected to be between €3.5 billion and €4 billion in the forecast period. This is markedly lower than in 2025 but represents a good level when compared over a multi-year period.

The **cost/income ratio** is likely to see a marked rise in 2026 because income will fall back noticeably while administrative expenses will increase moderately.

At the same time, **regulatory RORAC** will decline noticeably again in 2026 due to the exceptionally high profit before taxes achieved in 2025 combined with an unchanged base rate of return used in the calculation.

3 Financial position

The DZ BANK Group's financial position is reflected in the change in total assets and in the key figures that describe the capital and liquidity position. The forecasts for these key performance indicators for 2026 are described below. These forecasts, which are derived from the outcome of the projection process, are based on assumptions about the future course of business. Some of the forecasts have changed compared with those in the 2025 group management report due to new information coming to light.

In the context of net assets, **total assets** represent an important measure of the volume of business. They are expected to rise slightly in 2026.

In 2026, a high priority will once again be given to strengthening the capital base in order to ensure stable capital ratios. For 2026, DZ BANK anticipates that the DZ BANK Group's **common equity Tier 1 capital ratio** will be up slightly year on year, staying above 18 percent.

The liquidity position, which is a material element of financial position, is expected to maintain a high level of stability in the forecast period.

The **minimum liquidity surplus** (MLS), which is a measure of economic liquidity adequacy, is now predicted to rise slightly in 2026 compared with the level at the end of 2025 and will be above €25.0 billion.

At the time of preparation of this report, the **liquidity coverage ratio** (LCR) is forecast to fall slightly but remain above 140 percent.

The **net stable funding ratio** (NSFR), which expresses regulatory liquidity adequacy, is expected to be slightly lower in 2026 but remain above 120 percent.

V Opportunity report

1 Legal basis

In its capacity as the parent company in the DZ BANK Group, DZ BANK is publishing this half-year opportunity report in order to meet the transparency requirements for opportunities applicable to the DZ BANK Group as specified in **section 115** and **section 117** of the **German Securities Trading Act (WpHG)** and **German Accounting Standard (GAS) 16** (Interim financial reporting) in conjunction with **GAS 20** (Group management report).

2 Management of opportunities

Based on the three areas of potential listed in chapter V.3, 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 and capital planning. Details about the strategic planning process are presented in chapter I.2.4 of the 2025 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 2025 group management report.

3 Potential opportunities

3.1 Potential opportunities from macroeconomic developments

The statements made in the outlook on the expected business performance of the DZ BANK Group in 2026 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.

The major positive scenario for 2026 revolves around the rapid and lasting resolution of the conflict in the Middle East and the immediate and full resumption of shipping through the Strait of Hormuz. This would alleviate the pressure on energy prices more quickly than was assumed in our baseline scenario. DZ BANK believes that it would still take another two to six months for crude oil and gas extraction in the Gulf to be fully up and running again. But just a credible prospect of normalization would be enough to cause energy prices to fall noticeably, substantially reduce inflationary pressure in the eurozone and in Germany more specifically, and allow the European Central Bank (ECB) to forego a further interest-rate hike. This scenario would provide a more sizeable boost to the eurozone economy – particularly in Germany – than was assumed in our baseline scenario and would accelerate the economic recovery in the second half of 2026.

Opportunities would also arise if the war in Ukraine were to de-escalate any time soon. A ceasefire or peace negotiations would not only alleviate geopolitical uncertainty in Europe but also open up fiscal headroom that could be used for spending on infrastructure and reconstruction. Germany's export-led economy would particularly benefit from such a scenario, which would have a positive impact on demand for the DZ BANK Group's lending and capital markets services.

If energy prices were to ease more rapidly than expected, this would rein in the expected rates of inflation and create a more favorable interest-rate environment. Lower interest rates would bolster demand for real estate finance and improve the valuation of the portfolio of existing loans. At the same time, a steadying of the capital markets would revive the fee and commission business and the securities business and create conditions conducive to additional inflows.

Stronger growth of the German economy than forecast thanks to quicker resolution of the conflict and fiscal stimulus from the German government's special off-budget defense and infrastructure funds – especially if the special off-budget infrastructure and climate action fund were to be accessed more rapidly than assumed in the latest monitoring report – would have a positive impact on demand for loans in the corporate and SME segments. A more robust labor market and an improvement in consumer sentiment would strengthen demand for the DZ BANK Group's retail and insurance products too.

The avoidance or easing of political divergence within the European Union (EU) would also help to create a more stable climate for investment. Stopping the spread of political fragmentation in Europe could strengthen investor and business confidence further and improve economic conditions. Favorable monetary and interest-rate policies in the eurozone – giving rise to a protracted period of low interest rates or further gradual reductions in interest rates – coupled with a stable economic climate and moderate level of inflation, could create attractive financing conditions. Combined with steady real estate prices and a positive consumer climate, this would stimulate demand for financing, home savings products, and other services and strengthen the DZ BANK Group's lending and fee and commission business.

Finally, regulatory initiatives promoting sustainable financial products and ongoing growth in demand for solutions to finance the transition to a green economy – for which the energy price shock stemming from the conflict in the Middle East provides wide-ranging additional impetus – could unlock further business opportunities. All in all, a combination of a rapid easing of geopolitical tensions, including stabilization of the political situation in France ahead of the 2027 presidential elections, stable monetary and interest-rate policies, and a robust capital market environment would improve the DZ BANK Group's growth outlook and create the conditions for a more positive course of business.

3.2 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 and that strengthen their confidence. Statutory rules, such as the European Commission's proposed revision of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosure Regulation, SFDR) in the sustainability sphere and the introduction of Regulation (EU) 2023/1114 on markets in crypto assets (Markets in Crypto Assets Regulation, MiCAR) in the context of digital assets, could lead to greater uptake of innovative products and services by customers and market participants. This offers banks and insurance companies an opportunity to strengthen the unique selling points of their products and services and to unlock potential growth in sustainable finance or digital innovation. This would have a positive impact on, for example, the DZ BANK Group's net fee and commission income and net interest income.

3.3 Potential opportunities from strategic initiatives

The strategic focus of the DZ BANK Group (see chapter I.1 of the 2025 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]. The 'Germany-wide strategic portfolio bringing together strategic initiatives of the Cooperative Financial Network' was established in 2024 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 potential (such as sustainability and artificial intelligence) in order to reinforce their future viability and profitability. The aim is to continue to develop and take action in these areas over the coming years.

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 the following key areas: further development of the market offering, optimization of control and production processes, internationalization, and strengthening of the corporate culture. 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. artificial intelligence), and employer branding, are key elements of the transformation of the economy.

Under its '#Fokus100' strategy, **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, aims to be no. 1 in the home finance market. In addition, it is striving to make 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 homes and housebuilding, and it wishes to play an important part in strengthening the Cooperative Financial Network's market position.

DZ HYP is forging ahead with digitalization in many areas of its business. In consumer home finance, it intends to further expand its role as a decentralized product supplier for the banks in the Cooperative Financial Network. It is focusing on forward-looking solutions that are designed to simplify the application processes for new business and make the processing of inquiries from existing customers significantly more straightforward. Through its connection to the Atruvia AG omnichannel platform, DZ HYP has created new ways of collaborating with local cooperative banks. It makes relevant information about the finance already taken out by a customer on the Meine Baufinanzierung [my home finance] portal, thereby reducing the local cooperative banks' workload in terms of handling customer inquiries. The main goals 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. Building on the initial implementation phase, which went live in 2025, the presentation of new business will be improved and the first steps for managing current business will be implemented over the course of 2026. This should also help to further optimize the bank's streamlined, profitable approach incorporating intensive customer relationship management. Furthermore, DZ HYP has drawn up a strategy for implementing the DZ HYP cloud infrastructure and migrated the relevant foundations for the infrastructure to the IT landscape as a further operating model. Building on the existing infrastructure, DZ HYP plans to create scalable end-to-end capability in artificial intelligence by the end of 2027. Through strategic capital expenditure, jobs are to be made fit for the future through new technologies, user-friendly software solutions, and modern workplace equipment. The bank's premises are also due to undergo extensive refurbishment in order to create a contemporary and attractive working environment. The real estate sector has the potential to play a key role in combating climate change. DZ HYP sees its own role as a partner in the green transformation of the economy in order to channel cash flows toward more sustainable business, for example by financing energy-efficient real estate.

R+V's vision 'We are a go-to partner for our customers. We are driving a new era of security, healthcare, and provision for the future – simple, personal, inspirational. In fast-moving times, our Cooperative Financial Network makes the difference.' provides the framework for its new internal strategy. In terms of content, three areas of strategic focus lie at the heart of the NextLevel strategy. By focusing on cooperative customers, the strategy is aimed at better unlocking the Cooperative Financial Network's potential and winning more market share, all while remaining customer centric. As one of Germany's leading pension providers, R+V is well positioned to target additional demographics and acquire new customers for the Cooperative Financial Network by offering new products relating to the planned state-subsidized retirement savings account (Altersvorsorgedepot) and the state-subsidized retirement savings program for children (Frühstartrente). Through a combination of initiatives to enhance its operational, technological, and insurance excellence, R+V intends to become more efficient and profitable, thereby increasing its competitiveness and viability going forward – including through the use of artificial intelligence. R+V also aims to foster a culture of individual responsibility, encouraging employees to use their initiative. The centralized and strict cross-company management of capital and resources is intended to ensure that these are used efficiently throughout the company.

Union Investment's financial basis allows strategic investments for the future to be made and the business model to be refined more rapidly. These investments are guided by the strategic program 'FokusZukunft!', which is focused on the future. Under the motto 'differentiation through specialization', the program defines areas of action in which Union Investment can continue to position itself as a provider of high-quality services. Union Investment's positioning as an active asset manager remains crucial for it to stand out in the market, target new customer groups and, in the high-net-worth segment in particular, ensure its product offering meets expectations. Because it is market leader for fund-based Riester savings plans, the retirement savings account due to start in 2027 offers Union Investment another opportunity to encourage younger customers to opt for fund-based saving with the Cooperative Financial Network. Refining the business model also requires consistent digitalization along the value chain, starting with the interfaces across the entire marketing process through to internal processes. This digitalization strategy also includes continuing professional development for all employees. All measures are aimed at maximizing the benefit for customers and thereby enabling Union Investment to continue to grow profitably.

