

ANNUAL REPORT 2025

dzhyp.de

OVERVIEW

€ mn	2025	2024
DEVELOPMENT OF NEW BUSINESS		
Corporate Clients	9,246	7,221
Retail Customers	1,632	1,509
Public-Sector Clients	834	768
PORTFOLIO DEVELOPMENT	31 Dec 2025	31 Dec 2024
Total assets	77,363	77,213
Mortgage loans	57,558	57,548
Originated loans to local authorities	8,337	8,580
Securities business	8,442	8,318
Pfandbriefe and other debt securities	49,181	49,117
Own funds	2,114	2,013
Total capital ratio (in %)	15.9	12.3
Tier 1 ratio (in %)	15.4	11.8
Common equity tier 1 ratio (in %)	15.4	11.8
PROFIT AND LOSS ACCOUNT	1 Jan to 31 Dec 2025	1 Jan to 31 Dec 2024
Net interest income	718.8	719.8
Net commission result	-27.1	-21.1
Administrative expenses	251.3	244.5
Net other operating income/expenses	9.8	18.2
Risk provisioning	-103.4	-90.6
Net financial result	0.0	4.4
Operating profit	346.8	386.2
Allocation to the fund for general banking risks	110.0	146.0
Taxes	154.8	140.2
Profits transferred under a profit and loss transfer agreement	82.0	100.0
Distributable earnings	191.0	245.8
Cost/income ratio (in %)	36.8	34.8
Return on equity (in %)	14.0	16.4
NUMBER OF EMPLOYEES	31 Dec 2025	31 Dec 2024
Annual average	953	906

*) Lending transactions with national governments and sub-sovereign entities, Landesbanken and development and promotional banks, as well as state-guaranteed corporate bonds, bank bonds, promissory note loans and mortgage-backed securities

ANNUAL REPORT 2025

DZ HYP – PART OF A STRONG GROUP (SELECTED COMPANIES)



DZ HYP is part of the DZ BANK Group and therefore part of the German Cooperative Financial Network, which comprises approximately 646 individual cooperative banks. In terms of total assets, it ranks among the largest financial services organisations in Germany. Within the Cooperative Financial Network, DZ BANK AG acts as the central institution, tasked with supporting the local cooperative banks' transactions as well as strengthening their competitive position. It operates as a commercial bank and exercises the holding entity function for the DZ BANK Group.

The DZ BANK Group comprises Bausparkasse Schwäbisch Hall building society, DZ HYP, DZ PRIVATBANK, insurer R+V Versicherung, TeamBank, Union Investment Group and VR Smart Finanz, as well as various other specialist financial services providers. The DZ BANK Group entities and their strong brands are the cornerstones of a comprehensive range of financial services offered through the Cooperative Financial Network. The DZ BANK Group has organised its strategy and range of services for the cooperative banks and their clients along the lines of four business segments: Retail Customers, Corporate Clients, Capital Markets and Transaction Banking.

The Cooperative Financial Network has a long tradition of combining banking services with insurance products, home loan savings and a range of investment services. Each of the specialist institutions within the DZ BANK Group offers highly competitive and appropriately priced products in their respective area of expertise. This allows Germany's cooperative banks to offer their clients an end-to-end range of first-class financial services.

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LETTER FROM THE MANAGEMENT BOARD



The Management Board of DZ HYP
From left to right: Stefan Schrader, Sabine Barthauer (Chief Executive Officer), Jörg Hermes

Dear Business Associates,

2025 was a year marked by global disruption, with an increasingly multipolar world order and heightened geopolitical tensions on display and persistent uncertainties impeding economic stability and growth. The world continues to face a variety of complex challenges, and Europe and Germany are not immune from the forces of change at play. Germany, with its overall fragile economic situation, is responding with new security policies and an urgent reassessment of its alliances and economic dependencies. Following a period of economic stagnation and weakening business climate indicators, the country only expects moderate growth for 2026. Given the current conflict in the Middle East, the gradual stabilisation observed at the start of the year is likely to be weaker than originally expected. The broader economic impact of this conflict is difficult to predict at present but will mean increased uncertainty for businesses and investors alike. At the same time, it remains to be seen how the European Central Bank (ECB) will respond to the changed circumstances.

The ECB's monetary policy stance is a key influencing factor for real estate markets, which depend greatly on reliable financing conditions. Although the consolidation phase to date has laid the groundwork for stabilisation, the heightened geopolitical uncertainty and more volatile financing outlook may well combine to curb investment momentum in 2026. That said, investment activity increased noticeably in many commercial real estate markets. However, this recovery lacked broad-based momentum, and transaction volumes fell slightly short of the previous year's level. Investment activity remained selective and was characterised by a strong focus on risk aversion. Capital was primarily directed towards high-value assets, notably residential properties and core office assets in prime locations. The private residential real estate market enjoyed a robust year, supported by ongoing rental growth and persistently limited supply. Though access to financing became more challenging for some, home ownership gained in attractiveness, perceived not only as a source of stability for owner-occupiers but also as a long-term investment. Transactions in this market focused primarily on existing properties and saw moderate price increases. Overall, 2025 was a year of transformation for the real estate market. While the market did not fully meet growth expectations, the year concluded with clear signs of stabilisation and an emerging upswing.

In this heterogeneous market environment, DZ HYP looks back on a successful year, its performance underpinned by a strong regional presence and the strength of the Cooperative Financial Network. New business increased by € 11.7 billion, representing year-on-year growth of around 23 per cent, with positive development across all

business segments. With challenging external factors at play, the performance of the segment Corporate clients merits particular attention, winning new business of € 9.2 million, up significantly from the previous year. This result was supported by favourable developments in our joint lending business with cooperative banks. Business in the segment Retail Customers contributed € 1.6 billion to total profits, continuing on its growth trajectory. Transactions with public-sector clients also developed positively, rising by almost 9 per cent year on year to € 834 million, driven by increased municipal investment activity.

A key driver of our success is our resilient credit portfolio. Net interest income was on a par with the previous year's level and the risk situation can still be classified as moderate, anchored by our conservative business model as a Pfandbrief bank, which is based on long-term financing structures and high-quality collateral. The portfolio's resilience is bolstered further by an increased share of residential assets. This, combined with our risk-averse lending and stable funding approach, underscores the stability of our business model, which remains reliable and robust even during periods of heightened volatility.

In 2025, we made tangible progress in implementing several key initiatives. For example, we launched a Bank-wide long-term programme to explore how AI can be integrated into our processes in a strategic and responsible manner, with due consideration given to the associated risks and our responsibilities in this regard. Further milestones included the launch of our retail customer platform for home loan financing and the rollout of digital loan processes for corporate clients, both of which are enhancing the quality of our digital services across business segments.

As one of Germany's leading real estate financiers, we are committed to promoting sustainability in the real estate sector. Sustainability is firmly embedded in our business model and we strive to drive forward efforts in this area through a comprehensive sustainability strategy combined with effective ESG risk management practices, which are subject to constant review and improvement. We have now published our second Sustainability Report, prepared in accordance with the European Sustainability Reporting Standards, which demonstrates the strengthened integration of sustainability considerations into our credit business. In 2025, we also issued Green Pfandbriefe as benchmark bonds, reinforcing our position as an established issuer of sustainable bonds.

The end of 2025 brought with it the introduction of a new vision and mission for DZ HYP, designed to provide a clear framework for the future, with key activities to be implemented step by step from 2026 onwards. Our new Leadership Guidelines were also published in 2025, serving as a clear point of reference with regard to responsible conduct, open communication, trust-based collaboration and innovative strength across the Bank.

We look ahead to 2026 with confidence. Real estate markets are showing signs of increasing resilience, particularly in the residential segment, thus serving as a reliable pillar for our future success. In light of what has already been achieved, we believe that DZ HYP is well positioned for the future. This forecast is bolstered by the Bank's dedication to driving digital and sustainable transformation across all segments and by our colleagues' high level of expertise in all areas. All this ensures that we are creating the best possible conditions to remain a reliable and strong partner for our clients and partners in the Cooperative Financial Network. We look forward to continuing on this path together.

Yours faithfully,
The Management Board



Sabine Barthauer
Chief Executive Officer



Jörg Hermes



Stefan Schrader

Hamburg and Münster, 1 April 2026

ABOUT DZ HYP

PARTNER FOR REAL ESTATE FINANCING AND PUBLIC-SECTOR LENDING IN THE GER- MAN COOPERATIVE FINANCIAL NETWORK

As a member of the Cooperative Financial Network, DZ HYP is committed to the success of its partners and clients. The Bank strengthens the market position of cooperative banks in the segments Corporate Clients, Retail Customers and Public Sector. In DZ HYP, local cooperative banks have a partner supporting them – with a strong funding base, a decentralised approach and close proximity to its clients. The Bank's central business policy role is to anchor real estate financing and public-sector lending in the German Cooperative Financial Network, and to realise financing solutions together. To this end, DZ HYP offers German cooperative banks a solution-oriented range of products and services, working hand in hand with them to cultivate regional markets. Both sides benefit from the partnership – DZ HYP from the direct contact with regional clients, and the German cooperative banks from the business relationships that come from developing the market throughout Germany.

Working together with corporate clients

In their business with corporate clients, working together with DZ HYP using the IMMO META product family enables cooperative banks to realise larger financing solutions for their medium-sized real estate clients and companies in the housing industry – and

also to diversify their own risk. The German cooperative banks can draw on the specific financing expertise of their partner within the network, while at the same time contributing their regional market knowledge.

Through IMMO META, DZ HYP participates on a *pari-passu* basis in real estate finance exposures originated by cooperative banks in their region. In these cases, cooperative banks retain their lead manager role. With IMMO META REVERSE, the cooperative banks can participate in selected large-volume DZ HYP financing projects early on, in some cases even in the origination phase. The financing partners themselves decide on their own level of involvement, also participating on a *pari-passu* basis. IMMO META REVERSE⁺ allows a large number of cooperative banks to acquire individual tranches of a property financing arrangement concluded by DZ HYP; here, they can participate in a standardised manner as equal-ranking partners in the syndicate. The German cooperative banks can access an online platform to simplify the process and ensure efficient distribution. A framework agreement must be concluded before using this platform.

Working together with retail customers

DZ HYP has a broad range of private home loan financings on offer for cooperative banks in its Retail Customer business. These range from annuity loans and publicly subsidised financing from KfW Group's portfolio for new construction, purchase, modernisation and refurbishment of real estate to roll-over financings. Products can be adjusted to meet specific customer requirements with regard to their fixed-rate period as well as their scheduled and unscheduled repayment rates. With terms and conditions being updated on a daily basis and risk-adjusted pricing models in place, DZ HYP is able to offer attractive packages.

Cooperative banks can close loans using the agree21, Genopace and Baufinex distribution systems, as well as other platforms. A traffic light code, including immediate approval, ensures that the process leading to a lending decision is fast and reliable. Whenever questions arise, DZ HYP's Customer Dialogue Centre ensures that they are answered quickly and conclusively. Regional directors are on hand to help intermediary banks with their sales and market activities.

VR-BaufiComfort, launched by DZ HYP, is a new model for cooperating with partner banks that does not require framework agreements. Under this model, DZ HYP takes care of all steps from reviewing and approving loan applications to disbursing the loan. This in turn frees up banks to focus on advising customers and attending to their financing needs.

Working together with public-sector clients

As a centre of competence for public-sector clients within the Cooperative Financial Network, DZ HYP helps cooperative banks across Germany to develop their business with counties, towns/cities and local authorities, their legally dependent operations, municipal special public-law administrative unions and public-sector institutions. The core element of DZ HYP's direct business, and of the business conducted jointly with the German cooperative banks, is granting local authority loans and short-term public-sector loans. In addition, DZ HYP offers banks a municipal ranking that uses the latest data to provide information on the economic, budgetary and debt situation of the municipalities in the individual business regions. This municipal ranking has been expanded to better account for ESG factors and has also been included in DZ HYP's local authority lending process. Integrating sustainability criteria – with the environmental, social and governance pillars – will allow DZ HYP to gain insight into the fundamental factors driving the sustainable transformation and long-term stability of a municipality.

Real estate valuation by the subsidiary VR WERT

The wholly owned subsidiary of DZ HYP, VR WERT Gesellschaft für Immobilienbewertungen mbH, appraises real estate for banks, the corporate sector, investors and housing cooperatives. Its range of services includes market and mortgage lending value appraisals, advice/consultancy on real estate matters, construction monitoring and product audits of appraisals performed by German cooperative banks. Mortgage lending values are calculated in line with the requirements of the Regulation on the Determination of Mortgage Lending Value (*Beleihungswertermittlungsverordnung – "BeWertV"*). For the most part, VR WERT values properties financed by DZ HYP with a focus on the Corporate Clients business – which require a particularly sophisti-

cated and individualised case analysis – and also privately owned properties.

Ratings

Standard & Poor's (S&P) reviewed the DZ HYP rating in November 2025, affirming the issuer rating A+/A-1 and the stable outlook. S&P assumes that DZ HYP will benefit from the stabilisation seen in the real estate markets. S&P considers DZ HYP's asset quality to be more resilient compared with that of other banks due to its more selective lending criteria. Given the challenging market conditions in the residential and, in particular, commercial real estate sectors over the last one to two years, the Bank saw a limited increase in loan defaults in the year under review, below the market average. However, from S&P's perspective; DZ HYP remains vulnerable to adverse economic scenarios due to its specialisation. The Bank's deep integration in DZ BANK's capital, funding and liquidity management in turn reduces the risks attached to the Bank's business model while driving efficiency. DZ HYP's rating is further supported by the Bank's membership of the Cooperative Financial Network and the deposit guarantee scheme of the National Association of German Cooperative Banks (BVR). DZ HYP's Mortgage Pfandbriefe and Public Pfandbriefe continue to rated AAA/A-1+ by S&P, with a stable outlook.

Moody's reviewed the DZ HYP rating in May and November 2025 and affirmed the Aa2/P-1 issuer rating and stable outlook. Moody's expects the European commercial real estate markets to continue their recovery, while anticipating lower momentum and higher credit risks. The rating agency continues to classify DZ HYP's business model as cyclical specialised lending business, which inherently carries concentration risk. At the same time, it recognises DZ HYP's excellent asset quality, its solid performance over the years, its ability to keep its lending costs moderate across economic cycles and its close integration with DZ BANK, especially in terms of liquidity management and capitalisation. According to Moody's, the risks connected to the Bank's strong dependence on capital market financing are reduced by its established covered bond business and its access to stable funding from the cooperative sector. DZ HYP's rating is supported by the Bank's affiliation with DZ BANK and the BVR deposit guarantee scheme, and the support that can be ex-

pected from these as well as from the government. Moody's continues to assign the top Aaa rating to DZ HYP's Mortgage and Public Pfandbriefe.

Fitch Ratings evaluates DZ HYP as part of the joint rating awarded to the Cooperative Financial Network. The issuer default rating of AA-/F1+ and the stable rating outlook were affirmed in March 2025 and January 2026. The ratings reflect the Group's highly diversified business profile, stable financing profile, strong risk-adjusted capitalisation and liquidity, conservative risk appetite, only slightly impaired asset quality and sound profitability. Given the persistent economic weakness in Germany, Fitch expects a continued deterioration in the Bank's profitability, an increase in its credit default costs and further cost inflation. The DZ BANK Group's risk profile is seen as appropriate. Recent market pressures in the commercial real estate sector

have only had moderate impacts on the Group. In this context, Fitch emphasises the Group's sound asset quality and its consistently low ratio of non-performing loans. Fitch attests to the Cooperative Financial Network's outstanding funding profile by international standards. The profile reflects the Network's granular retail deposits and the DZ BANK Group's comprehensive market access, including the issuance of Pfandbriefe. Fitch recognises the Cooperative Financial Network's strong liquidity position based on an effective mechanism for pooling the excessive savings of local banks within the central institution. Support within the Cooperative Financial Network and via the BVR deposit guarantee scheme are additional factors that continue to have a positive impact on the rating.

