

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 GC¹ 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

€ billion	Forward cash exposure		Counterbalancing capacity		Minimum liquidity surplus ¹	
	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

€ billion	Limit		Structural minimum liquidity surplus	
	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 shown 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

€ million	Limit		Risk capital requirement	
	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

€ million	Limit		Overall solvency requirement	
	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 amounts¹		
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 volume¹	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 exposure²	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-RISK¹ 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 risk⁴	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 DAY¹



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 BOOK¹

€ 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;
NIIMV 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 LOSSES¹ 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
Total³	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 SUBTYPE¹

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).