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

VI 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 half-year risk report in order to meet the transparency requirements for risks applicable to the DZ BANK Group as specified in **section 115** and **section 117** of the **German Securities Trading Act (WpHG)** and **German Accounting Standard (GAS) 16** (Interim financial reporting) in conjunction with **GAS 20** (Group management report). This report also implements the applicable international risk reporting requirements on the basis of **International Accounting Standard (IAS) 34**, although the legal standards applicable to annual reporting under the International Financial Reporting Standards (IFRS) – **IFRS 7.31-42** (nature and extent of risks arising from financial instruments) and **IFRS 17.121-132** (nature and extent of risks that arise from contracts within the scope of IFRS 17) – are taken into account.

The quantitative disclosures in this risk report are based on information that is presented to the Management Board 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.

This half-year report only provides an overview of the **core elements of the risk management system** of the DZ BANK Group. The risk management system is presented in full in the risk report in the 2025 group management report ('2025 risk report'). Those disclosures are also applicable to the first half of this year, unless otherwise indicated in this report.

DZ BANK Group

2 Summary

2.1 Risk management system

2.1.1 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.

The DZ BANK Group has 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 Management Board. 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.

2.1.2 Management units and sectors

Risk is managed 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 interim consolidated financial statements of the DZ BANK Group 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.2 of the interim group 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 of the German Banking Act (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 and financial institutions 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.

2.1.3 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) so that DZ BANK is able to cover any potential losses.

The key risk management figures used in respect of **liquidity** are
- the minimum liquidity surplus as an expression of short-term economic liquidity adequacy;
- 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 exposure amounts, the MREL ratio as a percentage of the leverage ratio exposure, the subordinated MREL ratio as a percentage of risk-weighted exposure amounts, and the subordinated MREL ratio as a percentage of the leverage ratio exposure.

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 DZ BANK Group's future financial position or financial performance. 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.3. 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 2025 consolidated financial statements were shown in Fig. VI.1 and Fig. VI.2 respectively of the 2025 risk report. The financial and non-financial risks shown there correspond to the outcome of the risk inventory check and reflect the risks that are material to the DZ BANK Group. This presentation also applies to the first six months of the current year.

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 interim 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 of the 2025 risk report. The management units' businesses with a material 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.1 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 Management Board of DZ BANK – 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 Management Board of DZ BANK 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 Management Board, or the full Management Board 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 first half of 2026. By holding ample liquidity reserves, the group aims to be able to protect its liquidity against any threats in the event of a crisis.

In terms of liquidity and capital resources, the DZ BANK Group remained within its economic **risk-bearing capacity** in the first half of 2026. It also complied with regulatory requirements for liquidity adequacy and capital adequacy on every reporting date.

FIG. VI.1 – LIQUIDITY AND CAPITAL ADEQUACY KPIS

	Measured figure		External minimum target		Internal minimum threshold		Internal observation threshold	
	Jun. 30, 2026	Dec. 31, 2025	2026	2025	2026	2025	2026	2025
LIQUIDITY ADEQUACY								
DZ BANK Group (economic perspective)								
Minimum liquidity surplus (€ billion)[1]	26.3	24.7	0.0	0.0	5.0	5.0	7.5	7.5
DZ BANK banking group (normative perspective)								
Liquidity coverage ratio (LCR, percent)[2]	143.2	156.4	100.0	100.0	112.5	112.5	125.0	125.0
Net stable funding ratio (NSFR, percent)[3]	122.5	126.5	100.0	100.0	106.0	106.0	110.0	110.0
CAPITAL ADEQUACY								
DZ BANK Group (economic perspective)								
Economic capital adequacy (percent)[4]	238.0	217.9	100.0	100.0	120.0	120.0	140.0	140.0
DZ BANK financial conglomerate (normative perspective)								
Coverage ratio (percent)[5]	158.0	154.3	100.0	100.0	115.0	115.0	125.0	125.0
DZ BANK banking group (normative perspective)[6]								
Common equity Tier 1 capital ratio (percent)	18.9	18.4	9.8	9.9	12.5	11.8	13.8	13.0
Tier 1 capital ratio (percent)	21.0	20.5	11.7	11.8	14.0	13.5	15.0	14.8
Total capital ratio (percent)	23.9	23.6	14.1	14.2	16.5	16.0	17.3	17.3
Leverage ratio (percent)	7.0	7.0	3.0	3.0	4.2	4.0	4.6	4.3
MREL ratio as a percentage of risk-weighted exposure amounts	40.7	40.8	26.5	27.2	28.9	28.5	29.7	28.8
MREL ratio as a percentage of the leverage ratio exposure	13.6	13.9	9.7	9.8	10.5	10.2	10.9	10.5
Subordinated MREL ratio as a percentage of risk-weighted exposure amounts	34.3	34.1	26.5	26.9	27.6	28.4	28.2	28.7
Subordinated MREL ratio as a percentage of the leverage ratio exposure	11.4	11.6	8.2	9.5	10.3	9.9	10.6	10.2

1 For details, see chapter VI.4.2.2.
2 For details, see chapter VI.4.3.1.
3 For details, see chapter VI.4.3.2.
4 For details, see chapter VI.5.3.
5 For details, see chapter VI.5.4.2.
6 For details, see chapter VI.5.4.3.

3 General risk factors

The entities in the DZ BANK Group are exposed to a range of risk factors that affect multiple risk types. In the first half of 2026, the general risk factors that were applicable to the DZ BANK Group were essentially unchanged compared with those prevailing at the end of 2025.

The rating agencies S&P Global Ratings Europe Limited (Niederlassung Deutschland) and Moody's confirmed **DZ BANK's ratings** in the first half of 2026. Fitch Ratings Ireland Limited has changed its methodology, which means that – like the other rating agencies – it now bases the issuer rating on the senior preferred rating. This caused the issuer rating awarded by Fitch Ratings Ireland Limited to improve from AA- to AA. The outlooks for the ratings remain stable.

Fig. VI.2 provides an overview of the macroeconomic risk factors of relevance for the DZ BANK Group and the types of risk potentially affected.

FIG. VI.2 – MACROECONOMIC RISK FACTORS AT A GLANCE

Macroeconomic risk factors	Year-on-year change	Risk type affected and relevant chapter in this risk report and the 2025 risk report			
		Bank sector		Insurance sector	
Escalation of geopolitical tensions and economic and strategic fragmentation	**Deterioration**	Credit risk	Chapter VI.6.3 Chapter VI.6.5	Market risk	Chapter VI.13.2
		Market risk	Chapter VI.8.1 Chapter VI.8.3		
		Operational risk	2025 risk report: chapter VI.14.7		
Ongoing weak growth in Germany	No change	Credit risk	Chapter VI.6.3 Chapter VI.6.5	Market risk	2025 risk report: chapter VI.16.3
Global economic downturn	No change	Credit risk	Chapter VI.6.3 Chapter VI.6.5	Market risk	2025 risk report: chapter VI.16.3
		Market risk	2025 risk report: chapter VI.10.3		
Economic policy divergence in the eurozone	No change	Market risk	2025 risk report: chapter VI.10.3	Market risk	2025 risk report: chapter VI.16.3 chapter VI.16.5.3
Heightened volatility in the global financial markets	No change	Market risk	2025 risk report: chapter VI.10.3	Market risk	2025 risk report: chapter VI.16.3
Scenarios involving interest-rate cuts	No change	Market risk	2025 risk report: chapter VI.10.3	Market risk	2025 risk report: chapter VI.16.3
Scenarios involving interest-rate hikes	No change	Market risk	2025 risk report: chapter VI.10.3	Life actuarial risk	2025 risk report: chapter VI.15.1.3
		Technical risk of a home savings and loan company	2025 risk report: chapter VI.11.3	Market risk	2025 risk report: chapter VI.16.3
Correction in real estate markets	No change	Credit risk	Chapter VI.6.3	Market risk	Chapter VI.13.2

Only the macroeconomic risk factors that changed materially in the reporting period are described below.

The **conflict in the Middle East** between the United States and Iran, which has been ongoing since the end of February, has been the most serious geopolitical risk in the year to date. The Strait of Hormuz has been virtually impassable for shipping since then. Hardly any ships have passed through it despite the ceasefire that has been in place since Easter. According to the US administration, negotiations continue to be held, but an agreement has yet to be reached between Iran and the United States. The global supply of oil has fallen significantly since the start of the war, even though some of the supply gap has been filled by increasing production in other countries, diverting oil along alternative transportation routes, and using strategic reserves. In addition to crude oil and natural gas, other critical commodities such as sulfur, urea, and helium – needed for the production of fertilizers and semiconductors – are also in short supply in the global market due to the blocking of shipping routes through the Strait of Hormuz.

At the start of August, there were diplomatic signals suggesting a potential US-Iran treaty, thereby raising hopes of an imminent easing of the situation in the crude oil markets, but both governments have yet to give their final approval. At the same time, military attacks have been carried out again recently. The main risk is of a renewed military escalation that would close the strait entirely and permanently block it for shipping traffic. In such an escalation scenario, the price of oil and gas would be significantly higher throughout the forecast period. The drastic and sustained reduction in oil supply, which would then no longer be avoidable in the long term, would give rise to noticeably higher rates of inflation and real shortages. In turn, this would cause supply and production chains to stall across vast swathes of the global economy. Against this backdrop, central banks would be forced to raise interest rates further, thereby placing additional strain on the already ailing economy. Global stagflation would be the most likely result, while individual countries could fall into a recession. In the financial markets, this would give rise to a prolonged period of significant uncertainty and a fundamental reassessment of the economic outlook.

4 Liquidity adequacy

4.1 Strategy

The management of liquidity adequacy is an integral component of business management in the DZ BANK Group and the management units. The regulatory requirements for a bank's internal liquidity adequacy assessment process (ILAAP) must be followed. 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. The economic perspective focuses on the DZ BANK Group and takes into account the requirements of the ECB Guide to the ILAAP and MaRisk. The normative perspective, which is relevant to the DZ BANK banking group, also takes into account the ECB Guide to the ILAAP and 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.

4.2 Liquidity adequacy in the economic perspective

4.2.1 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.

The aforementioned 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 of the securities in the liquidity reserve taken as collateral 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 ensuring 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.3 shows the liquidity value of the liquid securities that would result from secured funding or if the securities were sold.