RATING OVERVIEW

	Standard & Poor's	Moody's	Fitch Ratings*)
ISSUER CREDIT RATING	A+	Aa2	AA-
Outlook	Stable	Stable	Stable
Current liabilities	A-1	P-1	F1+
ISSUE RATINGS			
Mortgage Pfandbriefe	AAA	Aaa	-
Public Pfandbriefe	AAA	Aaa	-
NON-CURRENT LIABILITIES			
Preferred senior unsecured	A+	Aa2	AA
Non-preferred senior unsecured	A	A3	AA-

*) Joint rating of the Cooperative Financial Network

EMPLOYEE MATTERS

Employer identity successfully strengthened and refined

In the year under review, DZ HYP focused on strengthening and refining its employer identity, in line with its firm belief that a clearly defined employer profile is key to attracting the best and most qualified professionals and retaining them over the long term. In doing so, the Bank's considered two key questions: What makes DZ HYP stand out as an employer and how can it communicate what it stands for authentically? As part of a comprehensive process, focus group workshops and management interviews were carried out in close cooperation with numerous employees from various divisions. These activities encouraged open and constructive discussion, which helped to identify the key messages that define DZ HYP's culture and unique employer profile. The broad participation of the workforce in these activities ensured that these messages are authentic and reflect the diversity of opinions within DZ HYP.

Another milestone was the revamping of the Bank's careers page, with useful information added for different applicant groups and pictures of employees in various work situations included, all designed to give the page a fresh look and visitors a clear idea of working life at DZ HYP.

DZ HYP also stepped up its LinkedIn and Instagram activities in 2025 to raise awareness of employer-specific topics. This helped to attract more users to the Bank's platforms and boost its number of followers. What's more, DZ HYP produced new episodes for its external and internal podcasts *DZ HYP HÖRBAR* and *DZ HYP HÖRBAR intern*, covering day-to-day life at DZ HYP and recent projects in different departments.

This multifaceted and multidimensional approach to strengthening and refining the Bank's identity has laid vital groundwork for boosting its image as an attractive employer.

Mental health risk assessment carried out

In order to gain insights into the working conditions at the Bank and the well-being of its employees, DZ HYP performed a mental health risk assessment in the year under review. As part of the risk assessment, an online survey was carried out covering topics recommended by the Joint German Occupational Health and Safety Strategy (GDA), including work content and organisational set-up, social relationships and working environment, as well as questions pertaining to employee health and well-being and the effects of remote working. Participation in the survey was high, with more than 60 per cent of the workforce responding. Findings were first presented at Bank level, following which individual departments with identified imbalances between stress and resources were recommended to undertake workshops aimed at gathering more detailed insights. These workshops helped teams to identify the sources and causes of employee stress and come up with solutions. The survey painted a positive picture on the whole, highlighting an overall balance between stress and resources and no urgent need for action. In response to some of the survey findings, specific measures were developed. Some of these measures have already been implemented. For example, the Bank's health programmes were further developed to support employees' well-being and boost motivation in the long term.

Well-being options expanded

All DZ HYP employees have had access to the sports and wellness offerings available through the EGYM Wellpass since July 2024. With their membership, they can use over 13,000 fitness studios and healthcare facilities across Germany. DZ HYP covers the majority of the costs, supporting employees in staying active and healthy. In 2025, around 385 employees used the membership once per week on average. The Bank also offered its employees the chance to participate once a week in an online fitness activity designed specifically to exercise and relax the back, shoulder and neck muscles. Ergonomics consulting was also offered in the year under review, with company doctors helping employees set up ergonomic workstations.

“ZukunftsFit!” initiative firmly anchored within the Bank

The “ZukunftsFit!” initiative launched in 2024 became a firm fixture of DZ HYP in 2025. The initiative aims to boost top employability attributes across the Bank and make it and its employees fit and ready for future topics. The world of work is changing extremely quickly – not only economically, but also ecologically and digitally. Developments in the field of artificial intelligence are amplifying this trend. Against this background, an additional area of action was added to the “ZukunftsFit!” initiative’s repertoire in the year under review, increasing the total number of areas from three to four. Artificial intelligence now joins leadership, communication, mindfulness and emotional intelligence as areas of focus. The Bank succeeded in raising comprehensive awareness of the relevance of these topics. More than 600 days of training demonstrate that the different CPD activities were high in demand. Demand was particularly strong for the AI Masterclass, which was offered 14 times and helped 277 employees develop a solid understanding of artificial intelligence.

Fostering the next generation of talent

In 2025, DZ HYP successfully continued its training activities. A total of four trainees and two students on dual study/work programmes were recruited in the year under review. Additional emphasis was placed on the Bank’s trainee programme offering vocational training for university graduates. In 2025, seven trainees started their training across different Bank locations, including in the Real Estate Finance area. Seven other trainees were kept on in the areas of Finance, IT and Risk Controlling. The trainee programme was re-certified in 2025, meaning the Bank continues to hold the Trendence employer seal commending the fairness of the programme. Further, the first joint workshop for trainers of junior staff was held in Münster in the year under review.

Structured succession planning process developed

A structured process for filling vacant and soon-to-be vacant management positions (scheduled retirement-related vacancies in particular) at the divisional, department and Group management levels was launched in the year under review. The goal is to fill management and other key positions from within the Bank’s own ranks. This involves identifying potential talent, scoping out development opportunities and actively preparing employees for future roles. The new process also makes personnel development more transparent. Four positions were advertised as part of this process in 2025, two of which were already filled.

Leadership guidelines introduced

Leadership is reflected in daily interactions – in attitudes, decisions and behaviour. To provide clear and binding guidance in this context, DZ HYP introduced leadership guidelines in the year under review. These guidelines provide a compass for cooperation and personal development and aim to foster a common understanding of what leadership entails. They outline how DZ HYP embodies the principles of responsibility and trust, promotes employee development in line with their strengths, shapes communication, strengthens cooperation and promotes innovation. These guidelines also provide a framework for modern and effective leadership approaches. To firmly anchor the guidelines within the Group, managers held “sprint” workshops for their teams in the year under review. The workshops gave participants a chance to reflect on the guidelines and identify specific areas for action in their day-to-day work. Further dialogue-based activities are being planned to promote implementation of the guidelines.

Working together with the Works Council

The successful collaboration between DZ HYP and the Central Works Council, as well as the local Works Councils in Hamburg and Münster, continued unchanged during the year under review. DZ HYP would like to thank the Works Council members for the constructive working relationship.

Further information can be found in the Sustainability Report.

MANAGEMENT REPORT

BUSINESS MODEL

The commercial real estate bank for the Cooperative Financial Network

DZ HYP is a leading provider of real estate finance and a major Pfandbrief issuer in Germany, as well as a centre of competence for public-sector clients within the Volksbanken Raiffeisenbanken Cooperative Financial Network. The Bank is active in three business segments: Corporate Clients, Retail Customers and the Public Sector. In its business activities, DZ HYP targets clients directly and acts as a partner to Germany's cooperative banks. The Bank is represented nationwide, with two head offices in Hamburg and Münster, six real estate centres in the business hubs of Hamburg, Berlin, Düsseldorf, Frankfurt, Stuttgart and Munich, and regional offices in Hanover, Kassel, Leipzig, Nuremberg and Pforzheim. This decentralised structure gives DZ HYP regional proximity to the cooperative banks and their customers.

Customised financing solutions for corporate clients

Within the segment Corporate Clients, DZ HYP is active both as part of its direct business and as a partner to the cooperative banks in Germany, working with real estate clients, investors and the housing sector. DZ HYP focuses on financing properties in the German market, as well as providing support for its German clients' investment projects in selected international markets. Its own commercial real estate finance activities are focused on the core segments of office, residential and retail properties. DZ HYP is also involved in the specialist segments of hotels, logistics properties and real estate for social purposes, within the scope of its credit risk strategy. Target clients are private and institutional investors, as well as commercial and residential real estate developers. When selecting expo-

sure, DZ HYP takes into account the quality of the client relationship, the long-term rentability and third-party usability of the financed property, and collateralisation through first-ranking liens.

The focus of our housing sector activities is on customised financing solutions for residential or mixed-use properties. DZ HYP provides loans to cooperative, municipal, church-related and other housing companies in Germany for new construction, modernisation and renovation projects, sometimes in combination with subsidised development loans granted by Kreditanstalt für Wiederaufbau (KfW), Germany's government-owned development bank. DZ HYP focuses on long-standing client relationships with companies that create sustainable and affordable housing. As a premium sponsoring member of the umbrella industry organisation, the Federal Association of German Housing and Real Estate Companies (GdW), the Bank works to bring about intensive dialogue between the housing sector and real estate financing providers.

Active in the retail business

Retail business originates mainly from intermediation by cooperative banks. DZ HYP offers both initial and follow-up financings for new construction, purchase and modernisation/refurbishment projects. Thanks to DZ HYP's broad range of home loan products – with fixed-interest terms of up to 30 years – cooperative banks can offer their clients solutions that fit their exact needs. The business is based on standardised credit processes and involves fast lending decisions. The full distribution potential of the Cooperative Financial Network is made available to reach retail customers by integrating the products into the distribution systems of individual cooperative banks and by using largely automated processes.

Centre of competence for public-sector clients

As a centre of competence for public-sector clients within the Cooperative Financial Network, DZ HYP supports cooperative banks across Germany in developing their business with counties, towns/cities and local authorities, their legally dependent operations, municipal special public-law administrative unions and public-sector institutions. The core element of DZ HYP's direct business, and of the business conducted jointly with the German cooperative banks, is granting loans to local authorities and short-term public-sector loans.

Portfolio at a glance

The share of domestic loans in DZ HYP's total real estate financing portfolio amounted to 96.3 per cent as at 31 December 2025 (2024: 96.0 per cent). The volume of international financings decreased by 5.1 per cent to € 2.3 billion in 2025 (2024: € 2.4 billion), with the target markets of Austria, France, the United Kingdom and the Netherlands accounting for 92.7 per cent of the international lending volume.

The following chart breaks down the lending volume by DZ HYP's three types of business: real estate lending, local authority lending and capital markets activities.

LENDING VOLUME BY BUSINESS TYPE (€ MN)



The real estate lending volume, which is predominantly is broken down as follows by individual property type: collateralised by land charges and mortgages,

LENDING VOLUME^{*)} REAL ESTATE LENDING VOLUME BY TYPE OF PROPERTY

€ mn	Total 31 Dec 2025	Total 31 Dec 2024	Change %
Housing	14,340	13,778	4.1
Multi-storey apartment buildings (multi-family homes)	16,516	17,663	-6.5
Office	15,545	14,773	5.2
Trading	7,099	7,466	-4.9
Hotels	2,333	2,239	4.2
Logistics	1,631	1,729	-5.7
Other	1,434	1,382	3.8
Building plots	974	839	16.1
Not allocated to any property type	2,084	1,749	19.2
Total	61,956	61,618	0.5

*) Including disbursement commitments

The regional breakdown of DZ HYP's capital markets business is as follows:

CAPITAL MARKETS BUSINESS: REGIONAL DISTRIBUTION OF SECURITIES HOLDINGS

€ mn	Total 31 Dec 2025	Total 31 Dec 2024	Change %
Germany	6,407	5,861	9,3
EU peripheral countries^{*)}	1,486	1,508	-1,5
Other EU member states	703	728	-3,4
Other third countries	293	351	-16,5
Supranationals	193	354	-45,5
Total	9,082	8,802	3,2

*) Italy, Portugal and Spain

DIGITAL TRANSFORMATION

Digitalisation in the retail and corporate business

In the segment Corporate Clients, the completion of the first phase of the “FK Digital” project marked a milestone for DZ HYP in the year under review. New business is now initiated and handled exclusively in the digital space, boosting efficiency and ensuring transparency at an early stage. DZ HYP also provided its employees with a modernised working environment and the latest tools in the year under review. As a next step, it plans to digitally transform its entire portfolio management system, using state-of-the-art technology, such as AI, to further enhance efficiency and quality.

In the Retail Customers business, the cooperative banks’ omni-channel platform was added to DZ HYP’s

IT landscape, and the associated application and processing procedures were automated. The 2026 financial year will see the automation of online loan disbursement and prolongation processes and the use of AI in detecting fraud at an early stage.

Modifying internal bank processes

DZ HYP continued to digitalise its internal processes in the 2025 financial year. This included an extended use of Microsoft Teams and various AI use cases. An in-house chatbot was introduced to assist DZ HYP employees, and AI components were used in software development and project implementation. As well as this, the switch to S/4 HANA, which was begun in recent years, was advanced, and electronic purchasing and invoicing processes were introduced. AI will continue to be used in internal processes in the 2026 financial year.

ECONOMIC REPORT

ECONOMIC ENVIRONMENT

Monetary policy decisions

The European Central Bank (ECB) continued its monetary policy stance geared towards stabilising inflation in the year under review. After a total of eight interest rate cuts, the main refinancing operations rate stood at 2.2 per cent in June 2025, compared with 3.2 per cent at the end of 2024. The rates for the marginal lending facility and the deposit facility were lowered accordingly. Inflation ended the year at 1.8 per cent compared with the same month of the previous year.

German economy stagnates at near-recession levels

Germany's gross domestic product (GDP) rose by 0.2 per cent year on year, after declining by 0.5 per cent in 2024 compared with the previous year. From a quarterly perspective, GDP was up 0.4 per cent in the first quarter of 2025, before falling by 0.2 per cent in the second quarter. It stagnated in the third quarter and ended the fourth quarter with a slight plus of 0.3 per cent.

The German Federal Statistics Office attributes this growth to higher private and public consumption, rising by 1.4 per cent and 1.5 per cent year on year, respectively. Exports continued their downward trend as German exporters faced headwinds from higher US tariffs, euro appreciation and stronger competition from China. Export performance was down 0.3 per cent compared with the previous year. Imports, on the other hand, increased by 3.6 per cent. Investment activity remained subdued, with less capital flowing into construction and equipment than in the previous year.

Economic weakness weighs on the job market

The 2025 figures for unemployment and underemployment were up for the third year in a row. The number of people out of work in Germany increased by 161,000 to over 2.9 million during the year under review; the unemployment rate increased by 0.3 percentage points to 6.3 per cent. Demand for labour – with an average of 632,000 vacant jobs recorded for the year, down 62,000 year on year – was too weak to absorb the increasing supply, and the career profiles of those seeking jobs often did not match demand. As a result, the chances of ending unemployment through employment take-up are declining and have now reached a historically low level.

Euro area: Southern Europe driving growth

The euro area economy as a whole saw overall positive developments in the 2025 financial year. GDP in the European Monetary Union (EMU) was up 1.5 per cent year on year (2024: up 0.9 per cent year on year), exceeding growth in Germany. Driving this growth was, among other factors, the positive macroeconomic development in southern Europe as well as in Ireland and Poland.

Shrinking public-sector deficit

According to preliminary calculations, state budgets ended 2025 with a financing deficit of € 107 billion. As in the previous year, the German federal government, federal states, local authorities and social security funds all recorded a deficit. However, the financing deficit was almost € 8 billion lower than in 2024 owing to government revenues (up 5.8 per cent) outpacing government spending (up 5.1 per cent). Based on GDP at current prices (up 3.3 per cent), a deficit ratio of 2.4 per cent was recorded for Germany in 2025. This was below both the previous year's level (2.7 per cent) and the 3 per cent limit stipulated by the European Stability and Growth Pact.