FIG. VI.3 – LIQUID SECURITIES OF THE DZ BANK GROUP

€ billion	Jun. 30, 2026	Dec. 31, 2025
Liquid securities eligible for GC[1] Pooling (ECB Basket)	**47.7**	**35.0**
of which: securities in own portfolio	41.4	34.3
of which: securities received as collateral	22.3	15.4
of which: securities provided as collateral	-16.0	-14.7
Liquid securities eligible as collateral for central bank loans	**26.0**	**24.2**
of which: securities in own portfolio	23.4	19.7
of which: securities received as collateral	8.0	6.9
of which: securities provided as collateral	-5.4	-2.3
Other liquid securities	**3.8**	**4.2**
of which: securities in own portfolio	3.0	2.8
of which: securities received as collateral	0.9	1.6
of which: securities provided as collateral	–	-0.2
Total	**77.5**	**63.5**
of which: securities in own portfolio	67.8	56.8
of which: securities received as collateral	31.2	23.9
of which: securities provided as collateral	-21.5	-17.2

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

The liquidity value amounted to €77.5 billion as at June 30, 2026 (December 31, 2025: €63.5 billion). The rise in securities that are eligible for GC Pooling was driven by the establishment of a liquidity buffer at DZ BANK. Furthermore, reverse repos with customers, banks in the Cooperative Financial Network, and subsidiaries of DZ BANK led to an increase in securities collateral.

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 highly 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**. 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 at DZ BANK, which provides one of the main pillars of short-term funding in the unsecured money markets.

Corporate customers and **institutional customers** are another important source of funding for covering short-term liquidity requirements in the DZ BANK Group. In the context of liquidity risk, corporate customers are any customers that are neither banks nor institutional customers.

Under a number of programs, DZ BANK – through its offices in Frankfurt am Main, New York, Hong Kong, and London – and DZ PRIVATBANK – through its office in Luxembourg – issue **money market products based on debt certificates** in the form of certificates of deposit and commercial paper. Key repo and securities lending activities, together with the collateral management process, are managed centrally in DZ BANK's Group Treasury division.

The volume of funding on the **interbank market** is low; such funding is not strategically important to the DZ BANK Group. The range of funding sources in the unsecured money markets is shown in Fig. VI.4.

FIG. VI.4 – UNSECURED SHORT-TERM AND MEDIUM-TERM FUNDING OF THE DZ BANK GROUP

€ billion	Jun. 30, 2026	Dec. 31, 2025
Deposits	**93.5**	**99.4**
of which: deposits of local cooperative banks	55.0	63.9
of which: current account deposits of other customers	38.5	35.5
Money market borrowing	**80.3**	**73.9**
of which: central banks, interbank, and customer banks	14.3	10.9
of which: corporate customers and institutional customers	39.2	38.9
of which: certificates of deposit/commercial paper	26.8	24.1

Deposits from the local cooperative banks were lower as at June 30, 2026 than as at December 31, 2025 due to seasonal effects. Conversely, there were increases in issues of certificates of deposit/commercial paper and in liquidity obtained from central banks.

Information on **liquidity management** and **funding** can be found in chapter II.5 of the interim group management report.

4.2.2 Risk position

Minimum liquidity surplus

Short-term economic liquidity adequacy is assured if none of the three stress scenarios with defined limits exhibit a negative value for the key risk indicator ‘minimum liquidity surplus’. Fig. VI.5 shows the results of measuring liquidity risk.

Until December 31, 2025, four stress scenarios were considered in liquidity risk management in order to assess short-term economic liquidity adequacy. A separate downgrading scenario was one of these stress scenarios. It simulated the effect of the DZ BANK Group’s long-term ratings being downgraded, for example following a preceding loss of confidence among customers and banks. In recent years, this scenario has not identified a squeeze of relevance for the DZ BANK Group’s liquidity risk management. The substance of the downgrading scenario is also taken into account in the corporate crisis stress scenario. In light of this fact, and because there is no regulatory requirement to analyze this scenario separately, the competent committee decided that this scenario would no longer be considered in the context of liquidity risk management from 2026 onward.

FIG. VI.5 – MINIMUM LIQUIDITY SURPLUSES FOR THE DZ BANK GROUP, BY STRESS SCENARIO

	Forward cash exposure		Counterbalancing capacity		Minimum liquidity surplus[1]	
€ billion	Jun. 30, 2026	Dec. 31, 2025	Jun. 30, 2026	Dec. 31, 2025	Jun. 30, 2026	Dec. 31, 2025
Corporate crisis	-50.0	-71.4	76.3	96.2	26.3	24.7
Market crisis	-47.9	-77.7	78.1	112.7	30.1	35.1
Combination crisis	-49.7	-77.4	77.3	104.9	27.6	27.5

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

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.

The liquidity risk value measured as at June 30, 2026 for the stress scenario with defined limits with the lowest minimum liquidity surplus (squeeze scenario) was €26.3 billion (December 31, 2025: €24.7 billion). The increase in the minimum liquidity surplus was attributable to a number of factors, including changes to the model to set consistent and binding rules for calculating different magnitudes of stress at product level. To this end, each product was assigned a stress magnitude in line with the objective of the relevant stress scenario.

The minimum liquidity surplus as at June 30, 2026 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.

As at June 30, 2026, the limit for the minimum liquidity surplus amounted to €0.0 billion, which was unchanged on the figure as at December 31, 2025. The internal observation threshold was also unchanged at €7.5 billion.

As at the reporting date, the minimum liquidity surplus exceeded 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.1. The **limit** for the minimum liquidity surplus was 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 this measuring of long-term liquidity risk presented in Fig. VI.6 are obtained by comparing the forward cash exposure and the counterbalancing capacity in the relevant maturity bands. The amount of the structural minimum liquidity surplus is disclosed for each maturity band.

FIG. VI.6 – STRUCTURAL MINIMUM LIQUIDITY SURPLUS OF THE DZ BANK GROUP, BY FORECAST PERIOD

	Limit		Structural minimum liquidity surplus	
€ billion	Jun. 30, 2026	Dec. 31, 2025	Jun. 30, 2026	Dec. 31, 2025
2–5 years	-4.0	-4.0	36.6	46.5
6–10 years	-6.0	-6.0	31.5	26.6

The reduction in the structural minimum liquidity surplus in the 2 to 5 years maturity band was due to loans and securities on the assets side rising more sharply than own issues and investment certificates on the equity and liabilities side. The rise in the structural minimum liquidity surplus in the 6 to 10 years maturity band was attributable to a reduction in long-term bond holdings. The limits for the structural minimum liquidity surplus were adhered to as at the reporting date.

4.3 Liquidity adequacy in the normative perspective

4.3.1 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. In accordance with the CRR in conjunction with Commission Delegated Regulation (EU) 2015/61 on the liquidity coverage requirement for banks, DZ BANK reports the LCR to the relevant supervisory authority on a monthly basis.

The LCR is show in Fig. VI.7.

FIG. VI.7 – LIQUIDITY COVERAGE RATIO OF THE DZ BANK BANKING GROUP

	Jun. 30, 2026	Dec. 31, 2025
Total liquidity buffer (€ billion)	125.4	125.4
Total net liquidity outflows (€ billion)	87.6	80.2
LCR (percent)	**143.2**	**156.4**

The reduction in the LCR as at June 30, 2026 to 143.2 percent (December 31, 2025: 156.4 percent) resulted from an increase in net liquidity outflows coupled with a virtually unchanged liquidity buffer. During the period under review, declining deposits from banks in the Cooperative Financial Network and from customers outside the financial sector were replaced by the issue of short-term commercial paper and deposits from financial customers. These shifts within counterparty and product categories resulted in an increase in net cash outflows, which gave rise to a reduction in the LCR due to the difference in weightings.

As at the reporting date, the **external minimum target** laid down by the supervisory authorities, the **internal minimum threshold**, and the **internal observation threshold** were exceeded. The target/threshold values are shown in Fig. VI.1.

4.3.2 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. 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 NSFR calculated for the DZ BANK banking group is presented in Fig VI.8.

FIG. VI.8 – NET STABLE FUNDING RATIO OF THE DZ BANK BANKING GROUP

	Jun. 30, 2026	Dec. 31, 2025
Available stable funding (weighted equity and liabilities; € billion)	289.9	293.1
Required stable funding (weighted assets; € billion)	236.6	231.7
Excess cover/shortfall (€ billion)[1]	53.3	61.5
NSFR (percent)	**122.5**	**126.5**

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

As at the reporting date, the NSFR was above the **internal minimum threshold** and the **internal observation threshold**. The ratio also exceeded the **external minimum target** laid down by the supervisory authorities. The target/threshold values are shown in Fig. VI.1.

5 Capital adequacy

5.1 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. The economic perspective takes into account the requirements of the ECB Guide to the internal capital adequacy assessment process (ICAAP) and of MaRisk. The normative perspective also takes into account the ECB Guide to the ICAAP and 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.

5.2 Retrospective recalculation of the overall solvency requirement

The annual recalculation of the overall solvency requirement and the regulatory risk capital requirement took place as at December 31, 2025 owing to scheduled changes to the parameters for the risk measurement procedures carried out in the second quarter of 2026 for the Insurance sector on the basis of R+V's 2025 consolidated financial statements and the updating of actuarial assumptions. The recalculation reflects updated measurements of insurance liabilities based on annual actuarial analyses, updated deferred taxes, 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. An appropriate projection is made instead.

In the economic perspective, the recalculation led to changes in the available internal capital, key risk indicators, and economic capital adequacy of the DZ BANK Group. In the normative perspective, the own funds, solvency requirements, and coverage ratio of the DZ BANK financial conglomerate were affected by the changes. The figures as at December 31, 2025 given in this risk report have been restated accordingly and are not directly comparable with the figures in the 2025 risk report.

5.3 Capital adequacy in the economic perspective

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 Bank and Insurance sectors' risk values, which are aggregated taking into account various diversification effects. These risk values comprise the risk capital requirement of the Bank sector, the overall solvency requirement of the Insurance sector, and a central economic capital buffer. Economic capital adequacy of 100.0 percent or higher indicates that the DZ BANK Group has economic risk-bearing capacity.

The DZ BANK Group's **available internal capital** as at June 30, 2026 stood at €33,791 million (December 31, 2025: €32,684 million). The **limit** derived from the available internal capital was specified at €19,655 million for 2026 (December 31, 2025: €21,578 million). As at the reporting date, **aggregate risk** was calculated at €14,195 million. The comparable figure as at December 31, 2025 was €15,002 million. This decline in the limit and aggregate risk was mainly attributable to two effects in the Bank sector. Firstly, the introduction of the central credit portfolio model accounted for a reduction of €0.8 billion in aggregate risk. Secondly, the fine-tuning of the method of risk data aggregation at the start of the year intensified the risk-reducing impact of diversification effects between the risk types. This effect amounted to €0.5 billion. The limits were adjusted in line with the methodological changes.

As at June 30, 2026, the **economic capital adequacy ratio** for the DZ BANK Group was calculated at 238.0 percent. The comparable figure as at December 31, 2025 was 217.9 percent. The increase in available internal capital due to the level of unappropriated earnings in the first six months, coupled with lower aggregate risk, led to the rise in economic capital adequacy.

Fig. VI.9 provides an overview of the economic capital adequacy of the DZ BANK Group and its components.

The limits and risk capital requirements for the **Bank sector**, broken down by risk type, are shown in Fig. VI.10.

Fig. VI.11 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.

In addition to the figures shown in Fig. VI.10 and Fig. VI.11, the aggregate risk includes **a centralized capital buffer requirement across all types of risk**, which was calculated at €779 million as at June 30, 2026 (December 31, 2025: €760 million). The corresponding **limit** was unchanged compared with the end of 2025 at €1,000 million.

FIG. VI.9 – ECONOMIC CAPITAL ADEQUACY OF THE DZ BANK GROUP

	Jun. 30, 2026	Dec. 31, 2025
Available internal capital (€ million)[1]	33,791	32,684
Limit (€ million)	19,655	21,578
Aggregate risk (€ million)[1]	14,195	15,002
Economic capital adequacy (percent)[1]	**238.0**	**217.9**

1 Value as at December 31, 2025 after recalculation of R+V's overall solvency requirement. Different values were stated in the 2025 risk report.

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.1.

FIG. VI.10 – LIMITS AND RISK CAPITAL REQUIREMENTS IN THE BANK SECTOR

	Limit		Risk capital requirement	
€ million	Jun. 30, 2026	Dec. 31, 2025	Jun. 30, 2026	Dec. 31, 2025
Credit risk	4,450	5,123	3,172	3,937
Equity investment risk	1,084	1,084	932	886
Market risk	5,780	6,310	3,375	3,234
Technical risk of a home savings and loan company[1]	820	820	566	509
Business risk[2]	475	500	–	–
Operational risk	1,158	1,206	1,007	1,003
Total (after diversification)	**12,155**	**14,078**	**8,001**	**9,009**

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.11 – LIMITS AND OVERALL SOLVENCY REQUIREMENTS IN THE INSURANCE SECTOR

	Limit		Overall solvency requirement	
€ million	Jun. 30, 2026	Dec. 31, 2025	Jun. 30, 2026	Dec. 31, 2025[1]
Life actuarial risk[2]	1,400	1,400	1,185	1,157
Health actuarial risk	475	475	408	398
Non-life actuarial risk	2,800	2,850	2,400	2,398
Market risk	4,750	4,900	4,267	4,093
Counterparty default risk	425	350	311	281
Operational risk	850	800	723	668
Risks from entities in other financial sectors	200	190	171	171
Total (after diversification)	**6,500**	**6,500**	**5,414**	**5,233**

1 Values as at December 31, 2025 after recalculation of the overall solvency requirement. Different values were stated in the 2025 risk report.
2 Reputational risk is implicitly included in the overall solvency requirement for life actuarial risk (lapse risk).

5.4 Capital adequacy in the normative perspective

5.4.1 Regulatory framework

The normative perspective is an integral part of the ICAAP. 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 regulatory ratios presented below are used as part of the internal management of the DZ BANK financial conglomerate and the DZ BANK banking group.

5.4.2 DZ BANK financial conglomerate

The DZ BANK financial conglomerate comprises the DZ BANK banking group and R+V. The German Supervision of Financial Conglomerates Act (FKAG) forms the primary legal basis for the supervision of the DZ BANK financial conglomerate. The calculation methodology for the coverage ratio for the financial conglomerate 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 and the total of solvency requirements for the conglomerate. The coverage 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.12.

FIG. VI.12 – REGULATORY CAPITAL ADEQUACY OF THE DZ BANK FINANCIAL CONGLOMERATE

	Jun. 30, 2026	Dec. 31, 2025[1]
Own funds (€ million)	41,808	40,857
Solvency requirements (€ million)[2]	26,458	26,550
Coverage ratio of the financial conglomerate (percent)	**158.0**	**153.9**

1 Values as at December 31, 2025 after recalculation of the overall solvency requirement. Different values were stated in the 2025 risk report.
2 The values for the DZ BANK banking group included in the calculations were determined in accordance with the CRR transitional guidance.

The final coverage ratio calculated for the financial conglomerate as at June 30, 2026 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.1.

5.4.3 DZ BANK banking group

Regulatory minimum capital requirements

The minimum capital requirements that the DZ BANK banking group has to comply with in 2026 under the Supervisory Review and Evaluation Process for Basel Pillar 2 (SREP) comprises 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 SREP conducted for the DZ BANK banking group in 2025, also have to be satisfied. As part of the SREP, the banking supervisor specifies a mandatory add-on (**Pillar 2 requirement**) that is factored into the external minimum targets for the capital ratios and taken into account in the calculation of 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 exclusively to common equity Tier 1 capital. Although failure to comply with the own funds guidance under Pillar 2 does not constitute a breach of regulatory capital requirements, it is an important early-warning indicator.

BaFin has classified DZ BANK as an other systemically important institution (O-SII). The DZ BANK banking group has 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 2026. The O-SII capital buffer was unchanged compared with the prior-year period.

The mandatory minimum capital requirements relevant to the DZ BANK banking group under the SREP, and their components, are shown in Fig. VI.13.

FIG. VI.13 – REGULATORY MINIMUM CAPITAL REQUIREMENTS OF THE DZ BANK BANKING GROUP

Percent	2026	2025
Minimum requirement for common equity Tier 1 capital	4.5	4.5
Additional Pillar 2 capital requirement	1.1	1.1
Capital conservation buffer	2.5	2.5
Countercyclical capital buffer[1]	0.7	0.7
Systemic risk buffer[1]	0.1	0.1
O-SII capital buffer	1.0	1.0
Mandatory minimum requirement for common equity Tier 1 capital	**9.8**	**9.9**
Minimum requirement for additional Tier 1 capital[2]	1.5	1.5
Additional Pillar 2 capital requirement[2]	0.3	0.3
Mandatory minimum requirement for Tier 1 capital	**11.7**	**11.8**
Minimum requirement for Tier 2 capital[2]	2.0	2.0
Additional Pillar 2 capital requirement[2]	0.4	0.5
Mandatory minimum requirement for total capital	**14.1**	**14.2**

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 2026 and 2025 relate solely to the reporting dates.
2 The minimum requirement and additional capital requirement can also be satisfied with own funds from higher categories.

Regulatory capital ratios

Fig. VI.14 provides an overview of the DZ BANK banking group's regulatory capital ratios. 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 as at June 30, 2026. The target/threshold values are shown in Fig. VI.1.

FIG. VI.14 – REGULATORY CAPITAL RATIOS OF THE DZ BANK BANKING GROUP

	Jun. 30, 2026	Dec. 31, 2025
Capital		
Common equity Tier 1 capital (€ million)	29,138	27,958
Additional Tier 1 capital (€ million)	3,293	3,293
Tier 1 capital (€ million)	**32,431**	**31,251**
Total Tier 2 capital (€ million)	4,469	4,642
Own funds (€ million)	**36,900**	**35,893**
Risk-weighted exposure amounts[1]		
Credit risk including long-term equity investments (€ million)	125,929	125,361
Market risk (€ million)	8,318	6,008
Operational risk (€ million)	20,198	20,763
Total (€ million)	**154,444**	**152,132**
Capital ratios		
Common equity Tier 1 capital ratio (percent)	18.9	18.4
Tier 1 capital ratio (percent)	21.0	20.5
Total capital ratio (percent)	23.9	23.6

1 In accordance with the CRR III transitional guidance.

Leverage ratio

The **leverage ratio** shows the ratio of Tier 1 capital to the leverage ratio exposure. 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 derived from an individual credit rating but are generally included in the leverage ratio exposure without being weighted. The leverage ratio exposure comprises exposures reported on the balance sheet, derivatives exposures, securities financing transaction exposures, and other off-balance-sheet exposures.

The leverage ratio of the DZ BANK banking group and its components are shown in Fig. VI.15.

FIG. VI.15 – LEVERAGE RATIO OF THE DZ BANK BANKING GROUP

	Jun. 30, 2026	Dec. 31, 2025
Tier 1 capital (€ million)	32,431	31,251
Leverage ratio exposure (€ million)	463,530	447,437
Leverage ratio (percent)	**7.0**	**7.0**

As at the reporting date, the leverage 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.1.

Minimum requirement for own funds and eligible liabilities

The **MREL ratio as a percentage of risk-weighted exposure amounts** is the ratio of the MREL volume to the total risk exposure amount (risk-weighted exposure amounts) 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 exposure amounts**, only 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 leverage ratio exposure, which comprises on-balance-sheet asset items and off-balance-sheet items. To calculate the **subordinated MREL ratio as a percentage of the leverage ratio exposure**, only 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 of the DZ BANK banking group are shown in Fig. VI.16.

FIG. VI.16 – MINIMUM REQUIREMENT FOR OWN FUNDS AND ELIGIBLE LIABILITIES OF THE DZ BANK BANKING GROUP

Percent	Jun. 30, 2026	Dec. 31, 2025
MREL ratio		
as a percentage of risk-weighted exposure amounts	40.7	40.8
as a percentage of the leverage ratio exposure	13.6	13.9
Subordinated MREL ratio		
as a percentage of risk-weighted exposure amounts	34.3	34.1
as a percentage of the leverage ratio exposure	11.4	11.6

The **external minimum targets**, **internal minimum thresholds** , and **internal observation thresholds** were exceeded as at June 30, 2026. The target/threshold values are shown in Fig. VI.1.

5.4.4 R+V

The regulatory solvency requirements for insurance companies and insurance groups provide a means of evaluating the overall risk position in the R+V Versicherung AG insurance group.

R+V's coverage ratio is calculated in line with the rules in Delegated Regulation (EU) 2015/35 and is the ratio between total own funds and the total solvency requirements. In accordance with the solvency capital requirements for insurance companies, the coverage ratio must be at least 100.0 percent. 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.

Fig. VI.17 shows how the solvency requirements are covered by eligible own funds.

FIG. VI.17 – REGULATORY CAPITAL ADEQUACY OF R+V

	Jun. 30, 2026	Dec. 31, 2025[1]
Own funds (€ million)	17,272	16,437
Solvency capital requirement (€ million)	8,124	8,055
Coverage ratio (percent)	**212.6**	**204.1**

1 Values as at December 31, 2025 after recalculation of the overall solvency requirement. Different values were stated in the 2025 risk report.