Developments in the financial markets

2025 was an encouraging year for the German equity market. The DAX index, which comprises Germany's top 40 blue chips, added around 23 per cent to reach close to 24,500 points at the end of the year. This marks the third consecutive year with above-average share price growth and the best year since 2019. For the year under review as a whole, the yield on ten-year German government bonds increased to 2.9 per cent as at year-end (2024: 2.4 per cent).

REAL ESTATE MARKETS

Performance in the German real estate investment market falls short of last year's level

In 2025, the German real estate market continued to grapple with a challenging economic and geopolitical landscape. This unfavourable environment deprived the sector of the stability required for sustained recovery and, consequently, the market upswing anticipated at the beginning of the year failed to materialise. Despite the stagnation in transaction markets, new lending activity showed a notable upward trend throughout the year. In the first three quarters of 2025, vdp member institutions reported new loan commitments totalling € 107.3 billion, marking a year-on-year increase of 18.2 per cent. Residential real estate loans, rising by 19 per cent year on year to € 67.7 billion, were the primary driver of this growth, while commercial real estate lending saw a slightly more modest increase of 16.8 per cent to € 39.6 billion. While the development of new housing remains a strategic priority, 2025 saw construction activity – and, by extension, rental and investment activity – once again stifled by high construction costs and a restrictive regulatory environment. In response, the Federal Ministry for Housing, Urban Development and Building introduced “Construction Turbo” in October 2025, a legislative act designed to streamline planning procedures and offer

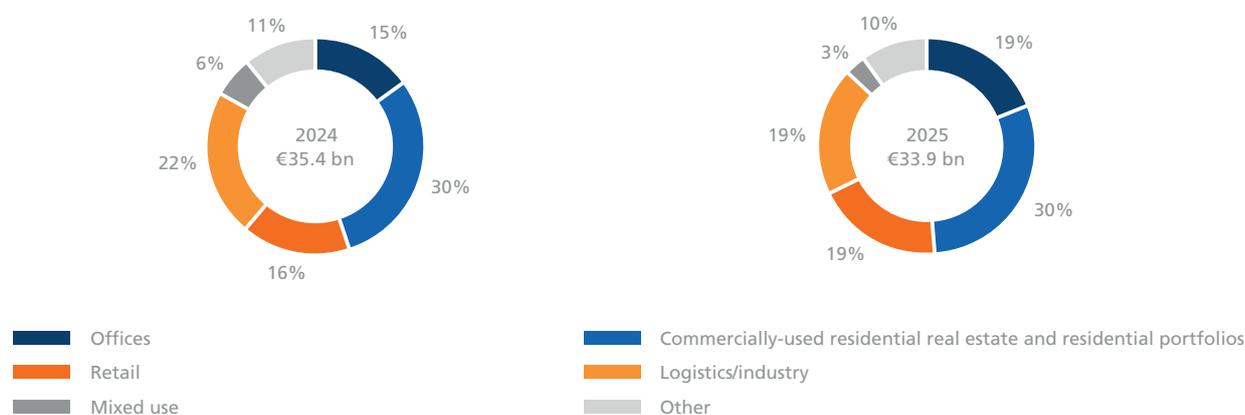
stakeholders greater flexibility, with the ultimate goal of boosting residential construction. The number of major insolvencies (companies with revenues of more than € 10 million) fell by 22 per cent to 56 (2024: 72). Among companies active in property construction, only half as many filed for insolvency in 2025 as in the previous year.

The modest recovery observed in the commercial real estate investment markets in 2024 did not sustain momentum in the year under review. According to JLL data, the total transaction volume – including commercial residential investments – amounted to € 33.9 billion, representing a 4 per cent decline from the previous year's € 35.4 billion. While the total number of transactions rose by 10 per cent, the average deal size decreased from € 32 million to € 27 million. Only 51 transactions exceeded the € 100 million mark, down from 74 in 2024. This restrained performance was driven primarily by the cautious stance that was still being adopted by institutional investors, including open-ended real estate funds, sovereign wealth funds, insurance companies and pension funds. Furthermore, existing owners faced little pressure to divest, as both debt capital and loan extensions were readily available. As a consequence, markets lacked catalysts.

Declining share of real estate strongholds in total transaction volumes

Germany's top locations – Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Munich and Stuttgart – recorded

COMMERCIAL REAL ESTATE TRANSACTION VOLUMES BY MAIN TYPE OF USE



a combined transaction volume of around € 15 billion in 2025, representing a year-on-year decrease of 12 per cent. Their aggregate share in total German transaction volumes also declined, from 48 per cent to 44 per cent. This downturn was driven primarily by a lack of large-scale office property transactions, which hit metropolitan areas particularly hard. However, regional performance varied. Düsseldorf and Cologne posted increases in transaction volumes of 22 per cent and 10 per cent to reach around € 1.6 billion and € 1.4 billion, respectively. Berlin experienced the strongest decline, with volumes plunging by 24 per cent. Despite this, it maintained its position as the nation's most active market with a total transaction volume of € 4.7 billion. Munich was the second most active market with a volume of around € 2.9 billion (down 9 per cent year on year), followed by Hamburg with a volume of around € 2.3 billion (down 4 per cent year on year). A transaction volume of less than € 1.4 billion following a year-on-year decline of 23 per cent placed Frankfurt second-to-last among the major hubs, outperforming only Stuttgart, where transaction volumes fell by 11 per cent to € 850 million.

Residential and logistics properties maintain leading positions

Commercial residential properties, including student accommodation and senior living properties, retained their status as the most sought-after asset class in 2025. The asset class generated a transaction volume of € 10.2 billion, accounting for 30 per cent of total transaction volumes. While the lead position remained stable, the rankings for other asset classes saw significant shifts late in the year. Office properties experienced a sharp downturn in the final quarter, with volumes plunging 30 per cent compared with the third quarter to just € 1.4 billion. For the full year, the office properties class recorded a volume of € 6.3 billion (19 per cent of total transaction volumes), placing it fourth in the overall ranking. Notably, the margin between the second, third and fourth positions in the ranking was exceptionally slim. Bolstered by two major deals in the fourth quarter, retail properties climbed to second place with a volume of more than € 6.5 billion. Logistics properties followed in a close third position, falling just short of the € 6.5 billion mark.

Prime yields remain stable year on year

Prime yields remained largely unchanged during the year under review. In the seven top locations, the aggregate net initial yield for office properties decreased slightly from 4.4 per cent as at year-end 2024 to 4.3 per cent as at year-end 2025. This marginal shift was driven primarily by a decline in Hamburg's prime office yields of 0.2 percentage points, while the other major hubs maintained steady levels. Two other asset classes showed diverging trends. Prime yields for multi-family homes edged down from 3.6 per cent to 3.5 per cent. Conversely, logistics and industrial properties experienced a yield expansion, from 4.3 per cent to 4.6 per cent. Yields for retail properties stagnated at 3.5 per cent for commercial buildings, 4.6 per cent for specialist retail parks and 5.9 per cent for shopping centres and individual specialist markets.

A dynamic year-end for the commercial residential investment market

The performance in the German commercial residential investment market, too, fell short of the prior-year level, with transaction volumes falling to € 8.9 billion in 2025, down from € 9.8 billion in 2024. Mirroring the seasonal pattern of the previous year, the fourth quarter saw the strongest performance. However, with a turnover of just under € 2.5 billion, activity remained below the € 3.9 billion recorded during the same period in 2024. The last quarter saw exceptional deal momentum with 75 transactions. This represents a 7 per cent increase on a year-on-year basis and is 3 per cent above the five-year average. Over the course of the full year, around 55,700 residential units (2024: 63,000) changed hands in 259 transactions (2024: 242).

Market activity was driven primarily by small to medium-sized deals between € 10 million and € 50 million. Large-scale transactions exceeding the € 100 million mark accounted for only one third of transaction volumes – a sharp contrast to 2024, when they represented two thirds of the market. The shift reflects heightened investor focus on core properties, which are predominantly traded as single-asset transactions. In the year under review, core properties accounted for 54 per cent of all transactions, up from 21 per cent in 2024.

The 2025 investor landscape was shaped primarily by family offices and private individuals, together with listed housing companies. While the share of value-add properties remained stable at 10 per cent, the gap between value-add and core assets was wider than ever before according to analysts. Appetite for forward deals increased, with their market share doubling year on to 20 per cent. Investors demonstrated a preference for project developments that were either already under construction or in advanced stages of completion. Municipal and state-owned housing companies in particular showed a stronger interest in subsidised, social and rent-regulated assets.

The trend away from the big city also persisted: the seven top locations accounted for only 39 per cent of total transactions in 2025, a significant departure from the five-year average of 55 per cent. Market observers attribute this shift to supply shortages in metropolitan areas, which have prompted investors to turn to B-cities characterised by robust fundamentals.

Office rental market remains resilient

Space take-up in the seven top locations fell to approximately 2.7 million square metres in the year under review, down 0.8 per cent compared with the previous year. Given the prevailing headwinds, in particular the sluggish economy and demographic shifts impacting labour availability, market observers see this stability as a positive signal.

Many businesses prioritised quality over quantity in 2025, focusing on optimal space usage and operational efficiency in an effort to increase cost efficiency. As a result, businesses focused their attention on spaces 30 per cent to 50 per cent smaller than their previous requirements, while also placing greater importance on the attractiveness of these spaces. This trend has tightened supply in some places, driving rental growth in sought-after areas. While public administrations were the main driver of rental activity in 2024, 2025 saw business service providers emerging as the biggest occupier group, particularly in the final quarter.

Among the top locations, Munich retained its top ranking despite recording a decline of approximately 5 per cent in space take-up to 589,300 square metres, while Frankfurt saw an exceptional 53 per cent surge, reaching 565,200 square metres. Berlin achieved third position in the ranking, despite a year-on-year decline of 18.6 per cent to 481,000 square metres. Hamburg followed with 412,100 square metres (down 4.4 per cent), Cologne with 240,200 square metres (up 4.8 per cent), Düsseldorf with 220,100 square metres (down 9.5 per cent) and Stuttgart with 155,900 square metres (down 21.7 per cent).

Vacancy rates continued their upward trajectory in 2025, climbing by almost 20 per cent to reflect more than 8 million square metres across the seven top locations. By the end of the 2025 financial year, the aggregate vacancy rate reached 8.1 per cent (2024: 6.8 per cent). Düsseldorf recorded the highest vacancy rate at 11.3 per cent, with Frankfurt also posting a double-digit rate of 10.4 per cent. In contrast, Cologne's vacancy rate stood at a modest 5 per cent. These figures primarily reflect older, less attractive space. In the market for high-quality properties, vacancies are virtually non-existent.

The volume of newly completed construction entering the market fell by 30 per cent year on year, dropping from 1.6 million square metres to 1.1 million square metres – the lowest level recorded in the last five years. Hamburg and Stuttgart proved to be notable exceptions, with Hamburg seeing completions rise by 34 per cent and Stuttgart recording a 252 per cent surge, though both increases were relative to a low baseline. The remaining top locations experienced substantial declines ranging from 8.3 per cent in Düsseldorf to 66.5 per cent in Cologne. Looking ahead, 39 per cent of the 2.1 million square metres that are already under construction and scheduled to be completed in 2026 or 2027 have been secured through owner-occupier or pre-letting agreements.

In terms of prime rents, Munich continued to lead the market in 2025, setting a new record of € 60.00 per square metre, a 10 per cent increase year on year. However, the most substantial growth was recorded in Hamburg, where prime rents increased by nearly 14

per cent to reach € 41.00 per square metre. In Frankfurt, prime rents in premium locations rose by 4 per cent to € 52.00 per square metre, while Berlin recorded an increase of 2.2 per cent to € 47.00. Düsseldorf followed with a 5.7 per cent gain, bringing its prime rent to € 46.00 per square metre, and prime rents in Stuttgart and Cologne remained stable at € 37.00 and € 32.50 per square metre, respectively.

Investment market for retail properties continues its recovery

Retail properties saw a transaction volume of more than € 6.5 billion in the year under review, which marks an increase of around € 1 billion or 18 per cent compared with 2024. As such, 2025 still fell 16 per cent short of the five-year average of just under € 7.8 billion. The transaction volume was spread across 248 deals (2024: 209), 79 of which took place between October and December alone, making the fourth quarter the strongest of the past three years.

Investor interest was fairly evenly distributed across the different use types. With their share of 22 per cent, demand for specialist stores with a focus on grocery retailing was slightly higher than that for shopping centres (20 per cent), followed by non-food specialist stores (18 per cent), commercial buildings and department stores (14 per cent each) and specialist retail parks (12 per cent). At 52 per cent, all specialist store categories combined accounted for the largest share of the total volume. In total, 46 per cent of investments related to core properties, 27 per cent to core-plus properties and 23 per cent to value-add properties. Opportunistic investments accounted for 5 per cent of the total volume. The most active buyers were asset managers (38 per cent), followed by private investors (22 per cent), whose activity was significantly higher than in previous years. Corporates accounted for a share of 19 per cent.

The seller side was more balanced, with asset and fund managers accounting for 25 per cent and private investors for 23 per cent. Real estate companies (19 per cent) and corporates (13 per cent) also played an active role. No change was seen for prime yields in top loca-

tions compared with 2024: while commercial buildings in Munich recorded the lowest figure (3.2 per cent), specialist stores and shopping centres saw the highest (5.9 per cent). The retail rental market significantly exceeded its previous year's performance. With 519,500 square metres, space take-up in city centre locations was 8.6 per cent higher than in 2024 (478,300 square metres). A total of 954 rental agreements were signed, up 2.4 per cent compared with the previous year. After the first quarter of 2025 recorded a peak of 297 transactions, activity slowed in the further course of the year (second quarter: 232; third quarter: 251; fourth quarter: 174). According to market observers, the main drivers were international retail concepts and, in particular, textile retailers, who focused on the five top locations of Berlin, Düsseldorf, Frankfurt, Hamburg and Munich. The ten most important German retail markets (five top locations plus Stuttgart, Cologne, Nuremberg, Leipzig and Hanover) accounted for around 41.8 per cent of take-up (217,100 square metres), with Berlin taking the lead (68,300 square metres, up 120 per cent year on year).

Prime rents remained largely stable, ranging from € 110 per square metre per month in Leipzig to € 340 per square metre per month in Munich. Movements within the year were only seen for Düsseldorf (up 7.4 per cent to € 290 per square metre per month) and Frankfurt (up 3.7 per cent to € 280 per square metre per month).

Logistics investment market subdued

Just under € 6.5 billion in logistics and industrial properties changed hands in the year under review, which marks a decline of 19 per cent compared with 2024. While absolute transactions rose from 238 to 253, large-volume transactions (> € 100 million) declined noticeably. Nine deals totalling € 1.7 billion were recorded in this category (2024: 25 transactions totalling € 4.1 billion). Here, core-plus properties took centre stage (52 per cent of the total transaction volume), followed by value-add and core properties (19 per cent each). The share of opportunistic investments rose to 10 per cent. On the buyer side, asset and fund managers accounted for 51 per cent of revenues, with private

investors trailing far behind (12 per cent). The seller side was also dominated by asset and fund managers (39 per cent of the total volume), followed by corporates (15 per cent) and real estate companies (14 per cent). International players shaped the market, accounting for 67 per cent of buyers and 23 per cent of sellers.

Prime rents for warehouse and logistics space were stable during the year under review despite a subdued economic environment and job cuts in the German manufacturing sector. The Leipzig/Halle region was the sole exception; here, prime rents decreased by 3 per cent to € 6.00 per square metre. In contrast, Dresden saw an appreciation of around 6 per cent, reaching € 6.70 per square metre. Dortmund and Frankfurt also posted gains, with prime rents rising by roughly 3 per cent to € 7.75 and € 8.20 per square metre, respectively. Similarly, the Kassel / Bad Hersfeld region experienced a 2.5 per cent increase, bringing its prime rent to € 6.10 per square metre. Munich maintained its position at the top end of the market at € 10.70 per square metre, followed by Berlin at € 10.50, Düsseldorf at € 9.00 and Stuttgart at € 8.75 per square metre.