The **regulatory risk-bearing capacity** of R+V as at June 30, 2026 was calculated at 212.6 percent. The final figure as at December 31, 2025 was 204.1 percent (preliminary figure given in the 2025 risk report: 203.8 percent). The coverage ratio was thus above the unchanged external minimum target of 100.0 percent.

The projections applied in the internal planning show that the R+V Versicherung AG insurance group's solvency ratio will likely continue to exceed the solvency requirement as at December 31, 2026.

Bank sector

6 Credit risk

6.1 Centralization of credit risk measurement in the Bank sector

The credit value-at-risk – calculated using an internal credit risk model and reduced by the expected loss – quantifies the capital requirement for transactions subject to credit risk in the Bank sector. This key figure is calculated on the basis of a holding period of 1 year and a confidence level of 99.9 percent. The credit value-at-risk quantifies the risk of unexpected losses if default or migration events were to materialize.

Until 2025, unexpected losses from lending and trading business were quantified on a decentralized basis in the management units that are of material significance for credit risk, namely DZ BANK, BSH, DZ HYP, DZ PRIVATBANK, TeamBank, and VR Smart Finanz. At the start of 2026, credit risk measurement for the Bank sector was centralized at DZ BANK. This change includes the parameters required for the calculation of credit value-at-risk. These are now also generated centrally by DZ BANK on the basis of the credit risk data provided by the management units.

Risks that were previously covered by capital buffers have been integrated into the new credit portfolio model too. They include migration risk for traditional lending business and for derivatives and money market business as well as other risks such as recovery risk.

The shift to the centralized credit risk model led to a reduction of €773 million in the economic capital requirement in the Bank sector, taking diversification effects into account.

6.2 Lending volume in the entire credit portfolio

6.2.1 Asset class structure of the credit portfolio

The reporting to the Management Board 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 rose by 4.1 percent in the first half of the year, from €487.3 billion as at December 31, 2025 to €507.2 billion as at June 30, 2026.

As at June 30, 2026, a significant proportion (38 percent) of the lending volume was concentrated in the financial sector. This was unchanged compared with the end of the prior year. 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).

Fig. VI.18 shows the breakdown of the credit portfolio by asset class.

FIG. VI.18 – BANK SECTOR: LENDING VOLUME, BY ASSET CLASS

€ billion	Jun. 30, 2026	Dec. 31, 2025
Entities within the Cooperative Financial Network[1]	137.0	137.5
Financials	55.7	49.2
Corporates[2]	88.7	85.8
Asset-based lending/project finance	17.5	15.8
Public sector	55.3	48.3
Real estate (commercial and retail customers)	119.8	119.3
Retail business (excluding real estate customers)	18.6	18.6
Asset-backed securities and asset-backed commercial paper	13.9	12.1
Other	0.8	0.7
Total	**507.2**	**487.3**

1 Cooperative banks.
2 Including cooperatives for the purchase/sale of goods.

6.2.2 Geographical structure of the credit portfolio (excluding Germany)

Fig. VI.19 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 June 30, 2026, 66 percent of the total lending outside Germany was concentrated in Europe (December 31, 2025: 69 percent).

FIG. VI.19 – BANK SECTOR: LENDING VOLUME, BY COUNTRY GROUP

€ billion	Jun. 30, 2026	Dec. 31, 2025
Europe	64.9	61.3
of which: eurozone	40.6	39.4
North America	15.3	13.8
Central America	0.4	0.3
South America	1.4	1.1
Asia	12.2	9.4
Africa	1.8	1.6
Other	1.9	1.7
Total	**97.9**	**89.0**

6.2.3 Rating structure of the credit portfolio

The proportion of the total lending volume accounted for by rating classes 1A to 3A (investment grade) remained unchanged at 88 percent between December 31, 2025 and June 30, 2026. Rating classes 3B to 4E (non-investment grade) represented 10 percent (December 31, 2025: 11 percent). Defaults, represented by rating classes 5A to 5E, amounted to €6.2 billion as at June 30, 2026 (December 31, 2025: €5.7 billion). They thus accounted for 1 percent of the total lending volume, as had also been the case at the end of 2025.

Fig. VI.20 shows the lending volume by rating class according to the VR credit rating master scale.

FIG. VI.20 – BANK SECTOR: LENDING VOLUME, BY INTERNAL RATING CLASS

€ billion		Jun. 30, 2026	Dec. 31, 2025
Investment grade	1A	51.6	44.3
	1B	9.5	7.0
	1C	161.0	159.5
	1D	20.6	19.0
	1E	20.1	18.6
	2A	23.7	22.6
	2B	28.5	27.6
	2C	29.8	34.5
	2D	33.9	31.0
	2E	37.7	37.6
	3A	28.2	24.9
Non-investment grade	3B	14.3	16.1
	3C	12.4	10.4
	3D	9.5	8.8
	3E	6.2	6.3
	4A	3.0	3.2
	4B	3.1	2.9
	4C	1.2	1.7
	4D	0.9	0.7
	4E	2.3	2.1
Default		6.2	5.7
Not rated		3.4	2.4
Total		**507.2**	**487.3**

6.2.4 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. For this reason, securities business is not included in the presentation of the collateralized lending volume.

Fig. VI.21 shows the breakdown of the collateral value by type of collateral. The total collateral value fell from €130.5 billion as at December 31, 2025 to €129.6 billion as at June 30, 2026. The collateralization rate was 31.2 percent as at the reporting date (December 31, 2025: 32.2 percent).

FIG. VI.21 – BANK SECTOR: COLLATERAL VALUE, BY TYPE OF COLLATERAL

€ billion	Jun. 30, 2026	Dec. 31, 2025
Guarantees, indemnities, risk subparticipations	6.9	6.9
Credit insurance	7.5	7.4
Land charges, mortgages, registered ship and aircraft mortgages	112.2	112.4
Pledged loans and advances, assignments, other pledged assets	1.8	1.8
Financial collateral	0.9	1.7
Other collateral	0.3	0.3
Total collateral	**129.6**	**130.5**
Lending volume	415.8	404.9
Uncollateralized lending volume	**286.2**	**274.4**
Collateralization rate (percent)	**31.2**	**32.2**

6.3 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.

6.3.1 Structural change in the automotive sector

The automotive sector has been undergoing a period of transformation for several 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. At the heart of the transformation is the progressive switch from internal combustion technology to alternative drives, especially electric ones.

In recent years, new manufacturers – particularly from China – have joined the incumbent major players in the market. These new arrivals have captured large shares of their domestic markets and are now gaining an increasing foothold internationally. This puts German vehicle manufacturers under pressure, particularly in the previously high-margin Chinese market, and has triggered extensive cost-cutting programs.

Long-term trends, from digitalization, connectivity, and assistance systems through to autonomous driving, are becoming ever more important and represent an integral element of the industry's transformation. All in all, the pressure on the industry to transform remains high as a result.

The automotive industry is currently recording lackluster growth in its major European markets and, to some extent, in China too. Geopolitical tensions, the tariffs already introduced, and other potential trade policy conflicts are also taking their toll. Another factor is the renewed risk of supply chain disruptions, for example due to further potential restrictions on the export of rare earths or semiconductors from China. As the conflict in the Middle East continues, the indirect effects will likely also have an adverse impact on both vehicle production and patterns of demand. The outlook for the remainder of 2026 therefore remains muted. In the medium term, growth is expected to remain sluggish for German and European vehicle manufacturers.

The volume of lending in the Bank sector's automotive finance portfolio is largely concentrated in **DZ BANK** and came to €4.4 billion as at June 30, 2026, which was unchanged on the figure as at December 31, 2025. This portfolio includes loans to automotive suppliers, which are analyzed separately in chapter VI.6.5.3.

6.3.2 Commercial real estate finance

Business model and macroeconomic risks

Within the Bank sector, **DZ HYP's** lending business with corporates includes financing for office real estate and real estate mainly used for retail/wholesale businesses, including department stores, shopping malls, and inner-city commercial properties that are mainly used for retail/wholesale businesses not offering day-to-day essentials. In addition, DZ HYP provides financing for property development and project development work. It also finances the purchasing of land for which development plans have been drawn up.

The aforementioned asset classes have been negatively affected by a number of general and specific sources of uncertainty in recent years. After a positive start to the year, the first six months of 2026 were dominated by very muted macroeconomic conditions and geopolitical uncertainty due to the conflict in the Middle East. There remains an elevated risk to the stability of real estate markets in the second half of the year. Amid these conditions, investors are becoming increasingly cautious about taking on new investments.

Persistently high interest rates are also taking their toll on market players' willingness to invest. The stabilization of yields that had previously been observable in the real estate markets was interrupted by low to moderate increases in yields in the second quarter of 2026. The volume of transactions in the investment markets for commercial real estate was up year on year in the first six months of 2026. There is much to suggest that real estate actors have become accustomed to the changed economic conditions in recent years and are once again in a better position to gauge the marketability of properties in the current market environment. Given the ongoing uncertainty, however, there is no robust evidence of this as yet, particularly because most of the transactions in the first half of the year were entered into before the latest geopolitical tensions emerged.

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 continued to rise in the first half of 2026, these loans remain at a moderate level. Critical exposures were also frequently able to be transferred 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, there is uncertainty stemming from risk factors of relevance for commercial real estate finance, particularly in terms of whether financially viable rental and purchase prices can be achieved. This could adversely impact on cash flow, investing activities, and market values over the remaining months of 2026. If market conditions are to return to normal on a lasting basis, interest rates must hold steady and the economy and the macroeconomic conditions must stage a significant and sustained recovery.

Risks specific to individual real estate finance segments

In the **financing of office real estate** segment, office-based employment has continued to see slight growth, albeit at a diminishing rate. Office-based employment fared better in prime locations, especially in the service sector. Prime rents rose slightly, while average rents stabilized during the reporting period. The vacancy rate, meanwhile, climbed further. This meant that the increasing differentiation of the market continued in the first six months of the year. Additional vacancies are anticipated, particularly in older building stock in peripheral locations, in the second half of the year. Select, well maintained office buildings in peripheral locations could serve as a model for success, although they require tailored approaches and good management. The geopolitical and macroeconomic conditions continue to create uncertainty. Companies are therefore expected to put their investment decisions and the implementation of new space solutions on hold for the time being. The effects of demographic change and new ways of working will likely lead to less floor space being required in the future, with demand focusing on urban locations and major cities. Growing demand for modern and premium spaces in well connected locations with good access to services and amenities is thus expected to continue. The detailed assessment of individual approaches and circumstances is becoming increasingly important, with exit options becoming a key decision-making criterion.