Upswing in the hotel investment market

Following two years of subdued activity, the German hotel investment market finally turned its performance around in 2025 to surpass its five-year average. During the year under review, the market recorded a total transaction volume of € 1.8 billion (consisting of individual transactions with an investment volume of at least € 5 million, portfolio transactions with properties exclusively located in Germany and German hotels sold as part of cross-border portfolio sales). A total of 58 individual and six portfolio transactions fuelled a year-on-year increase of 40 per cent in total volume. Individual transactions accounted for around € 1.4 billion thereof (74 per cent of the total), while portfolio-based transactions contributed € 475 million. The average deal size increased to € 28.7 million (2024: € 26.2 million). The investor base was led by high-net-worth individuals and family offices, which invested € 528 million (29 per cent). This was followed by investments by institutional investors of € 492 million (27 per cent), by hotel operators of € 462 million (25 per cent) and by

private equity investors of € 185 million (10 per cent). International appetite for German hotel assets was robust, with foreign investors accounting for € 928 million or 51 per cent of the total volume. Value-add segments dominated the market (accounting for € 959 million, or 52 per cent, with 46 transactions), followed by core transactions (accounting for € 455 million, or 25 per cent, with 14 transactions) and core plus assets (accounting for € 422 million, or 23 per cent, with 4 transactions).

Condominiums become more expensive again

Prices for existing apartments went up in the year under review, which is in contrast to the trend seen in recent years of prices in this segment falling more sharply than those for newly built ones. Prices in Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne, Leipzig, Munich and Stuttgart rose by 1.7 per cent on average, following a decline of 0.7 per cent in 2024. In the second half of 2025, prices for existing apartments climbed 3.1 per cent compared with the average figures for the previous year. The highest prices were recorded in Munich at € 8,275 per square metre, followed by Frankfurt at € 5,923 and Hamburg at € 5,614. By contrast, purchase prices for newly built apartments remained stable (up 0.2 per cent), with Munich once again in the lead. Here, the average price for a newly built apartment amounted to € 11,291 per square metre, compared with Hamburg at € 8,946 and Stuttgart at € 8,169.

Residential rents record slowing momentum

Average residential rents rose less sharply in the second half of the year. The median asking rents in the eight above-mentioned cities were 4.4 per cent higher year on year. In the second half of 2024, the year-on-year increase was as high as 7.7 per cent. Residential rents were lowest in Leipzig at € 11.01 per square metre on average. Munich was at the other end of the scale with rents of € 24.65 per square metre. The average asking rent was € 18.17 per square metre. At 3.4 per cent, rents in municipal districts outside the major cities rose less sharply – including compared with the

previous year (2024: up 3.9 per cent). A higher increase in asking rents was recorded in counties (2025: up 4.4 per cent; 2024: up 2.9 per cent).

The growth in rents for apartments in the cheapest segment was noticeable, particularly in the second half of the year. Asking rents in this category saw an average increase of 7.7 per cent in the eight largest German cities, compared with an increase of 2.2 per cent for expensive apartments. This discrepancy was most pronounced in Berlin, where rents for newly concluded rental agreements in the cheapest segment were up 13.1 per cent on average, while they declined by 2.3 per cent in the most expensive segment.

As with purchase prices, rental development also varied between existing and newly built apartments. While existing rents went up 5.1 per cent, the increase in rents for newly built apartments was less pronounced at 0.7 per cent (increase in rents for newly built apartments in 2024: 7.4 per cent). There were also geographical discrepancies in rents for newly built apartments: The median asking rents in Berlin fell by 4.4 per cent, or 1.5 per cent when adjusted for quality. Other cities recorded growth, including Munich (up 6.6 per cent), Hamburg (up 7.6 per cent) and Düsseldorf (up 9.7 per cent) (adjusted for quality in each case). In absolute terms, Munich remained in the lead with an average rent for newly built apartments of € 26.44 per square metre, followed by Hamburg at € 23.50, Stuttgart at € 22.37 and Berlin at € 21.50 per square metre.

Interest rates for home loan financings on the rise

Interest rates for construction finance edged upwards during the 2025 financial year, but remained below the peak levels of more than 4 per cent seen in late 2023. By December, housing loans with fixed interest rates for ten years carried an average interest rate of 3.6 per cent, while interest on 15-year loans averaged 3.8 per cent, up from 3.2 per cent and 3.4 per cent, respectively, in the previous year. According to the Deutsche Bundesbank, housing loans with initial fixed-interest periods totalling € 221.3 billion were granted to private households between January and November 2025. This stands in contrast to the figure of just € 198.4 billion reported for the full year of 2024.

Reversal in building permits figures

For the first time in several years, the number of permits issued for residential buildings trended upwards in the year under review. From January to November 2025, authorities authorised 215,500 new units across both new and existing developments, representing an increase of 21,900 units, or 11.3 per cent, compared with the previous year. The majority of these authorisations were for new constructions (175,200 units, 13.9 per cent). Permits for new multi-family homes increased by 13.5 per cent, or 13,700 units, to 114,800 units. Similarly, the single-family home segment saw permits increase by 17 per cent, or 5,900 units, to reach 40,700 units. Double-family homes were the sole outlier; in this segment, the number of permits declined by 1.6 per cent, or 200 units, to 11,500 units.

BUSINESS DEVELOPMENT

CREDIT BUSINESS

New business volume above the previous year's level

DZ HYP originated new real estate finance business – with both corporate clients and retail customers – totalling € 10,878 million in the 2025 financial year (2024: € 8,731 million). Including financing for public-sector clients, the Bank originated new business of € 11,712 million (2024: € 9,498 million).

Segment Corporate Clients

In its business with corporate clients, DZ HYP generated a new business volume of € 9,246 million (2024: € 7,221 million). In line with the Bank's strategic direction, € 9.032 million (2024: € 6,516 million) was attributable to its core domestic market in Germany. Within the Cooperative Financial Network, joint lending business with the cooperative banks amounted to € 3,321 million (2024: € 2,726 million). To avoid cyclical peaks in the portfolio, DZ HYP continued to apply its conservative risk strategy with strict quantitative targets for its financing decisions in the year under review. Besides carrying out a comprehensive qualitative analysis of properties and location, including stress testing, the quality of the client relationship is essential.

Segment Retail Customers

Within the Cooperative Financial Network, lending to retail customers is dominated by real estate financing. Thanks to its funding options, as well as its standardised, highly efficient processes and a risk-adjusted price model, DZ HYP is in a position to provide cooperative banks with real estate loans that meet their exact needs. In the business with retail customers, the volume of new commitments intermediated via cooperative banks rose slightly in the year under review compared with the previous year, amounting to € 1.632 million (2024: € 1,509 million).

Segment Public Sector

As a centre of competence for public-sector clients within the Cooperative Financial Network, DZ HYP supports cooperative banks across Germany in developing their business with counties, towns/cities and local authorities, their legally dependent operations, municipal special public-law administrative unions and public-sector institutions. The core element of DZ HYP's direct business, and of the business conducted jointly with the German cooperative banks, is granting loans to local authorities and short-term public-sector loans. DZ HYP originated new business of € 834 million in loans to local authorities during the year under review (2024: € 768 million). Of this figure, € 392 million (2024: € 382 million) was intermediated by cooperative banks and € 442 million (2024: € 386 million) was direct business.

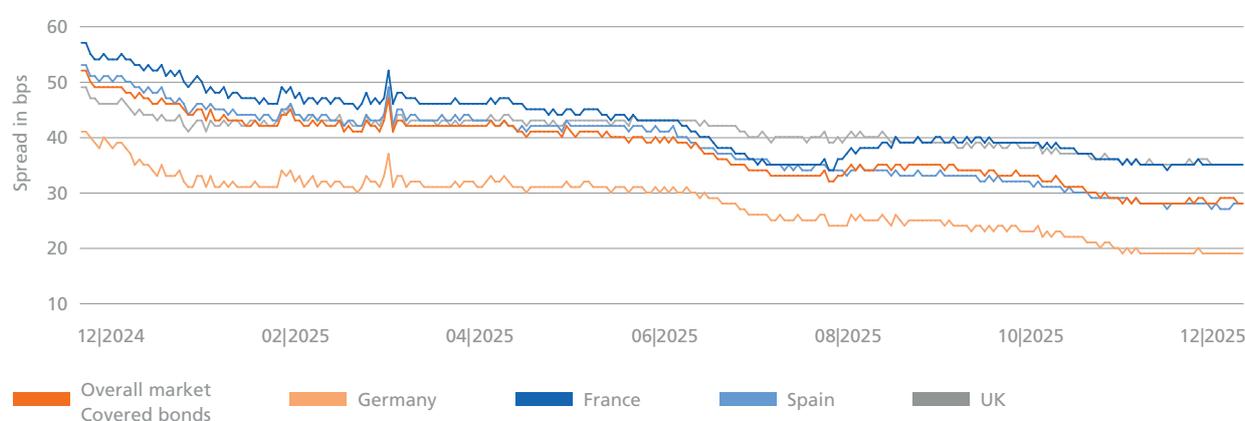
REFINANCING

Constructive market environment

The 2025 financial year was shaped by trade conflicts and geopolitical tensions. The US President's tariff announcements in particular led to increased volatility on

the money and capital markets at times. In the second half of the year however, a noticeable stabilisation set in, accompanied by a significant decline in bond spreads (see the chart below). This provided a significant reversal to the previous three-year trend of rising refinancing premiums for covered bonds and was underpinned by high investor demand.

REFINANCING PREMIUMS OF FIVE-YEAR COVERED BONDS



Source: DZ BANK

In the covered bond market, EUR benchmark issuances reached a total volume of € 154.7 billion in the 2025 financial year (2024: € 146.8 billion). Taking into account maturities, the segment recorded a net increase of € 19.8 billion in the year under review. This robust performance marked a continuation of the positive growth trajectory that had characterised the market over the preceding four years.

Successful issuance activity in 2025

Throughout the year, DZ HYP took advantage of the favorable market environment for Pfandbriefe and successfully fulfilled its established role as a regular issuer. In 2025, the Bank placed six Mortgage Pfandbriefe in benchmark format with a total volume of € 4.5 billion. These issuances were met with strong demand from a broad investor base. Notably, a significant portion – amounting to € 1.5 billion – was issued in the form of Green Mortgage Pfandbriefe. In addi-

tion, Mortgage Pfandbriefe totalling € 390 million and Public Pfandbriefe in the amount of € 300 million were issued as private placements in 2025, alongside private placements of € 300 million. This brought DZ HYP's total volume of covered bonds placed during the year under review to around € 5.2 billion (2024: € 4.5 billion).

Furthermore, DZ HYP issued unsecured funding totalling € 3.3 billion (2024: € 3.9 billion), which was primarily sourced within the DZ BANK Group.

Total Pfandbriefe outstanding as at 31 December 2025 amounted to € 44.1 billion (31 December 2024: € 44.2 billion). This figure comprised € 35.1 billion in Mortgage Pfandbriefe (31 December 2024: € 34.3 billion) and € 9.0 billion in Public Pfandbriefe (31 December 2024: € 10.0 billion). Total unsecured funding amounted to € 22.2 billion as at the reporting date (31 December 2024: € 22.9 billion).

NET ASSETS, FINANCIAL POSITION AND FINANCIAL PERFORMANCE

NET ASSETS

At € 77.4 billion, DZ HYP's total assets as at 31 December 2025 were up € 0.2 billion from the previous year's figure of € 77.2 billion. The real estate loan portfolio rose by € 0.1 billion to € 57.6 billion. The portfolio of real estate finance business with corporate clients de-

creased by € 0.6 billion to € 42.8 billion, while the private real estate financing portfolio volume increased by € 0.7 billion, from € 14.1 billion to € 14.8 billion.

In its business with public-sector clients, DZ HYP's investment strategy continues to focus on business intermediated by cooperative banks while ensuring a balanced risk/return profile at the same time. As expected, new business originated during the year under review fell short of ongoing repayments, reducing the portfolio by € 0.3 billion to € 8.3 billion.

Furthermore, the public finance portfolio^{***)} grew by € 0.1 billion during the year under review to a new total of € 8.4 billion.

Overall, DZ HYP's credit portfolio in the 2025 financial year was down by € 0.1 billion on the previous year's level.

DEVELOPMENT OF LENDING VOLUME

€ mn	31 Dec 2025	31 Dec 2024	Change from the previous year	
			€ mn	%
Mortgage loans ^{*)}	57,558	57,548	10	0.0
Originated loans to local authorities ^{**)}	8,337	8,580	-243	-2.8
Securities business ^{***)}	8,422	8,318	104	-1.3
Total	74,317	74,446	-129	-0.2

*) Mortgage loans including short-term loans collateralised by real property liens

***) Credit business with direct liability of German local authorities or their legally dependent operations

****) Lending transactions with national governments and sub-sovereign entities, Landesbanken and development and promotional banks, as well as state-guaranteed corporate bonds, bank bonds, promissory note loans and mortgage-backed securities

DZ HYP's financial position is sound.

Regulatory capital

DZ HYP has applied an own funds waiver option. This means that it is exempt from applying certain regulatory requirements at individual institution level, as provided for under Article 7 of the Capital Requirements Regulation (CRR), as these requirements are satisfied at the DZ BANK Group level. As a result of the exercise of the member state's discretion the output floor introduced by CRR III is applied exclusively at the highest level of consolidation in Germany. Compliance with the output floor requirements is there fore also ensured at the DZ BANK Group level. DZ HYP makes use of the regulatory capital requirements for internal management purposes.

	31 Dec 2025	31 Dec 2024
Own funds (€ mn)	2,114	2,013
Total capital ratio (in %)	15.9	12.3
Tier 1 ratio (in %)	15.4	11.8
Common equity tier 1 ratio (in %)	15.4	11.8

To further strengthen the common equity tier 1 capital, DZ HYP, in consultation with DZ BANK, resolved to allocate a significant portion of the € 191.0 million in distributable earnings generated in the 2025 financial year to the fund for general banking risks pursuant to section 340g of the HGB.

FINANCIAL POSITION

Within the scope of liquidity management, DZ HYP differentiates between the ongoing liquidity management and structural funding. In DZ HYP's view, appropriate management systems are in place for both types of liquidity. Liquidity management takes into account and complies with the limits of the internal liquidity risk model, DZ BANK's liquidity risk model and the regulatory liquidity requirements. The liquidity waiver with DZ BANK provided for under Article 8 of the CRR has been taken into account from the date of first application, with effect from 31 December 2021.

- » Ongoing liquidity management aims to guarantee a reliable and continuous provision of liquidity at all times. Given DZ HYP's integration into the Cooperative Financial Network and its affiliation with DZ BANK, DZ HYP consciously refrains from maintaining an independent market presence for the purposes of short-term liquidity management, which is carried out in close coordination with DZ BANK. Due to its central bank function within the Volksbanken Raiffeisenbanken Cooperative Financial Network, DZ BANK raises cash and cash equivalents of various maturities and applies raised

funds within its Group. Within this Group liquidity management framework, subsidiaries such as DZ HYP may call upon funding from DZ BANK. This is based on closely coordinated, regular risk reporting about future changes to the liquidity position.

- » Structural funding is exposed to the risk that, due to various influencing factors, the Bank might be unable to maintain the required funding levels and that in certain circumstances debt may not be sufficiently available in the desired maturities. As a Pfandbrief issuer, DZ HYP is licensed to issue Pfandbriefe. This licence is the foundation for covered funding, providing a safe and cost-efficient way to raise liquidity. DZ HYP maintains its own market presence as a Pfandbrief issuer, placing Pfandbriefe with investors both within and outside the Cooperative Financial Network.