In the financing of **real estate mainly used for retail/wholesale businesses**, retail lettings were once again lower than in previous years in the first half of 2026, having staged a noticeable recovery in 2025. Nonetheless, demand from tenants – chiefly in popular locations in major cities – grew modestly in the first six months of 2026. There was no clear-cut trend in prime rents. All in all, retail and wholesale are facing considerable pressure to change in the face of poor demand, muted macroeconomic conditions, supply chain challenges, structural changes, cost increases, and increased difficulties in accessing capital.

The structure of the retail/wholesale asset class is varied. It ranges from department stores that are becoming increasingly unattractive in financial terms to shopping malls, traditional specialist outlets and general retailers, and almost entirely brick-and-mortar local suppliers with product ranges that cater to short-term, periodic demand. This asset class also includes properties that incorporate not only retail but also other uses.
Using retail and wholesale properties for other purposes, such as residential, healthcare, hotel business, offices, or education and leisure fundamentally offers potential but needs to be assessed on a case-by-case basis, taking property and locational factors into account. Besides the location and quality of the real estate, their flexibility and the ability of management to respond and adapt to changing market and cost structures are becoming increasingly important.

Finance with construction risk will continue to face major headwinds in the second half of the year. The subdued macroeconomic environment and ongoing political uncertainty are dampening the willingness to invest. Interest rates, which have been rising again recently, are also having an adverse impact, as are ongoing processes of structural change, especially in the office segment. Construction prices picked up again noticeably during the first six months of the year, with the latest geopolitical tensions adding to the pressure on costs. Although no widespread shortage of building materials is discernible at present, delivery times are longer for certain materials. If international supply chains face prolonged disruptions, there is a risk of renewed bottlenecks, particularly for crude oil-based products. There continue to be delays in letting and sales processes.

The property development finance market is still seeing growth impetus, led by private (own) use. However, there are tentative signs that sales momentum for apartments is slowing down.

The market for project development remains difficult, with lettings in the office segment continuing to pose a challenge. For projects at an advanced stage, exit negotiations are either underway or are anticipated by the project developers. At the same time, the industry is seeing the first indications that exits planned for this year will be postponed.

The situation for construction projects that have not yet commenced – especially those involving financing for land purchases – remains challenging. Complex approval procedures also continue to give rise to delays. Projects planned before 2022 are being squeezed by increased financing requirements and higher costs than originally planned. The ongoing reluctance to invest and the associated uncertainty surrounding exit options are additional adverse factors.

Lending volume by finance segment

The Bank sector entities' lending volume in the real estate asset class, which is presented in Fig. VI.18, totaled €119.8 billion as at June 30, 2026 (December 31, 2025: €119.3 billion). Of this sum, €45.0 billion was attributable to the commercial real estate finance business under the umbrella of DZ HYP as at June 30, 2026 (December 31, 2025: €45.8 billion). Fig. VI.22 shows DZ HYP's commercial finance lending volume in segments that are particularly affected by the negative macroeconomic conditions.

FIG. VI.22 – BANK SECTOR: CREDIT PORTFOLIOS PARTICULARLY AFFECTED BY NEGATIVE MACROECONOMIC CONDITIONS: COMMERCIAL REAL ESTATE FINANCE

€ billion	**Jun. 30, 2026**	Dec. 31, 2025
Financing of office real estate	**12.4**	12.8
Financing of real estate mainly used for retail/wholesale businesses	**3.4**	3.6
of which: department stores	0.4	0.4
of which: shopping malls	2.3	2.5
of which: inner-city commercial properties	0.7	0.7
Finance with construction risk	**5.7**	5.5
of which: property development transactions	0.5	0.5
of which: project development transactions	4.1	4.0
of which: financing for land purchases	1.1	1.0
Total	**21.5**	**21.9**

6.3.3 Financing in the consumer finance business

The macroeconomic risk factors described in chapter VI.5.2 of the 2025 risk report continue to impact on the financial strength of retail customers. This was especially apparent in **TeamBank's** consumer finance business.

As at June 30, 2026, the volume of consumer finance extended by TeamBank amounted to €13.9 billion (December 31, 2025: €14.0 billion).

6.3.4 Finance for corporates

The macroeconomic situation is affecting **VR Smart Finanz's** financing for small and medium-sized enterprises.

As at June 30, 2026, the volume of finance extended by VR Smart Finanz to corporates amounted to €3.7 billion (December 31, 2025: €3.6 billion).

6.4 Credit portfolios particularly affected by geopolitical tensions

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, export finance, and project finance that is backed by export credit agencies.

Fig. VI.23 shows the breakdown of the lending volume in the countries affected by the various crises. In the first half of 2026, Azerbaijan, Bahrain, Jordan, Kuwait, Oman, Qatar, and the United Arab Emirates were classified as countries affected, in the broader sense, by the conflict in the Middle East. This means that the total lending volume shown in Fig. VI.23 differs from the corresponding disclosure in the 2025 risk report.

FIG. VI.23 – BANK SECTOR: LENDING VOLUME IN REGIONS PARTICULARLY AFFECTED BY GEOPOLITICAL TENSIONS

€ million	Jun. 30, 2026	Dec. 31, 2025
Lending volume in countries affected directly by the war in Ukraine	**553**	504
of which uncollateralized: Russia	96	86
of which uncollateralized: Ukraine	24	2
Lending volume in countries affected by the conflict in the Middle East	**4,548**	3,907
of which uncollateralized: Egypt	74	56
of which uncollateralized: Azerbaijan	81	2
of which uncollateralized: Bahrain	1	1
of which uncollateralized: Iraq	5	6
of which uncollateralized: Israel	3	1
of which uncollateralized: Jordan	19	–
of which uncollateralized: Qatar	354	189
of which uncollateralized: Kuwait	188	162
of which uncollateralized: Oman	24	24
of which uncollateralized: Saudi Arabia	551	395
of which uncollateralized: Turkey	726	739
of which uncollateralized: United Arab Emirates	182	152
Lending volume in regions affected directly by tensions in the South China Sea	**1,929**	1,529
of which uncollateralized: China	1,485	1,118
of which uncollateralized: Taiwan	167	74
Total	**7,030**	5,940
of which uncollateralized lending volume	3,979	3,005

The total lending volume in countries affected by global crises amounted to €7,030 million as at June 30, 2026 (December 31, 2025: €5,940 million; €5,059 million was stated in the 2025 risk report). This equated to 1 percent of the total lending volume in the Bank sector as at the reporting date, which was unchanged compared with the end of 2025.

6.5 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.

Owing to a high level of demand, utilization of **cruise ship building** capacity at the shipyards financed by DZ BANK is largely ensured until well into 2029. The addressing of structural challenges is starting to bear fruit, which, combined with the progress made on shoring up the finances of these companies, is resulting in brighter prospects. This portfolio is therefore no longer assigned to the credit portfolios with increased risk content.

6.5.1 Finance for borrowers in the construction industry
Given its above-average sensitivity (with a time lag) to changes in the wider economy and the fierce level of competition, the construction industry has been battling several negative factors for quite a while.

At the start of 2026, the projection for orders on hand for the entire primary construction industry was upbeat compared with the prior year, with a low level of revenue growth expected across this industry in 2026. However, this growth depends on geopolitical developments. The expansion of the conflict in the Middle East, leading to oil and gas price hikes and the prediction of higher prices for construction materials, has dampened business expectations.

Capacity utilization in the construction segment remains low overall. International companies are in a better position in relative terms, as are German firms that have diversified as broadly as possible across the construction industry and potentially also operate in international markets. Public-sector construction is still expected to see a boost from the German government's special off-budget infrastructure fund. In any case, orders will only be able to be executed gradually due to the ongoing shortage of skilled workers.

The lending volume in this portfolio is mainly attributable to DZ BANK. As at June 30, 2026, loans and advances in the **Bank sector** amounted to €5,253 million (December 31, 2025: €5,066 million).

6.5.2 Finance for borrowers in the steel and metal industry
The macroeconomic environment for the steel and metal industry remains difficult. High energy costs, geopolitical uncertainty – exacerbated by the conflict in the Middle East – and rising excess capacity outside of Europe are all taking their toll on market conditions. Whether and to what extent the situation can stabilize in the second half of the year will depend heavily on how these factors pan out. The German purchasing managers' index – a key indicator of how industry is performing – underscores the challenging situation. It was stuck at a low level in the first half of 2026 and is now once again suggesting a slight contraction of manufacturing activity.

Raw steel production picked up slightly in the first half of 2026 compared with 2025. However, capacity utilization in some parts of the industry remains lower than the benchmark profitable level. Furthermore, imports are surging due to growing capacities around the world and the impact of geopolitical tensions.

Another dominant problem is the protracted lull in demand in the metalworking sectors. This is affecting engineering, the automotive industry, and pipeline construction, where falling demand is being felt across the entire value chain. In addition, US tariffs, the appreciation of the euro, high energy costs, and carbon pricing are making export conditions worse. Although current initiatives of the EU and the German government – such as increasing protectionist measures through stricter import quotas and the introduction of an industrial electricity price at the start of 2026 – promise a certain amount of relief, they are unlikely to provide a structural remedy for the underlying problems.

The lending volume in the Bank sector amounted to €3,420 million as at June 30, 2026 (December 31, 2025: €3,233 million).

6.5.3 Finance for automotive suppliers
In addition to the factors described in chapter VI.6.3.1 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 high level and margins are still under significant pressure. Compared with vehicle manufacturers, automotive suppliers are in a relatively weak competitive position. In many cases, financial performance in the supply industry hinges primarily on the volume of vehicles produced, which is set to remain flat until 2027. Current uncertainty regarding tariffs and the pressure on supply chains – for example in relation to rare earths and semiconductors – could reduce expectations further.

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 increasing competition with new market players that are leading the way when it comes to assistance systems, battery systems, and digitalization. These new arrivals 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 an extent from North American markets. As things stand, German suppliers are unlikely to participate noticeably in that growth. 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 and further reduce their ability to pass on rising energy and commodity costs, which are increasing as an indirect consequence of geopolitical tensions.

Within the Bank sector, finance for companies in the automotive supply industry, which falls into the 'corporates' asset class and mainly relates to **DZ BANK**, amounted to €2,445 million as at June 30, 2026 (December 31, 2025: €2,483 million).