DZ HYP's liquidity situation is adequate.

FINANCIAL PERFORMANCE

DZ HYP's financial performance in the 2025 financial year was decisively shaped by the successful operating results of the established real estate finance business segments. While net interest income remained stable, write-downs increased year on year, though they remained below expectations.

As part of its holistic management approach, DZ HYP used the business performance indicators shown in the following table, which are derived from HGB accounting, and condenses them into the key performance indicators presented below.

OVERVIEW OF THE PROFIT AND LOSS ACCOUNT

€ mn	2025	2024	Change from the previous year	
			€ mn	%
Net interest income	718.8	719.8	-1.0	-0.1
Net commission result	-27.1	-21.1	-6.0	-28.4
Administrative expenses	251.3	244.5	6.8	2.8
Net other operating income/expenses	9.8	18.2	-8.4	-46.2
Risk provisioning ^{*)}	-103.4	-90.6	-12.8	-14.1
Net financial result ^{**)}	0.0	4.4	-4.4	-100.0
Operating profit	346.8	386.2	-39.4	-10.2
Allocation to the fund for general banking risks	110.0	146.0	-36.0	-24.7
Taxes	154.8	140.2	14.6	10.4
Profits transfer	82.0	100.0	-18.0	-18.0

*) Equates to the income statement line item "write-downs and valuation allowances of loans and advances and specific securities, as well as additions to loan loss provisions"

***) Equates to the income statement line item "income from write-ups to participating interests, shares in affiliated companies and securities held as fixed assets"

Net interest income

Net interest income remained stable at € 718.8 million in the year under review (previous year: € 719.8 million) in line with a stable loan portfolio. Net interest income

resulted from the management of the banking books, which is geared towards generating long-term, matched-maturity margins.

Net commission result

The net commission result of € -27.1 million was down € 6.0 million on the comparable figure for the previous year (€ -21.1 million). At the same time, € 28.8 million (previous year: € 25.7 million) in commission income was generated from the lending business, which depends both on the respective product mix and disbursement. € -49.2 million (previous year: € -45.7 million) was paid for brokerage services from cooperative banks within the Cooperative Financial Network. In addition, expenses for emissions rose by € 5 million compared with the previous year.

Administrative expenses

Administrative expenses in the 2025 financial year, as the total of general administrative expenses € 245.7 million (previous year: € 239.4 million) and amortisation/depreciation and write-downs of intangible and tangible fixed assets € 5.6 million (previous year: € 5.1 million), was up by € 6.8 million to € 251.3 million (previous year: € 244.5 million). Included staff expenses rose by € 7.7 million to € 117.9 million (previous year: € 110.2 million). This increase was primarily driven by workforce growth and higher salaries (up € 10.8 million). At the same time, the increase was partially offset by a € 5.4 million year-on-year reduction in pension provision allocations.

Net other operating income/expenses

At € 20.6 million, other operating income – generated largely from rental income of € 12.5 million (previous year: € 12.8 million), service income of € 1.5 million (previous year: € 6.9 million) and reversals of provisions of € 1.2 million (previous year: € 1.7 million) – was down from the prior-year value of € 25.9 million. Other operating expenses rose by € 3.1 million to € 10.8 million (previous year: € 7.7 million), with € 2.6 million of this increase driven by higher maintenance expenses for let assets. Net other operating income and expenses, as the balance of the two aforementioned income statement line items, fell by € 8.4 million to € 9.8 million.

Risk provisioning

The Bank's risk provisioning expenses in the lending business were lower than projected. In the Corporate Clients business and the private real estate lending business, additions to specific valuation allowances of € 91.2 million (previous year: € 79.0 million) were necessary. There was an expense of € 9.6 million in general valuation allowances (previous year: € 9.3 million), primarily due to adjustments to the rating parameters. There was no income from the valuation and gains from the redemption of securities held as liquidity reserve (previous year: € 0.1 million). Risk provisioning required expenses of € 103.4 million (previous year: € 90.6 million).

Net financial result

The net financial result was neutral in the 2025 financial year.

Operating profit

Operating profit reflects DZ HYP's performance in its core business and is used for the internal management of the operating business segments. Operating profit fell to € 346.8 million (previous year: € 386.2 million), largely due to higher loss allowance and lower other operating income.

Change in the fund for general banking risks

Taking the specific risks associated with the business purpose into account, € 110.0 million (previous year: € 146.0 million) was allocated to the fund for general banking risks pursuant to section 340g of the HGB in the 2025 financial year.

Taxes

Taxes must be determined on a stand-alone basis under the existing tax compensation agreement between DZ BANK and DZ HYP. Taxes amounting to € 154.8 million (previous year: € 140.2 million)

were allocated to DZ HYP. This consisted mainly of € 126.1 million in income tax expenses from allocations (previous year: € 139.7 million). DZ HYP also recognised total provisions of € 28.3 million for potential tax risks from previous years (previous year: € 0.0 million). Other tax expenses decreased to € 0.1 million (previous year: € 0.3 million) and related mainly to real estate taxes payable for the Bank's properties.

Profit transfer

Profit after taxes to be transferred to DZ BANK under the distribution policy amounted to € 82.0 million (previous year: € 100.0 million).

DZ HYP's key performance indicators are set out below.

Distributable earnings

Distributable earnings are calculated for measuring DZ HYP's earnings power and are composed as follows:

COMPOSITION OF DISTRIBUTABLE EARNINGS

€ mn	2025	2024
Net income before profit transfer	82.0	100.0
Reversal of risk provisions pursuant to section 340f of the HGB	-1.0	-0.2
Allocations to the fund for general banking risks pursuant to section 340g of the HGB	110.0	146.0
Distributable earnings	191.0	245.8

The target of € 164.2 million was significantly exceeded because business performance was above expectations.

Cost/Income ratio

The cost/Income ratio (CIR) is a key management indicator that measures the efficiency of economic activity. It expresses the ratio of administrative expenses (including other operating expenses) to the aggregate of net interest income, net commission result and other

operating income. In the 2025 financial year, the CIR registered a year-on-year increase of 2.0 percentage points to 36.8 per cent, primarily due to a decline in net other operating income/expenses. However, the target for 2025 was clearly exceeded as overall results were higher than expected.

STRUCTURE OF CIR COMPONENTS

€ mn	2025	2024
Administrative expenses	251.3	244.5
Other operating expenses	10.8	7.7
Total relevant expense items	262.1	252.2
Net interest income	718.8	719.8
Net commission result	-27.1	-21.1
Other operating income	20.6	25.9
Total relevant income items	712.3	724.6

Return on equity

Another key performance indicator is return on equity (RoE), which is used to gauge a company's profitability. RoE is a measure of net income before taxes and allocation to general risk provisions in relation to the aver-

age invested relevant equity (the average of equity and risk provisions for the year under review and the previous year). While RoE decreased in the 2025 financial year to 14.0 per cent (previous year: 16.4 per cent), it significantly exceeded the target for that year.

COMPOSITION OF NET INCOME BEFORE INCOME TAXES AND ALLOCATION TO GENERAL RISK PROVISIONS

€ mn	2025	2024
Net income before profit transfer	82.0	100.0
Allocation to general risk provisions pursuant to section 340f of the HGB	-1.0	-0.2
Allocations to the fund for general banking risks pursuant to section 340g of the HGB	110.0	146.0
Tax expense on income	154.7	139.9
Net income before taxes and allocations to general risk provisions	345.7	385.7

DZ HYP's rigorously pursued business and risk strategy once again contributed to a stable financial situation and a solid financial performance in 2025. The strategic build-up of general risk provisions helped to establish a stable asset and financial structure and also to underpin DZ HYP's viable business model.

The report on expected developments includes forecasts for the management parameters outlined above. In addition, DZ HYP has compiled various non-financial performance indicators in order to measure progress

regarding non-financial targets. Since these non-financial performance indicators are only used for internal management purposes, no further information is provided here. For disclosures on sustainability-specific indicators, please refer to the Non-financial Statement in accordance with section 289b of the HGB, in the "Sustainability Report" within DZ HYP's Management Report.

REPORT ON OPPORTUNITIES, RISKS AND EXPECTED DEVELOPMENTS

REPORT ON OPPORTUNITIES

DZ HYP defines opportunities as being positive unexpected deviations from the financial performance expected for the next financial year. The key factors determining value for the financial performance in this context (value drivers) were included in the forecast as planning assumptions. Opportunities exist here above all in the form of sources of income exceeding projections or expenses remaining below projections. The Bank benefited from these opportunities thanks in particular to the lower-than-expected loss allowance.

As a subsidiary of DZ BANK, DZ HYP is a member of the Cooperative Financial Network – a network characterised by a high degree of solidity, strong credit quality, and liquidity through customer deposits. The broadly diversified market position of the Cooperative Financial Network allows DZ HYP to offer financings based on risk and return criteria. DZ HYP will continue to use

this ability to act – together with the German cooperative banks – as a reliable financing partner to its clients. As a member of the DZ BANK Group, DZ HYP is committed to the fundamental cooperative concept of responsible business practices. This means that the Bank's entrepreneurial spirit has a long-term horizon; it uses natural resources responsibly and efficiently and takes risks and opportunities into consideration as part of its decision-making processes.

Managing opportunities

Seizing business opportunities while observing risk and return targets is an integral part of DZ HYP's enterprise management. The activities driven by the Bank's business model call for the ability to identify, measure, assess, manage, monitor and communicate opportunities. DZ HYP's opportunities management is integrated into the DZ BANK Group's annual strategic planning process. Strategic planning allows trends and changes to the market and competitive environment to be identified and analysed and also forms the basis for assessing potential opportunities. Reports submitted to the Management Board on opportunities arising from future business development, as derived from the business strategy, are based on operational planning determined from the results of the strategic planning process. Staff are informed about potential opportunities identified in the course of communicating the business strategy.

RISK REPORT

DZ HYP has applied an own funds waiver option as provided for under Article 7 of the Capital Requirements Regulation (CRR). This means that it is exempt from applying certain regulatory requirements at individual institution level. In the context of the own funds waiver, economic and regulatory equity adequacy is monitored, ascertained and disclosed at DZ BANK Group level.

Since the reporting date of 31 December 2021, a liquidity waiver pursuant to Article 8 of the CRR has been applied, whereby DZ HYP is exempt from complying at individual institution level with the requirements set out in Articles 412, 413 and 430 (1) lit. d) of the CRR. Instead, these requirements must be met at the level of the liquidity sub-group comprising DZ BANK and DZ HYP pursuant to Article 8 (2) and (6) of the CRR.

I) Fundamental principles of risk management

Risk management at DZ HYP takes into account the requirements under the German Banking Act (*Kreditwesengesetz* – “KWG”), the Minimum Requirements for Risk Management in Banks (*Mindestanforderungen an das Risikomanagement* – “MaRisk”) and other relevant statements of the supervisory authorities, and is an integral part of the strategic and operational management of the Bank as a whole. Assuming risks in a targeted and controlled manner and observing target returns are both part of enterprise management within the DZ BANK Group, and therefore also within DZ HYP. The activities driven by DZ HYP’s business model require the ability to identify, measure, assess, manage, monitor and communicate risks. In addition, maintaining an adequate level of equity backing for risk exposure and a solid level of liquidity are fundamentally important for the Bank’s continued operation. As a guiding principle for all business activities carried out by the DZ BANK Group – and therefore also by DZ HYP – risk is assumed only to the extent required to achieve business policy objectives and provided that the Bank has an adequate understanding of and expertise in identifying, measuring, assessing, managing, monitoring and communicating the risks involved.

To implement this principle, DZ HYP’s Management Board has formulated a Risk Appetite Statement in line with Group guidelines. Based on the risk policy guidelines and quantitative indicators in the Statement, as well as the business strategy, a Risk Strategy Framework was prepared and the respective risk strategies determined for the material types of risk.

The risk inventory, which is carried out at least annually or on an event-driven basis, identifies the types of risk that are relevant for the DZ BANK Group and assesses them with regards to their materiality. A materiality analysis is carried out for any type of risk that may occur in principle due to the business activities of DZ BANK Group entities. Following this, all types of risk classified as material are evaluated to determine to what extent risk concentrations exist.

Credit risk, market price risk, liquidity risk, operational risk, equity investment risk, reputational risk, business risk and longevity risk (as a sub-type of actuarial risk) have been identified as material risk types for DZ HYP. These types of risk are explained in sections II to IX. With the exception of liquidity risk, economic capital – referred to as the risk capital requirement – is determined for these types of risk. For risk types measured by DZ BANK, the “risk contribution” is used accordingly.

Risk is generally determined using a value-at-risk (VaR) figure based on a one-year holding period and a confidence interval of 99.9 per cent. A capital buffer is set aside to account for types of risk for which capital requirements cannot yet be (sufficiently) determined. As soon as adequate measures for quantifying such risks become available (if the exposure can be included in the risk capital requirement or risk contribution, respectively), this buffer will be released again. In substantiated exceptional cases, the capital buffer may be permanent (e.g. to account for longevity risk). The ratio of economic capital relative to reputational risk is taken into consideration or determined using the business risk model. The methods and procedures for managing liquidity risk are explained in section IV.

DZ HYP is closely integrated into the risk management of the DZ BANK Group, among other things through the use of the own funds and liquidity waivers. Risk management is performed in line with the business strategy and the risk strategies of DZ HYP and the DZ BANK Group. Risk limits for the material risk types

are determined regularly as part of the yearly Group-wide strategic and operational planning process, taking into consideration the risk-bearing capacity of the DZ BANK Group. In addition, DZ HYP has limit systems in place for the internal management and monitoring of country and counterparty credit risks.

Early-warning indicators and escalation processes are defined as part of the limitation. In the event of any limit transgressions, an escalation procedure is initiated to restore limit compliance – or to approve transgressions – in line with delegated authority.

a) Responsibilities

The Management Board – as the Bank's highest internal decision-making body – is responsible for the management of DZ HYP. Management Board resolutions are taken during weekly meetings. As regards DZ HYP's risk governance, the Management Board has the management authority and sole power of representation, in accordance with section 78 of the German Stock Corporation Act (*Aktiengesetz* – "AktG"). The Management Board is responsible for managing and monitoring risks of the entire Bank at portfolio level, as well as for allocating risk capital. It decides upon individual loan exposures in line with its lending authority.

A schedule of responsibilities separates the front and back office units in line with statutory provisions. The Chief Executive Officer is responsible for the market-facing functions, while the Chief Risk Officer is responsible for back-office functions. In addition, DZ HYP is integrated into the committee structures of the DZ BANK Group and the Cooperative Financial Network, where DZ HYP's Management Board members or other employees are represented.

The Supervisory Board monitors the activities of the Management Board and receives the Management Board's reports, including reports on the business development and risk situation in accordance with section 90 of the AktG and other regulatory reports. The Rules of Procedure and Schedule of Responsibilities of the Management Board are subject to Supervisory Board approval. The Supervisory Board has established special committees from amongst its members to fulfil its duties. The Risk Committee is responsible for risk management, including the Risk Appetite Statement and the resulting risk strategies in accordance with

MaRisk. The Audit Committee's monitoring duties include, in particular, the accounting and financial reporting process, the effectiveness of the risk management system (in particular the effectiveness of the internal controlling systems and the internal audit), the audit of the financial statements and the independence of the external auditors. The Nomination Committee assists the Supervisory Board; its tasks include identifying candidates for appointment to the Management Board or Supervisory Board and assessing the structure, size, composition and performance of the Management Board and the Supervisory Board. The Remuneration Control Committee monitors the appropriate structure of the remuneration systems for members of the Management Board and employees.

b) Functions

A "three lines of defence" model has been established for the structural organisation of the risk management framework. This model clearly differentiates responsibilities between the various units and addresses potential conflicts of interest.

The first line of defence is the operational management in the front-office units (*Markt*). The units involved are responsible for recognising risks at an early stage, assessing them, consciously assuming or avoiding them, and implementing suitable risk management measures, taking the existing framework conditions into account.

The second line of defence is responsible for establishing and developing risk management standards. It also monitors compliance with these standards by the first line of defence, and submits corresponding reports to the Management Board and the Supervisory Board. The second line of defence largely assumes the function of monitoring the first line of defence, as required by MaRisk, through the second vote of the back office (*Marktfolge*).

In the second line of defence, Risk Controlling takes on the risk control function in accordance with MaRisk, and therefore the overarching responsibility for identifying, measuring, assessing and limiting risks, as well as for risk monitoring and communication.

The Compliance Office assumes additional functions of the second line of defence. The Compliance Office consists of, inter alia, the Compliance Officers pursuant to MaRisk and the Securities Trading Act (*Wertpapierhandelsgesetz – "WpHG"*), the Anti-Money Laundering Officer / Central Unit, the Data Protection Officer, the Central Outsourcing Officer and the risk control function for managing and overseeing ICT risk, together with the Third-Party Risk Manager, the Information Security Officer and the Business Continuity Manager.

As the third line of defence – and independent of individual processes – Internal Audit examines and assesses risk management processes employed by the first and second lines of defence. In this capacity, it reports directly to the Management Board, the Supervisory Board, the Audit Committee and external controllers.

c) Requirements pursuant to section 27 of the PfandBG

DZ HYP's risk management framework fulfils the requirements under section 27 of the German Pfandbrief Act (*Pfandbriefgesetz – "PfandBG"*). The TXS-Pfandbrief application is used to determine the market risk exposure of cover asset pools, based on a coverage concept using present values, as set out in the Present Value Cover Regulation (*Verordnung über die Sicherstellung der jederzeitigen Deckung von Hypothekendarlehen, Öffentlichen Pfandbriefen, Schiffspfandbriefen und Flugzeugpfandbriefen nach dem Barwert und dessen Berechnung bei Pfandbriefbanken – "PfandBarwertV"*) promulgated by the Federal Financial Supervisory Authority (BaFin). Stress scenarios simulating the impact of standardised interest rate shocks on the present value of cover assets pools are used to quantify the market risk exposure.

BaFin has prescribed structural parameters for these interest rate shock scenarios, as well as for the maximum impact these scenarios may have on the present value of the cover assets pools. A report on the present values and DZ HYP's liquidity status is prepared on a daily basis and submitted to Treasury.

In addition, a quarterly report, which covers the more extensive PfandBG requirements regarding historical and future performance and credit risk exposure of the cover assets pools, is submitted to the Management Board.

Internal rules regarding the commencement of business in new products or markets comply with the requirements of MaRisk as well as with those under section 27 of the PfandBG.

d) Internal control and risk management system related to the financial reporting process

DZ HYP's accounting and financial reporting system is predominantly assigned to the Finance division (which is independent from the business segments); it comprises financial accounting and asset accounting. Securities accounting and loan accounting are both assigned to the various back office units within DZ HYP. Payroll administration has been outsourced to ZALARIS Deutschland AG, Henstedt-Ulzburg.

The internal control and risk management system implemented for the accounting process consists of accounting-related and other control objectives. Accounting-related control objectives are designed to ensure that internal and external accounting and financial reporting systems function correctly and reliably. Key objectives in this context are to ensure completeness and accuracy of documentation, to record transactions promptly, to reconcile balances across the IT systems used and to comply with applicable accounting rules. Other control objectives relate to compliance with applicable laws and regulatory requirements.

Integrated business process control mechanisms – such as dual control checks – have been installed to implement the strategy outlined above. The separation of functions, access restrictions, work instructions and plausibility checks serve to mitigate errors. The Bank regularly enlists the help of external experts to implement new legal regulations. New product processes always require evidence – prior to the launch of a new product – that the business with new products / new markets can be implemented correctly in the accounting and financial reporting system in line with applicable rules. Internal Audit regularly carries out process-independent checks concerning accounting and financial reporting.

Overall, the Bank has implemented a control and risk management system with regard to the financial reporting process. This system comprises measures for identifying and assessing material risks (and related risk

mitigation measures) to ensure the proper preparation of the financial statements.

e) Risk monitoring and reporting

An Overall Risk Report is prepared on a monthly basis. In accordance with MaRisk requirements, this report includes a presentation of the Bank's aggregate risk situation, the material types of risk and the regulatory and economic capital adequacy. In coordination with DZ HYP, DZ BANK establishes the risk appetite for DZ HYP and defines specific limits for material types of risk. Overall risk limit utilisation stood at 67 per cent as at 31 December 2025; no risk type showed a utilisation above 90 per cent. The Overall Risk Report is discussed by the Management Board on a monthly basis, and three times a year by the Risk Committee and the Supervisory Board. In addition, the market price risks to which DZ HYP is exposed are reported daily to the Management Board pursuant to MaRisk; the key figures are also provided to the Supervisory Board and its Risk Committee on a regular basis.

II) Credit risk

Credit risk is defined as being the risk of losses incurred as a result of the default or migration of creditworthiness of counterparties (borrowers, issuers, other counterparties) or guarantors. Both traditional lending business (real estate finance or local authority lending, including financial guarantees and loan commitments) as well as capital markets activities may be exposed to credit risk. In the context of credit risk, capital markets activities relate to products such as securities, promissory note loans (*Schuldscheindarlehen*), derivatives and money-market transactions.

Credit risk in real estate finance and local authority lending is defined as the risk that a client is unable to settle claims arising from loans taken out by him (inclusive any existing overdrafts) or from overdue payments or the risk of losses from contingent liabilities or committed credit lines.

Credit risk from capital markets activities is distinguished further, into replacement risk and issuer risk. Replacement risk from derivatives is defined as the risk of a counterparty defaulting during the term of a

transaction (with a positive market value), in which case DZ HYP would have to incur only additional expenditure (equivalent to this market value at the time of default) in order to enter into an equivalent transaction with another counterparty. Issuer risk denotes the threat of losses from defaulting bond issuers.

a) Credit risk quantification

Until 31 December 2025, Credit Risk Controlling was responsible for quantifying the risk capital requirement, using a decentralised credit portfolio model. Effective January 2026, the DZ BANK Group centrally quantifies credit risk and establishes limits based on data inputs from DZ HYP. The two credit risk models are used to determine Expected Loss (EL) and Credit Value-at-Risk (CVaR) on a monthly basis. For this purpose, the required default probabilities are mapped using CRR-compliant ratings insofar as possible. In principle, Expected Loss is determined by mapping probability of default and expected loss severity after the realisation of collateral with the expected receivables at the time of default. Expected losses at the level of individual transactions are incorporated into the calculation parameters for new business, in order to prevent gradual erosion of equity. Key factors used to determine credit risk, employing the credit portfolio model, are lending volume, concentration effects (relative to sectors, countries, or counterparties), eligible collateral, intra- and inter-sector correlations, and the credit quality structure of the portfolio. Measurement includes default risk from both the lending business and trading activities.

b) Credit rating

The ECB has approved the majority of DZ HYP's rating systems for the purpose of calculating equity requirements under the IRB approach; they ensure an adequate assessment of counterparty credit risk and support internal management. Models are developed and validated in line with DZ BANK's requirements and rating procedures are validated at least once a year.

Given its extensive real estate expertise, DZ HYP has assumed the lead – within the Cooperative Financial Network – for developing, regularly maintaining and optimising rating procedures for commercial real estate

finance in Germany. Based on the Bank's function as a centre of competence for public-sector clients, the public-sector entity rating within the DZ BANK Group is bundled in DZ HYP.

DZ BANK is responsible for methodological development for other client segments, such as banks and sovereigns, also involving the National Association of German Co-operative Banks (BVR).

For a small number of special cases, DZ HYP applies simplified rating procedures for which no Internal Ratings-Based Approach (IRBA) approval has been applied. This is due to cost/benefit considerations.

A breakdown of DZ HYP's total lending volume by type of business and by rating class is provided below:

LENDING VOLUME^{*)} BY RATING CLASS

€ mn	Total		Real estate lending 31 Dec 2025	Originated	Capital markets
	31 Dec 2025	31 Dec 2024		loans to local authorities 31 Dec 2025	business 31 Dec 2025
Investment grade (rating class 2A or better)	75,880	75,578	56,967	9,863	9,050
Non-investment grade (rating classes 2B-3E)	3,934	3,492	3,910	-	24
Defaulted rating classes (4A or worse)	1,087	846	1,079	-	8
Unrated	-	-	-	-	-

*) Including disbursement commitments

A new rating is prepared for each client at least once a year or for specific events.

c) Intensified handling and management of problem loans

DZ HYP uses an individual risk management system (ERM) for the purposes of early warning, in a similar way as it is used by DZ BANK. Cases with early warning indicators are assigned to a 'yellow list'. Loans where a subsequent loss cannot be excluded are kept on a 'watch list'. Where there is a clear negative trend, coupled with an existing requirement for recognising specific impairments, the cases are included on the 'default list', which also contains all exposures subject to recovery without specific impairments required. The processing rules and requirements on the transfer from one ERM list to another are subject to defined criteria.

A detailed report on ERM exposures is submitted to the Management Board on a monthly basis.

Non-performing loans (NPL)-Quote:

- » NPL ratio (defined as the share of NPLs in total lending volume (in particular without considering disbursement commitments))
- » Provisioning ratio (defined as risk provisioning in relation to total lending volume)
- » Risk coverage ratio (defined as risk provisioning in relation to NPLs)

Selected indicators used for internal credit risk management developed as follows during the year under review:

CREDIT RISK INDICATORS

€ mn	Total 31 Dec 2025	Total 31 Dec 2024	Change in %
Lending volume ^{*)} (LV)	80,901	79,917	1.2
NPL volume	1,087	846	28.5
NPL ratio in %	1.34	1.06	26.4
Risk provisioning pursuant to the German Commercial Code (<i>Handelsgesetzbuch – "HGB"</i>) ^{**)}	675	581	16.2
Provisioning ratio in %	0.83	0.73	13.7

*) Including disbursement commitments

***) Specific and general valuation allowance, general risk provisions (section 340f of the HGB) and other provisions

The renewed increase in the NPL ratio was driven by the real estate lending business with corporate clients. Individual lending exposures had to be classified as NPLs and hedged with a corresponding specific allowance, where necessary. The portfolio's NPL structure has not shifted systematically; compared with that of the Bank's peers, the NPL level remains low across all fields of business.

d) Provisions for loan losses / loss allowance

The Bank has accounted for all identifiable credit risks, in accordance with prudent commercial judgement, by recognising provisions in the amount of expected losses. Provisions for loan losses comprise write-downs and provisions for evident and inherent default risks, for all receivables carried on the balance sheet as well as for off-balance sheet transactions. When calculating expected losses in real estate financing, the value of property liens is recognised based on recent value appraisals. If the loan amount exceeds a threshold, these appraisals are issued by certified experts. Lending exposures with no recovery prospect are appraised at the minimum value achievable in a short-term realisation, given known recovery rates and costs. The inventory of specific loss allowance is regularly monitored and reported to the Management Board as part of the monthly loss allowance projection and the Overall Risk Report. Potential default risks are recognised through general valuation allowances as per the IFRS 9 stage concept.

e) Concentration risks

Key factors used to determine credit risk are concentration effects (relative to counterparties, sectors, countries, or maturities) and the credit quality structure of the portfolio. Elevated concentrations of lending volume regarding counterparties, sectors or countries increase the risk of credit risks materialising cumulatively – for example, in the event of a default of counterparties subject to higher concentrations, or in case of economic crises affecting sectors or countries with higher concentrations.

Real estate finance

DZ HYP's business model-related focus on real estate lending is balanced by a broad diversification within the real estate loan portfolio – for example, across different types of property. Concentration trends recognised as part of risk monitoring serve as a basis for management measures. At present, no single property type accounts for more than 30 per cent of the total lending volume for the real estate lending business. The regional breakdown of the Bank's domestic business is broadly diversified; no German Federal state accounts for more than 30 per cent of the total domestic lending volume. Portfolio limits were introduced in the Corporate Clients business in 2025 (e.g. for individual property types and certain repayment options), limiting the total credit volume in each segment. The limits are reviewed annually. All limits were complied with as at 31 December 2025.

Originated loans to local authorities

In the Public Sector business, the early identification and management of concentration risks is an integral part of risk monitoring. The scope and nature of counterparty risk are managed using a risk-adjusted limit system based on internal ratings and sustainability rankings, facilitating broad diversification of the portfolio. This is in line with the provisions of DZ HYP's and the DZ BANK Group's credit risk strategies.

Capital markets business

Capital market developments are monitored on an ongoing basis. Concentration risk is managed using a risk-adjusted limit system that is based on internal ratings and sustainability rankings and that is in line with the provisions of DZ HYP's and the DZ BANK Group's credit risk strategies. Despite persistent uncertainties (on the geopolitical front in particular) and the muted economic outlook, the Bank is currently not expecting any default events to occur within its capital market portfolio.

f) Commercial real estate finance risks

Macroeconomic challenges and the associated reluctance to invest, alongside comparatively high financing costs, continue to weigh on the real estate market. For commercial real estate finance, this primarily involves latent risks in connection with cash flows, investments and market values.

DZ HYP closely monitors the risks in its credit portfolio. No systematic anomalies have been identified to date, and, although an increasing number of risks requiring intensified or problem exposure handling have recently come to the fore, the rate of such exposures remains moderate overall, and exposures that have been successfully stabilised or restructured are regularly returned to normal handling.

Financing exposed to construction risks remains subject to increased challenges. While construction prices have become predictable again, delays in the letting and sale of properties can still be observed. Property development financing continues to see positive trends, particularly in the area of private (owner-occupied) use. The market for commercial real estate developments remains tense. However, there are signs of a slight improvement for 2026. For projects at an advanced

stage, exit discussions are increasingly being held or are expected to be held by project developers from 2026 onward. Meanwhile, the situation is difficult for construction projects (involving real estate acquisition financing) that have not yet begun. Challenges faced in the current reticent environment include delays in obtaining planning permission and unclear exits. Projects planned before 2022 continue to be challenged by high acquisition costs, which no longer match the current market conditions. Increased construction and financing costs have been causing additional pressure.

The office investment market is still faced with uncertainties about what kind of offices property users will want in the future and what space requirements this will entail. Demand for space is expected to decrease and to focus on ESG-compliant, state-of-the-art and high-quality spaces in city centres or other locations that are easy to reach and offer superior service infrastructure. However, demand for additional office space could grow in the event of an economic upswing and improving sentiment. The market is seeing mounting interest from major investors again. Prime and average rents are rising across the board, and property values have also seen slight increases. Vacancy rates in the office segment are still on the rise, albeit with less momentum and remaining at a relatively low level. Wide discrepancies exist between properties in terms of type, quality and location.

The retail property segment continued its recovery in 2025, driven by the favourable development of rents for newly let properties and higher take-up of rental space. Ongoing consolidation processes continue to ensure high market activity, with various top tenants keeping their top locations, while significantly thinning out their overall store network. At the same time, more new retailers are seeking to enter the German market or are pressing ahead with expansion plans. Retail property values went up in the year under review for the first time in several years. How successful a retail property is still depends heavily on its location, quality, transformability and management. It remains to be seen how the situation in Germany, marked by a subdued economy and negative consumer sentiment, will evolve.