6.5.4 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. Consumer retail demand remained slack in the first half of 2026. The impact of the conflict in the Middle East will likely continue to depress demand – due to higher inflation and protracted uncertainty – and put pressure on margins as a result of rising freight prices and supply chain delays. The currently weak US dollar is having a risk-mitigating impact, offsetting some of the increased costs. With the exception of necessities, the willingness of consumers to spend on clothing and footwear is generally lower than for other consumer goods. The significant rise in prices, especially of food, is piling additional pressure on household budgets. This heightens the risk of further company insolvencies in the industry. While brick-and-mortar retail remains under pressure, the e-commerce segment recorded strong growth in the reporting period. However, a substantial proportion of this growth is attributable to providers from Asia.

As expected, US trade policy has weighed heavily on the clothing and textile industry. Multinational companies with a large proportion of revenue from the United States and a high degree of production in Asia are particularly affected. Because current US tariff policy is causing Chinese providers to direct their flow of goods away from the United States and toward European sales markets, companies operating in the same price and/or product segment as Chinese competitors are indirectly affected by the policy changes too. The persistently high level of competitive pressure in the industry thus remains its key challenge.

Within the Bank sector, the lending exposure to the clothing and textile industry is concentrated at **DZ BANK**. The affected lending volume in the Bank sector amounted to €1,835 million as at June 30, 2026 (December 31, 2025: €1,867 million).

6.6 Volume of closely monitored and non-performing loans

6.6.1 Closely monitored loans and forborne exposure

Fig. VI.24 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.24 – BANK SECTOR: CLOSELY MONITORED LENDING VOLUME AND FORBORNE EXPOSURE

€ million	Jun. 30, 2026	Dec. 31, 2025
Yellow list lending volume	**4,559**	**4,696**
of which: forborne exposure	133	78
Watchlist lending volume	**6,498**	**6,131**
of which: forborne exposure	1,985	1,478
Default list lending volume[1]	**6,241**	**5,725**
of which: forborne exposure	3,115	3,053
Total lending volume on monitoring lists	**17,298**	**16,551**
of which: forborne exposure	5,233	4,609
Off-monitoring-list forborne exposure	99	**170**
Total forborne exposure[2]	5,332	4,779

1 Non-performing loans.
2 Both on and off the monitoring lists.

The **closely monitored lending volume** rose by 5 percent from December 31, 2025 to June 30, 2026. This was primarily attributable to an increase of €350 million at DZ BANK and of €249 million at DZ HYP.

The **forborne exposure** went up from €4,779 million as at December 31, 2025 to €5,332 million as at June 30, 2026, predominantly owing to an increase of €321 million in the forborne exposure at DZ HYP and of €193 million at DZ BANK.

6.6.2 Non-performing loans

Fig. VI.25 shows the key figures relating to non-performing loans.

FIG. VI.25 – BANK SECTOR: KEY FIGURES FOR NON-PERFORMING LOANS

	Jun. 30, 2026	Dec. 31, 2025
Total lending volume (€ billion)	507.2	487.3
Volume of non-performing loans (€ billion)[1]	6.2	5.7
Balance of loss allowances (€ billion)[2]	2.4	2.3
Extended coverage ratio (percent)	78.2	74.1
NPL ratio (percent)	1.5	1.4

1 Volume of non-performing loans excluding collateral.
2 IFRS specific loan loss allowances at stage 3, including provisions.

As at June 30, 2026, the volume of non-performing loans (NPLs) had risen to €6,241 million from €5,725 million as at December 31, 2025. The rise was mainly attributable to DZ BANK (€239 million) and DZ HYP (€198 million). The NPL ratio stood at 1.5 percent as at the reporting date (December 31, 2025: 1.4 percent).

6.7 Risk position

6.7.1 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 June 30, 2026, the **credit value-at-risk** amounted to €3,172 million (December 31, 2025: €3,937 million) with a **limit** of €4,450 million (December 31, 2025: €5,123 million). The reduction in credit value-at-risk was primarily due to the introduction of the centralized risk calculation for the Bank sector.

Fig. VI.26 shows the credit value-at-risk together with the average probability of default and expected loss.

FIG. VI.26 – BANK SECTOR: FACTORS DETERMINING THE CREDIT VALUE-AT-RISK

	Jun. 30, 2026	Dec. 31, 2025
Average probability of default (percent)	0.4	0.4
Expected loss (€ million)	532	508
Credit value-at-risk (€ million)	3,172	3,937

In the analysis of **individual concentrations**, the 20 counterparties associated with the largest credit value-at-risk accounted for 18 percent of the total credit value-at-risk as at June 30, 2026 (December 31, 2025: 21 percent).

6.7.2 Risks in the credit portfolios with increased risk content

The risk capital requirement for credit portfolios exposed to increased credit risk is shown in Fig. VI.27.

FIG. VI.27 – BANK SECTOR: CREDIT VALUE-AT-RISK[1] FOR CREDIT PORTFOLIOS WITH INCREASED RISK CONTENT

€ million	Jun. 30, 2026	Dec. 31, 2025
Finance for borrowers in the construction industry	62	51
Finance for borrowers in the steel and metal industry	37	25
Finance for automotive suppliers	55	50
Finance for borrowers in the clothing and textile industry	19	17

1 Excluding decentralized capital buffer requirement.

7 Equity investment risk

The **carrying amounts of long-term equity investments** relevant for the measurement of equity investment risk amounted to €2,892 million as at June 30, 2026 (December 31, 2025: €2,692 million). Besides a real estate investment, the increase in the carrying amounts of long-term equity investments in the first half of the year was chiefly attributable to the expansion of business at VR Equitypartner GmbH, Frankfurt.
The **risk capital requirement** for equity investment risk was calculated to be €932 million as at June 30, 2026 (December 31, 2025: €886 million). The corresponding **limit** was €1,084 million as at the reporting date (December 31, 2025: €1,084 million).

8 Market risk

8.1 Value-at-risk

Fig. VI.28 shows the average, maximum, and minimum values-at-risk measured over the first half of the year, including a further breakdown by type of market risk. Furthermore, Fig. VI.29 shows the change in market risk 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.28 – BANK SECTOR: CHANGE IN MARKET RISK BY RISK SUBTYPE[1, 2]

€ million	Jun. 30, 2026	Average	Maximum	Minimum	Dec. 31, 2025
Interest-rate risk	71	65	78	44	62
Spread risk	33	33	36	31	34
Equity risk[3]	16	18	24	14	23
Currency risk	2	2	6	1	4
Commodity risk	3	3	3	2	2
Aggregate risk[4]	**78**	66	82	45	**55**

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.29 – 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.

As at June 30, 2026, the **value-at-risk** for **market risk** was €78 million (December 31, 2025: €55 million). The increase in interest-rate risk was largely attributable to the rise in interest rates in the eurozone as a result of the widening of the conflict in the Middle East at the start of the year. In the historical simulation, new scenarios arose that were influenced by rising interest rates.

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 to differences in the calculation bases used for the various portfolios. The value-at-risk for the interest-rate risk in the banking book for regulatory purposes amounted to €70 million as at the reporting date (December 31, 2025: €62 million). This increase was also attributable to the rise in interest rates in the eurozone.

8.2 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.30.

FIG. VI.30 – BANK SECTOR: PERIODIC INTEREST-RATE RISK AND PERIODIC SPREAD RISK IN THE BANKING BOOK[1]

€ million	Jun. 30, 2026	Dec. 31, 2025
IRRBB NIIMV risk	253	484
CSRBB NIIMV risk	380	43

1 IRRBB = interest-rate risk in the banking book; CSRBB = credit spread risk in the banking book;
NII risk = periodic net interest income risk; MV risk = risk resulting from present-value changes in market value.

The changes in the IRRBB NIIMV risk and the CSRBB NIIMV risk measured as at June 30, 2026 compared with the end of 2025 were largely attributable to the updated scope of application for IRRBB/CSRBB. This relates in particular to adjustments to the holding categories, which are based on regulatory financial reporting.

8.3 Risk capital requirement

As at June 30, 2026, the **risk capital requirement** for total **market risk** amounted to €3,375 million (December 31, 2025: €3,234 million) with a limit of €5,780 million (December 31, 2025: €6,310 million). The increase in the risk capital requirement compared with the end of the prior year was mainly attributable to general market risk. This was due to the rise in interest rates in the eurozone in connection with the conflict in the Middle East. The reduction in the risk capital requirement for asset management risk predominantly stemmed from higher share prices.

Fig. VI.31 provides an overview of the risk values.

FIG. VI.31 – BANK SECTOR: RISK CAPITAL REQUIREMENT FOR MARKET RISK, BY RISK SUBTYPE

€ million	Jun. 30, 2026	Dec. 31, 2025
Spread and migration risk	1,920	1,978
General market risk	1,433	1,212
Asset-management risk	21	45
Risk capital requirement	**3,375**	**3,234**

9 Technical risk of a home savings and loan company

As at June 30, 2026, the **risk capital requirement** for the technical risk of a home savings and loan company amounted to €566 million (December 31, 2025: €509 million) with a **limit** of €820 million, which was unchanged compared with the end of 2025.

10 Business risk and reputational risk

As at June 30, 2026, the **risk capital requirement** for business risk amounted to €0 million, which was unchanged on the figure as at December 31, 2025. The risk capital requirement is set at zero if the model's loss distribution is positive.

The **limit** for business risk was €475 million as at the reporting date (December 31, 2025: €500 million).

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.

11 Operational risk

11.1 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 July 1, 2025 to June 30, 2026 – represent the relevant reporting period for an analysis of net losses. Fig. VI.32 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.

FIG. VI.32 – BANK SECTOR: NET LOSSES[1] BY OPERATIONAL RISK SUBTYPE

€ million	Jul. 1, 2025–Jun. 30, 2026	Long-term mean[2]
Compliance risk	10	21
Legal risk	2	18
Information risk including ICT risk	1	3
BCM risk	2	2
External procurement risk	2	1
Project risk	3	1
Other operational risk	8	9
Total[3]	**27**	**53**

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.

In the past four quarters, the highest losses were attributable to compliance risk and other operational risk. Whereas losses from **other operational risk** were due to many loss events with low to medium loss severity, losses from **compliance risk** mainly related to a provision in connection with a ruling by the German Federal Court of Justice on custody fees. Based on the long-term mean, internal losses were dominated by **compliance risk** and **legal risk**.

The losses in the past four quarters were higher than in the prior period. Losses did not reach a critical level relative to the expected loss from operational risk at any point in the first half of 2026.

11.2 Risk position

The **risk capital requirement** for operational risk was calculated at €1,007 million as at June 30, 2026 (December 31, 2025: €1,003 million) with a **limit** of €1,158 million (December 31, 2025: €1,206 million).