DZ HYP's portfolio does not include any properties serving as collateral that are located in Ukraine, Russia or Belarus, and there is no sign of any increased risks

relating directly or indirectly to these countries at an individual exposure level.

g) Limit monitoring

Treasury has access to the country and counterparty credit risk limits and their utilisation at any time for the purposes of intraday monitoring. Back office units monitor the utilisation of individual business partner and country limits on a daily basis as part of their monitoring processes.

The risk capital requirement for credit risk (plus capital buffer) is compared with the limit for credit risk and monitored.

III) Market price risk

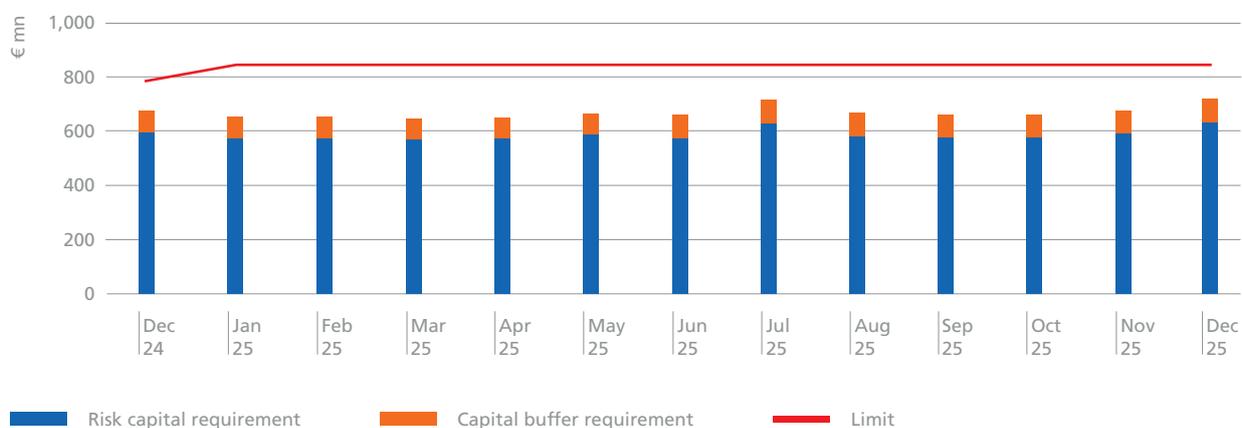
Market price risk is defined by the impact of interest rate fluctuations on the money and capital markets, and by changes in exchange rates. DZ HYP's primary market price risks are interest rate risks in the banking book, currency risk, as well as spread and migration risk. These risks are measured and limits applied at Group level using data provided by DZ HYP on a daily basis. Market price risk is quantified via the risk contributions for interest rate risk and currency risk as well as for spread and migration risk.

DZ HYP uses various hedging tools in its dynamic management of interest rate risk and currency risk for the Bank as a whole. This consists mainly of interest rate swaps, cross-currency swaps and caps. Each derivative hedge forms part of the overall management of the entire banking book.

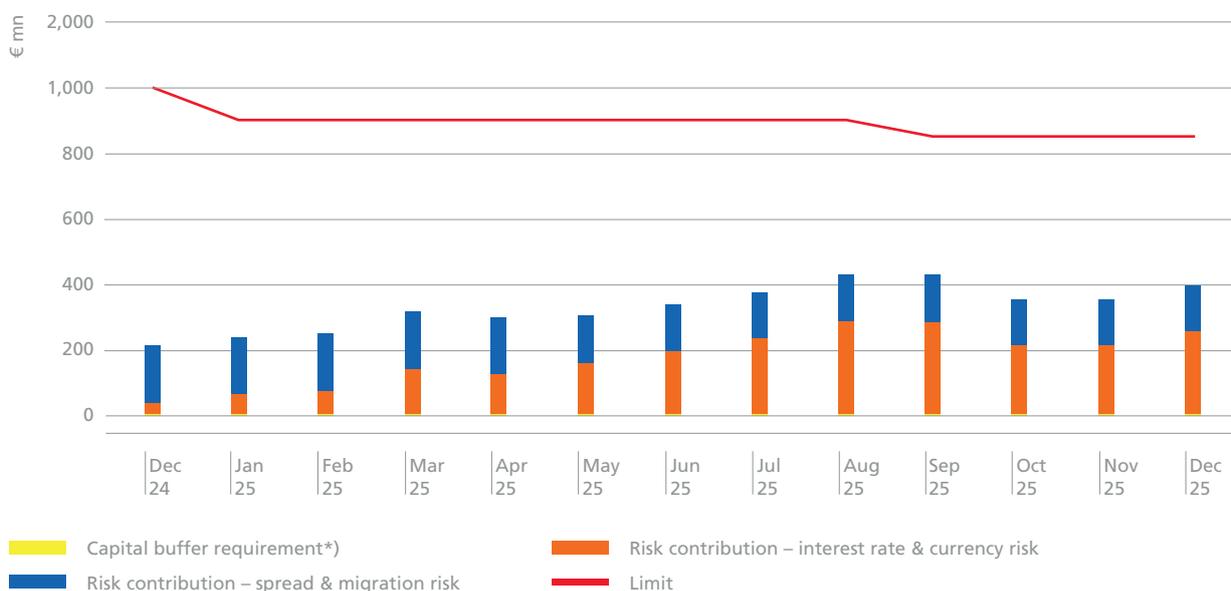
The Management Board and Head of Treasury are informed on a monthly basis about the limit utilisation in terms of the risk capital requirement calculated using the Group model. They are informed on a daily basis about the utilisation of sensitivity limits that have been implemented. A multi-level escalation plan, comprising escalation paths and measures to be taken, has been implemented to deal with any breach of defined thresholds.

To manage operational market risk, the Bank calculates interest rate sensitivity parameters (i.e. theoretical present value changes given simulated changes in interest rates) on a daily basis. Interest rate sensitivity during the 2025 reporting year was characterised by minor fluctuations at a low level. Aggregate interest rate sensitivity limits were complied with at all times. In line with the procedures applied to other types of risk, the risk classification procedure applied in assessing the market price risk is examined for appropriateness on an annual basis, and adjusted if necessary. The Bank regularly calculates stress scenarios using DZ BANK's Group model. Aside from risk management based on interest rate sensitivities, DZ HYP measures and sets limits for periodic interest rate risks in net interest income.

RISK CAPITAL REQUIREMENT FOR CREDIT RISK



RISK CAPITAL REQUIREMENT FOR INTEREST RATE, CURRENCY, SPREAD AND MIGRATION RISKS TO GROUP RISK EXPOSURE



*) €4 mn as at 31 Dec 2025

In 2025, the risk contribution to Group risk exposure increased slightly owing to a rise in risk contributions from interest rate and currency risks.

DZ HYP's Treasury management is in line with the Bank's business model. In particular, the primary focus of Treasury management is on managing profit and loss for the period in order to protect margins from client business. Treasury's business activities are not regarded as a profit centre.

Real estate loans with terms exceeding ten years are subject to statutory termination rights pursuant to section 489 of the German Civil Code (*Bürgerliches Gesetzbuch* – "BGB"). The effect of these optional risks is reflected in the risk model.

Contractual early redemption rights are taken into account via notional lifetimes, which are validated statistically.

IV) Liquidity risk

Liquidity risk comprises the threat of insufficient liquidity being available to meet payment obligations. Liquidity risk can thus be understood as the risk of insolvency. In this regard, liquidity risk arises from a mismatch in the

timing and amount and of cash inflows and outflows and is affected to a significant degree by other types of risk. The Bank's liquidity risks are determined daily, in line with the regulatory and business requirements and in coordination with DZ BANK.

As a basis for managing economic liquidity, Market Price Risk and Liquidity Risk Controlling provides Treasury with a differentiated overview on each business day, indicating future liquidity flows (comprising cash flows as well as a gap analysis of principal repayments and fixed interest mismatches) resulting from individual positions in the portfolio. Where a comparison of liquidity data against defined limits gives rise to escalation, this follows a pre-defined process flow which may invoke the emergency procedure for liquidity bottlenecks pursuant to MaRisk. No escalation was required in 2025.

In order to determine Group liquidity risk exposure and DZ HYP's contribution to this, DZ HYP's liquidity data is transmitted to DZ BANK's Risk Control Unit daily, where it is used to determine limit utilisation.

The DZ HYP Management Board is also provided with an overview of excess liquidity incorporating stress scenarios in the Overall Risk Report. A limit system is implemented on a daily basis and integrated into the risk monitoring process. The results from the scenario

analyses – which comply with the requirements set out in the relevant sections of MaRisk – are fed into the risk analysis process.

The first step in determining risk indicators is to calculate a liquidity run-off profile based on the contractually agreed terms of all financial instruments with an impact on liquidity. The base case scenario maps the development of current and future liquidity reserves in connection with expected business activities. Potential changes to the liquidity run-off profile and to liquidity reserves in the event of a crisis affecting markets or the Bank are simulated for four stress scenarios in addition to the expected development reflected in the base case scenario:

- » A serious crisis threatening the DZ BANK Group
- » A three-notch downgrade of the DZ BANK Group's long-term rating
- » A sudden and pronounced loss in value for assets traded on the stock markets
- » A combination of a crisis affecting the market as well as the Company

Expected liquidity is indicated by the liquidity run-off profile in the base case scenario. In the stress scenario, liquidity is defined by the lowest daily value among the four scenarios. Using expected liquidity for each record date, the minimum excess liquidity indicator is determined, which expresses the adequacy of economic li-

quidity. Throughout 2025, this indicator remained above the limit of zero. The set of scenarios is complemented by an inverse stress test carried out on a quarterly basis.

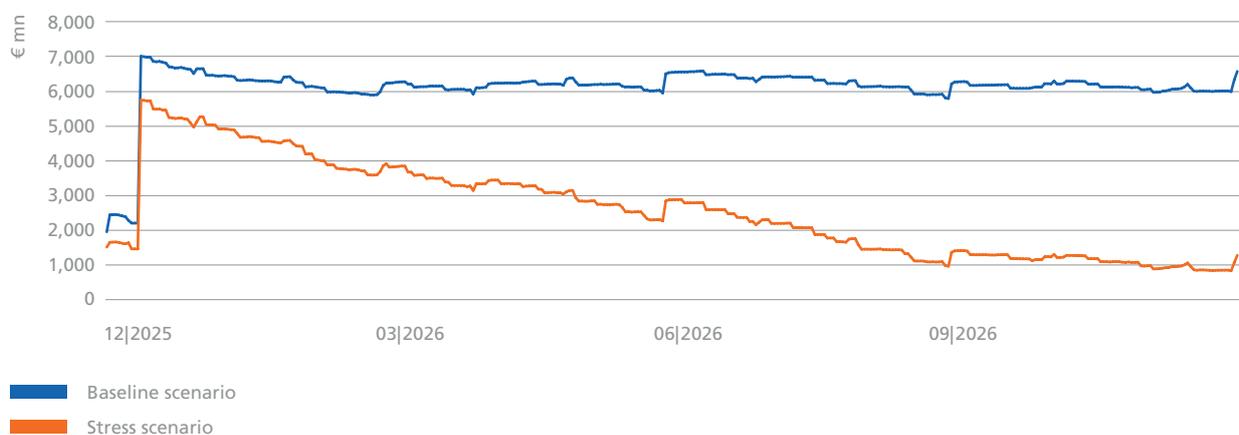
Our liquidity risk models and emergency plan for liquidity bottlenecks are reviewed annually and adjusted if necessary.

Refinancing risk denotes the risk of a deterioration in funding terms. With a widening liquidity spread, covering any future liquidity requirements would incur additional cost. DZ HYP minimises funding risk by managing the liquidity run-off profile.

During 2025, DZ HYP's funding activities included issuing Mortgage Pfandbriefe and Public Pfandbriefe, which were predominantly purchased by counterparties outside the Cooperative Financial Network. Further funding activity consisted of unsecured liquidity facilities provided predominantly by DZ BANK.

DZ HYP defines market liquidity risk as the threat of losses that may be incurred due to unfavourable changes in market liquidity, for example due to a deterioration in market depth or in the event of market disruptions. In such cases, the Bank may only be able to sell assets held at a discount and active risk management may be restricted. Since the impact of market liquidity risk is evident in changed spreads and volatility levels, this is reflected in risk calculations.

EXPECTED LIQUIDITY DEVELOPMENTS AS AT DECEMBER 2025



V) Operational risk

DZ BANK Group defines operational risk as the risk of losses resulting from human behaviour, technical faults, weaknesses in processes or project management procedures, or from external events. This definition includes legal risk; it does not, however, cover strategic or reputational risks.

Capital requirements for operational risks are derived at Group level as part of the process for determining regulatory capital requirements. This is done by applying the standardised approach as set out in the CRR. Economic capital for operational risk is also determined at Group level using a portfolio model and is incorporated into internal management, at both a Group and individual institution level.

Compiling loss data in a central database makes it possible to identify, analyse and assess loss events and, in turn, to recognise patterns, trends and concentrations of operational risks. Losses incurred by DZ HYP include losses affecting income (direct losses, provisions) and losses recognised directly in equity (indirect losses, profits forgone / opportunity costs). Losses affecting income are included in the model used for quantifying risk capital requirement from DZ BANK's economic perspective.

Losses incurred from operational risks do not follow a continuous trend. The overall loss profile is derived from

losses incurred over many years and is characterised by a small number of major losses. This means that comparisons of the period under review with the previous year's levels are not conclusive, which is why these comparative figures are not provided. A total of 37 loss events under a CRR event category were recorded during the year under review.

To identify operational risks in good time, an early warning system – used by DZ HYP regularly – records a total of 173 indicators (aligned with the CRR event categories, including system failures, fraud, damage to property) and analyses results by way of a traffic light system. Monitoring the risk indicators did not result in significantly higher operational risks during 2025. In fact, the vast majority of risk indicators did not show any risks during the course of 2025.

Scenario-based risk self-assessments were conducted in 2025. Using risk scenarios, material potential risks were determined, in accordance with the CRR, for all first-level risk categories and mapped in the form of scenarios. The results of DZ HYP's assessments are incorporated into the economic risk model for the DZ BANK Group. The selected scenarios are also reviewed on a quarterly basis to ascertain their relevance; there were no indications of any material changes in the risk assessments.

OPRISK LOSSES 2025



IT risk

Information risks, including risks relating to information and communications technology, can arise when information is processed; these are classified as operational risks. DZ HYP has created an information and IT risk inventory to recognise these risks at an early stage, respond to them appropriately, and manage and monitor them over the long term. This inventory comprises all information and IT risk areas relevant to DZ HYP together with the identified information and IT risk scenarios and all the individual information and IT risks assigned to the scenarios. Information and IT risk scenarios are assessed annually and on an event-driven basis, and appropriate risk management measures are determined. The risk scenarios are reported to the Management Board and elsewhere on a quarterly basis within the information and IT risk report. DZ HYP's underlying assessment methodology for IT risks is provided centrally by the Information Security Officer.

The information security risks for which the Information Security Officer is responsible form part of the information and IT risk inventory and are reported separately to the Security Advisory Board and to DZ BANK. This concept ensures collaboration between information security management and information risk management.

With regard to cyber risk management, risk exposure is assessed based on the likelihood of an underlying threat occurring and the extent to which an existing vulnerability can be exploited by a threat to an asset. The underlying threat catalogue incorporates findings from the DZ BANK Group's Cyber Risk Radar and contains threats arising from cyber attacks.