Fig. VI.33 shows the structure of the risk profile for operational risk in the Bank sector based on **risk subtypes**.

FIG. VI.33 – BANK SECTOR: DISTRIBUTION OF RISK CAPITAL REQUIREMENT FOR OPERATIONAL RISK, BY RISK SUBTYPE[1]

Percent	Jun. 30, 2026	Dec. 31, 2025
Compliance risk	31.8	31.8
Legal risk	19.3	19.3
Information risk including ICT risk	16.2	16.3
BCM risk	4.6	4.6
External procurement risk	7.2	7.2
Project risk	5.5	5.5
Other operational risk	15.2	15.2

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 remained largely unchanged as at June 30, 2026 compared with the end of the previous year. **Compliance risk** and **legal risk** accounted for the most significant proportions of the risk capital requirement for operational risk. A large proportion of the risk capital requirement for these two risk subtypes was determined by the identified and recorded losses and by the hypothetical estimates of the potential risk.

Insurance sector

12 Actuarial risk

As at June 30, 2026, the **overall solvency requirement** for **life actuarial risk** amounted to €1,185 million (December 31, 2025: €1,157 million) with a **limit** of €1,400 million, which was unchanged compared with the end of the prior year.

The **overall solvency requirement** for **health actuarial risk** came to €408 million as at June 30, 2026 (December 31, 2025: €398 million). The **limit** was unchanged at €475 million.

The **overall solvency requirement** for **non-life actuarial risk** amounted to €2,400 million as at June 30, 2026 (December 31, 2025: €2,398 million) with a **limit** of €2,800 million (December 31, 2025: €2,850 million).

13 Market risk

13.1 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.

R+V's **total lending volume** rose by 4 percent in the first half of the year, from €93.1 billion as at December 31, 2025 to €97.2 billion as at June 30, 2026.

The financial sector and the public sector, which are the dominant **asset classes**, accounted for 68 percent of the total lending volume, as they had at the end of 2025.

The explanation of the asset class concept in the Bank sector (see chapter VI.6.2.1) applies analogously to the Insurance sector. Fig. VI.34 shows the breakdown of the lending volume by asset class.

FIG. VI.34 – INSURANCE SECTOR: LENDING VOLUME, BY ASSET CLASS

€ billion	Jun. 30, 2026	Dec. 31, 2025
Financials	44.3	42.1
Corporates	12.6	12.0
Public sector	22.1	21.1
Real estate (commercial and retail customers)	17.2	16.9
Other retail business	0.1	0.1
Asset-backed securities and asset-backed commercial paper	0.9	0.9
Total	**97.2**	**93.1**

In the real estate asset class (commercial and retail customers), the volume of lending in the home finance business came to €14.9 billion as at June 30, 2026 (December 31, 2025: €14.6 billion). Of this amount, 83 percent was accounted for by loans for less than 60 percent of the value of the property (December 31, 2025: 86 percent).

As at the reporting date, the volume of home finance was broken down by finance type as follows (figures as at December 31, 2025 shown in parentheses):
– Consumer home finance: €13.6 billion (€13.3 billion)
– Commercial home finance: €0.1 billion (€0.1 billion)
– Commercial finance: €1.2 billion (€1.2 billion)

In the case of home finance, the entire volume disbursed is backed by traditional loan collateral.

Fig. VI.35 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 June 30, 2026, 77 percent of the total lending outside Germany was concentrated in Europe (December 31, 2025: 76 percent).

FIG. VI.35 – INSURANCE SECTOR: LENDING VOLUME, BY COUNTRY GROUP

€ billion	Jun. 30, 2026	Dec. 31, 2025
Europe	50.0	47.8
of which: eurozone	40.6	38.8
North America	8.6	8.3
Central America	0.5	0.5
South America	0.9	0.9
Asia	3.0	3.1
Africa	0.3	0.3
Other	2.0	2.0
Total	**65.2**	**62.7**

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 of the 2025 risk report.

The **rating structure** of the lending volume in the Insurance sector is shown in Fig. VI.36.

FIG. VI.36 – INSURANCE SECTOR: LENDING VOLUME, BY INTERNAL RATING CLASS

€ billion		Jun. 30, 2026	Dec. 31, 2025
Investment grade	1A	28.4	28.5
	1B	7.1	7.8
	1C	–	–
	1D	13.7	12.9
	1E	–	–
	2A	7.9	5.5
	2B	6.3	6.3
	2C	4.5	4.2
	2D	4.5	4.7
	2E	–	–
	3A	1.1	0.8
Non-investment grade	3B	0.5	0.5
	3C	0.4	0.4
	3D	–	–
	3E	0.1	0.1
	4A	0.1	0.1
	4B	–	–
	4C	–	–
	4D	–	–
	4E	–	–
Default		0.3	0.1
Not rated		22.1	21.2
Total		**97.2**	**93.1**

Of the total lending volume as at June 30, 2026, 76 percent was attributable to investment-grade borrowers, which was the same percentage as at December 31, 2025. Defaults, represented by rating classes 5A to 5E, accounted for less than 1 percent of the total lending volume and was therefore unchanged too. The lending volume that is not rated, which also remained unchanged compared with December 31, 2025 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 ten counterparties associated with the largest lending volumes accounted for 16 percent of R+V's total lending volume as at June 30, 2026, as had been the case at the end of 2025.

13.2 Credit portfolios particularly affected by a negative environment

13.2.1 Economic policy divergence in the eurozone

Differences in economic policy in the eurozone are particularly affecting investments of R+V in **Italy**. R+V's affected exposure as at June 30, 2026 amounted to €4,466 million (December 31, 2025: €3,853 million). The increase in the exposure compared with December 31, 2025 was largely due to investments in fixed-income securities and the improvement in their fair values.

13.2.2 Geopolitical tensions

The following sections present the lending volume in the credit portfolios in which the effects of geopolitical tensions 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.37.

In the first half of 2026, Azerbaijan, Bahrain, Kuwait, Oman, Qatar, and the United Arab Emirates were classified as countries affected, in the broader sense, by the conflict in the Middle East. This means that the total lending volume shown in Fig. VI.37 differs from the corresponding disclosure in the 2025 risk report.

FIG. VI.37 – INSURANCE SECTOR: LENDING VOLUME IN REGIONS PARTICULARLY AFFECTED BY GEOPOLITICAL TENSIONS

€ million	Jun. 30, 2026	Dec. 31, 2025
Lending volume in countries affected by the conflict in the Middle East	**848**	**828**
of which: Egypt	1	1
of which: Azerbaijan	8	8
of which: Bahrain	40	37
of which: Israel	274	251
of which: Jordan	18	22
of which: Qatar	79	81
of which: Kuwait	2	–
of which: Oman	51	47
of which: Saudi Arabia	245	248
of which: Turkey	39	37
of which: United Arab Emirates	91	96
Lending volume in regions affected directly by tensions in the South China Sea	**506**	**216**
of which: China	500	210
of which: Taiwan	6	6
Total	**1,355**	**1,044**

The proportion of R+V's lending volume that was associated with geopolitical tensions stood at €1,355 million as at June 30, 2026 (December 31, 2025: €1,044 million; €775 million was stated in the 2025 risk report). This equated to 1 percent of the total lending volume in the Insurance sector as at the reporting date, which was unchanged compared with the end of 2025. The increase in the lending volume for China was largely attributable to the inclusion of more R+V positions as at the reporting date.

13.3 Risk position

As at June 30, 2026, the **overall solvency requirement** for market risk amounted to €4,267 million (December 31, 2025: €4,093 million) with a **limit** of €4,750 million (December 31, 2025: €4,900 million).

Fig. VI.38 shows the overall solvency requirement for the various types of market risk.

FIG. VI.38 – INSURANCE SECTOR: OVERALL SOLVENCY REQUIREMENT FOR MARKET RISK, BY RISK SUBTYPE

€ million	Jun. 30, 2026	Dec. 31, 2025[1]
Interest-rate risk	1,797	1,858
Spread risk	1,224	1,124
Equity risk	2,154	2,015
Currency risk	362	359
Real-estate risk	473	476
Total (after diversification)	**4,267**	**4,093**

1 Values as at December 31, 2025 after recalculation of the overall solvency requirement. Different values were stated in the 2025 risk report.

14 Counterparty default risk

Receivables arising from reinsurance contracts held amounted to €15 million as at June 30, 2026 (December 31, 2025: €40 million). The reduction compared with the end of 2025 was due to the decrease in receivables from reinsurers following their settlement at the start of 2026. Of the total amount, 88 percent (December 31, 2025: 96 percent) was accounted for by receivables from entities with an external rating of A or better under the system of rating agency S&P Global Ratings. The receivables with an external rating of BBB or worse made up 7 percent as at June 30, 2026 (December 31, 2025: 1 percent). Meanwhile, receivables from reinsurance counterparties without a rating accounted for 5 percent as at June 30, 2026 (December 31, 2025: 3 percent).

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, classified under the system of rating agency S&P Global Ratings, are shown in Fig. VI.39.

FIG. VI.39 – INSURANCE SECTOR: VOLUME OF REINSURANCE CONTRACTS HELD, BY EXTERNAL RATING CLASS

€ million	Jun. 30, 2026	Dec. 31, 2025
AAA	2	21
AA+ to AA-	43	97
A+ to A-	66	59
B	2	–
Not rated	15	19
Total	**128**	**196**

The decrease in the reinsurers' share of insurance liabilities was mainly attributable to a lower level of expected claims in connection with the settlement of individual major claim events.

Overdue receivables from policyholders and insurance brokers more than 90 days past due as at the reporting date amounted to €52 million as at June 30, 2026 (December 31, 2025: €34 million). The increase was essentially due to receivables from policyholders of R+V Allgemeine Versicherung AG, Wiesbaden.

As at June 30, 2026, the **overall solvency requirement** for counterparty default risk amounted to €311 million (December 31, 2025: €281 million) with a **limit** of €425 million (December 31, 2025: €350 million). The rise in the overall solvency requirement was due to higher amounts past due that are owed by policyholders or insurance brokers.

15 Operational risk

As at June 30, 2026, the **overall solvency requirement** determined for operational risk amounted to €723 million (December 31, 2025: €668 million). The **limit** was €850 million as at the reporting date (December 31, 2025: €800 million). The increased overall solvency requirement was attributable to higher insurance liabilities.

16 Risks from entities in other financial sectors

As at June 30, 2026, the **overall solvency requirement** for risks in connection with entities in other financial sectors remained unchanged compared with the end of 2025 at €171 million with a **limit** of €200 million (December 31, 2025: €190 million).