Outsourcing and use of third-party ICT services

DZ HYP procures certain activities and processes from external service providers (e.g. it outsources activities or processes and procures third-party ICT services). The outsourcing division – with the aid of outsourcing managers – determines the materiality of an outsourced activity or process within the scope of a risk analysis, and assesses the risk involved. The same procedure is

applied to ICT services, whose relevance in the support of critical and important functions must be determined prior to their use. Relevant organisational units within the second line of defence, e.g. Compliance, are also involved, as are Legal and Internal Audit. If outsourced activities or processes or third-party ICT services are material or critical, the risk analysis is reviewed at least once a year, while risk analyses for other outsourced activities or processes or third-party ICT services are reviewed and updated every three years. Event-driven risk analyses are performed in the event of material changes to services provided (on a case-by-case basis) and amendments of regulatory requirements (for all third-party services as a whole). The review also determines a) in the case of outsourcing, whether a process or activity can be defined as having been outsourced pursuant to MaRisk, with an assessment also carried out of its materiality/criticality, or b) in the case of ICT, whether a service qualifies as ICT pursuant to the Digital Operational Resilience Act (DORA) and how relevant it is for the support of critical and important functions.

As a part of operational risk, third-party risk is defined as the risk of losses related to external services, caused by a breach of strategic principles or operational provisions, and includes above all performance defaults of outsourced activities and processes. Third-party risk is measured within the scope of a scenario-based risk self-assessment. In addition, the information and IT risk management process identifies and evaluates systematic outsourcing management risks within the scope of its central outsourcing management.

VI) Equity investment risk

Equity investment risk is defined as the risk of losses due to negative changes in value affecting the part of the investment portfolio that is not taken into account for other types of risk. Investments are held for strategic considerations and are of minor importance to DZ HYP.

Equity investment risk also includes real estate risk, which represents the risk of losses due to negative changes in the value of DZ HYP's real estate portfolio

caused by a deterioration in the overall real estate situation or specific characteristics of individual properties (e.g. vacancy rates, loss of tenants, loss of use).

The risk contribution for DZ HYP's equity investment risk is calculated by DZ BANK alongside its measurement of equity investment risk for the DZ BANK Group. For this purpose, risk capital requirements are measured using a value-at-risk concept based on a variance/covariance approach, with a one-year holding period. Risk drivers are the market values of investments, the volatility of these market values and the correlation among them. Market value fluctuations are predominantly derived from exchange-listed reference assets.

VII) Reputational risk

Reputational risk is defined as the risk of losses caused by events which damage the confidence of, in particular, clients (this also includes the cooperative banks), shareholders, employees, labour market participants, the general public or regulatory authorities in DZ HYP or the products and services it offers. Reputational risk can be caused by other risks having materialised, but also by other publicly available negative information concerning the DZ BANK Group or DZ HYP.

Reputational risk is implicitly incorporated into risk measurement and risk capital backing via business risk. As well as this, liquidity risk management explicitly covers the threat of funding problems as a result of reputational damage.

VIII) Business risk

Business risk is defined as the risk of an unexpected development in earnings that is not covered by other types of risk. In particular, this includes the risk that losses cannot be counteracted due to changes in key overall conditions (for example economic and product environment, customer behaviour, competitive situation) and/or due to inappropriate strategic positioning.

The risk contribution for DZ HYP's business risk is calculated by DZ BANK. Here, the risk capital requirement, seen from an economic perspective, is quantified as earnings at risk in a Monte Carlo simulation, based on theoretical operating profits under IFRSs.

IX) Longevity risk

Within the scope of actuarial risk, longevity risk is relevant at DZ HYP – for risks from pension obligations created by DZ HYP for its employees. This means that, while longevity risk does not result from one of DZ HYP's core business segments, it still represents a material type of risk for DZ HYP in accordance with the risk inventory. It denotes the risk of a loss or adverse change in the value of insurance liabilities, arising from changes in the amount, trend or volatility in mortality rates if the decline in the mortality rate leads to a rise in the value of the insurance liabilities.

For insurance contracts exposed to longevity risk, this longevity risk is mapped via reduced mortality rates. The risk is reflected by a central capital buffer at DZ BANK Group level.

X) ESG risk

ESG risks (sustainability risks) are events or conditions relating to environmental and climate-related ("E"), social ("S") or governance ("G") issues which, should they occur, could have an actual or potential negative impact on the Bank's net assets, financial position and financial performance or on its liquidity position or reputation.

DZ HYP identifies relevant material climate-related, environmental, social and governance risk drivers within its annual risk inventory. Material ESG risk drivers have been identified in credit risk and operational risk.

DZ HYP places its focus on climate-related and environmental risks resulting from climate change, i.e. physical risks, such as more frequent extreme weather events or

long-term changes in climatic conditions. Transition risks that occur in connection with the transition to a climate-neutral economy (driven, for example, by legal risks) are of great significance as well.

DZ HYP uses various internal and external methods to measure physical and transition risks. The Bank has developed a method for calculating financed emissions (carbon accounting); financed emissions in the real estate portfolio are assessed using reference pathways established in the market (climate alignment). Sustainability risks are also integrated into the governance and instruction systems and are taken into account in lending decisions. Further, energy efficiency characteristics are considered in building assessments. Sustainability risks are measured and managed in line with the regulatory requirements.

XI) Minimum Requirements for Own Funds and Eligible Liabilities Instruments (MREL)

The introduction of MREL set the stage for a uniform settlement process for banks at European and national level. As a member of the DZ BANK Group, DZ HYP itself is not a resolution entity and is therefore subject to

the requirements of the internal MREL (section 49f (f) of the German Act on the Recovery and Resolution of Credit Institutions (*Sanierungs- und Abwicklungsgesetz* – “SAG”). The minimum requirements for the internal MREL ratios, as determined by the Single Resolution Board, have been mandatory since 1 January 2022. The internal MREL ratios are the aggregate of DZ HYP’s own funds and eligible liabilities (MREL) relative to risk-weighted assets (total risk exposure amount (TREA)) or to the total exposure measure (TEM) as defined for the purposes of the leverage ratio in accordance with IFRS. As at the reporting date of 31 December 2025, the minimum requirements regarding the total risk exposure amount and total exposure measure were 15.8 and 5.9 per cent respectively. The minimum requirements were adhered to at all times during the year under review. Eligible liabilities amounted to € 2.7 billion.

All eligible liabilities are assigned to SRB insolvency rank 4 (subordinated receivables). The eligible liabilities with remaining terms listed in the table below were acquired exclusively by DZ BANK (settlement unit). Eligible minority interests are included in the table without a specific maturity. Eligible liabilities had the following maturity profile as at 31 December 2025:

	31 Dec 2025
€ mn	
Eligible liabilities within the meaning of internal MREL	2,670
of which with a remaining term of ≥ 1 year < 2 years	450
of which with a remaining term of ≥ 2 years < 5 years	1,000
of which with a remaining term of ≥ 5 years < 10 years	1,200
of which with a remaining term of ≥ 10 years, excluding securities without a specific maturity	–
of which securities without a specific maturity	20

Due to the own funds waiver, DZ HYP is exempt from disclosing its own funds, total risk exposure amount and total exposure measure at individual institution level.

DZ HYP once again issued MREL-eligible liabilities in 2025. These were bought exclusively by DZ BANK to ensure that the minimum requirements for the internal MREL are met at all times.

XII) Summary

Assessing risks and opportunities is an integral part of DZ HYP's risk management. The Management Board considers the management and controlling instruments

implemented to be appropriate and they are fine-tuned and improved on an ongoing basis. The challenges arising during the year under review as a result of macro-economic developments and their impact on the real estate market were adequately addressed by an effective and sustainable risk management approach. The Bank deems DZ HYP's expected performance to be appropriate in terms of the risks assumed. There were no indications of any threats to DZ HYP's continued existence at the time at which this Annual Report was prepared.

REPORT ON EXPECTED DEVELOPMENTS

Cautionary forward-looking statement

The report on expected developments, along with certain other parts of the Annual Report, includes expectations and forecasts that relate to the future. These forward-looking statements, in particular those regarding DZ HYP's business and earnings growth, are based on forecasts and assumptions and are subject to risks and uncertainties. As a result, actual results may differ from those currently forecast. There are many factors that impact DZ HYP's business and that are beyond the Bank's control. At present, these factors primarily include the concrete impact of the war in Ukraine, geopolitical risks, shifts in the general economic situation and the competitive arena, plus developments in the national and international real estate and capital markets. In addition, results may be impacted by borrowers defaulting or by other risks, some of which are discussed in detail in the risk report. In this context, DZ HYP would like to point out that the still elevated interest rate level, more frequent crises and the shortage of skilled workers could pose additional burdens.

Period covered by this report

Based on the strategic business orientation as part of a five-year plan, DZ HYP derives its operational planning on an annual basis, focusing on the subsequent financial year. As a rule, the Bank's forecast is based on a one-year operational planning horizon; in certain cases it also refers to the results of the five-year plan.

Business environment and assumptions underlying the forecast

The 2025 financial year again saw a very sluggish economy, another increase in the number of businesses declaring bankruptcy and persistently low business and consumer confidence. The general political developments and crises around the world were an addi-

tional strain. The outlook for Germany's gross domestic product remains tempered in 2026. Despite government investment programmes and incentives, the German economy is only expected to recover slightly, as shifting external economic headwinds continue to weigh on growth.

In the residential real estate investment market, transaction volumes in 2025 fell short of those in the previous year. Nevertheless, residential property maintained its status as the asset class with the highest turnover. The persistently strong demand for housing is projected to continue, trending upwards, in 2026.

Commercial real estate investment markets in 2025 performed largely in line with or only slightly below the previous year's level. The increase in transaction volumes anticipated at the beginning of the year did not materialise; however, transaction activity gained significant momentum in the second half of the year. This was reflected in particular towards year-end by a rise in demand for financing. This positive trajectory is expected to continue into 2026, with transaction volumes in the German investment market forecast to increase slightly year on year. With market framework conditions stabilising, market participants are increasingly considering stepping up their activities, and transaction processes have already been initiated in many cases.

As for inflation, interest rates and yields in the real estate market, the general stability seen in Germany in 2025 is expected to continue in 2026, and the same can be said of the 2025 trend of rental prices remaining stable or slightly rising. Overall, these factors signal gradually improving conditions for real estate investments. Property values are therefore expected to remain broadly stable. Valuation adjustments within existing portfolios are projected to decline gradually and, in light of corresponding financing parameters, remain within a manageable range. A systematic deterioration of collateral positions is not anticipated.

In the context of geopolitical and international economic developments and related uncertainties, a key risk factor remains: the risk of insufficient economic growth and the subsequent impact on business sentiment, consumer confidence, corporate insolvencies and the labour market, which ultimately dictate invest-

ment appetite in the real estate market. For commercial real estate loans, corporate insolvencies also lead to secondary risks in the form of tenant defaults. Given the high degree of tenant diversification within the DZ HYP portfolio, these risks have so far remained immaterial. Furthermore, the actual impact of public borrowing programmes on capital market interest rates remains to be seen.

Demand for residential properties is expected to rise in 2026. The housing shortage continues, particularly in metropolitan areas. Given the persistently insufficient levels of new construction, the supply–demand imbalance remains acute. It can be assumed that the trend of rising residential rents in high-demand locations will continue to solidify, ultimately leading to rising property values and increasing the appeal of both new developments and the refurbishment of existing stock for investors. With the general desire for home ownership also expected to persist, demand for both owner-occupied and rented residential property is anticipated to recover further. Steady rental growth, coupled with the prospect of a stable investment, makes for a compelling investment case. Home ownership rates in Germany, which remain very low by European standards, show that there is still tremendous potential to tap into here. Real wages increased once again in 2025, improving affordability.

The state of Berlin is endeavouring to introduce a Framework Socialisation Act. The draft act, which is currently under discussion, regulates fundamental issues relating to socialisation in accordance with Article 15 of the German Basic Law, including the assessment of compensation on the basis of market value.

Since the situation is evolving and the specifics of the act if adopted cannot yet fully be known, negative effects on the property lending business in Berlin cannot be ruled out at present. DZ HYP continues to monitor the situation carefully and is in close dialogue with industry representatives.

For office properties, the current challenges and uncertainties regarding future occupier requirements and demand for space are expected to persist into 2026, reflecting changes in the working environment, from new workplace models to remote working, that make

forecasting more difficult. The prevailing trend of demand being focused on ESG-compliant, modern and high-quality space in city centres – or in well-connected locations outside central areas with strong service infrastructure – is expected to continue in the coming years. As a result of the New Work and hybrid working models, demand for space is projected to continue to decline over the medium term, albeit varying by region and city, depending on the local sector mix. The slight recovery in demand for office space observed in 2025 is expected to stabilise further in 2026, underpinned by modest economic recovery and the recent wave of significant amounts of space being relinquished, alongside somewhat reduced levels of remote working. The rise in property vacancy rates combined with the abrupt standstill in new project developments over recent years suggests that vacancies in prime locations will likely peak around the turn of the year. Further increases in vacancy rates are expected, primarily in older buildings in peripheral locations. With stable yields and, in some cases, substantial price corrections observed over recent years, the stabilised leasing market situation is expected to spark a renewed increase in transactions in the investment market.

Assessing the investment market for retail properties still requires a somewhat nuanced approach. In 2026, specialist retail and food stores, as well as smaller lot sizes, are expected to continue dominating the market, with large-volume transactions involving shopping centres or prime high-street assets continuing to be in demand. However, buyers are now applying a significantly more rigorous selection process, particularly regarding location, quality, adaptability and space and tenant structure. With the price expectations of buyers and sellers having converged noticeably, the now stable rental and yield environment is once again offering attractive entry opportunities for investors, including in the non-food retail segment. Overall, the stable trend of slightly rising rental prices in the retail market is expected to continue in 2026, though with ongoing consolidation and companies re-entering the market the situation is likely to remain dynamic. For 2026, a key variable will be the extent to which dampened consumer sentiment and subdued consumption – a persisting trend – will improve.

Hotels have demonstrated significantly positive performance for some time now. Occupancy levels in the sector have remained stable at high levels despite several years of economic challenges. Hotel operators are generally reporting strong performance indicators, with many hotels successfully navigating the prevailing shortage of skilled labour and the need to pass on cost pressure through pricing. For 2026, this positive trend is expected to continue, with modest economic recovery offering additional upside potential. Given the overall positive performance of hotel operators and stable yields, the positive market momentum observed over the course of 2025 is poised to carry through into 2026. The situation is being monitored to determine whether the individual hotel operator insolvencies observed since 2024 represent isolated cases of financial distress or broader sector-wide vulnerabilities. Based on current data, there is no evidence of systematic adverse developments.

In 2025, the German logistics market was largely defined by a muted macroeconomic backdrop and geopolitical uncertainties, but still demonstrated solid overall performance. Building on this, government investment programmes and incentives are expected to stimulate demand for logistics and warehouse space. In addition to e-commerce as an established driver, new economic impetus is anticipated from the defence and security sectors, while a generally improving economic climate could generate additional demand. In metropolitan areas in particular, suitable logistics space remains scarce owing to limited new construction in recent years. Overall prospects for this asset class remain favourable, with rental growth and a more dynamic transaction environment expected. Early signs of this positive development were already evident at the end of 2025.

Municipalities perform important tasks relating to public services, including in the areas of municipal transport routes, local public transport, energy and water supply, and fire and disaster protection, as well as providing funding for schools, kindergartens and other social facilities. Disparities in financial strength remain at the municipal level, which are minimised – for example, through (municipal) fiscal equalisation systems. With tax revenues recently stagnating, there is continued pressure on the financial situation for municipali-

ties as a whole, particularly against the backdrop of rising social benefits. German cities/towns and local authorities again reported a financing deficit in 2024, and local authorities are also expected to report a significantly negative funding balance in 2025. (Geo)political conflicts and the sustainability transformation are also weighing on municipal finances. This is reflected in higher staff and energy costs and investment requirements, among other things. This is where the federal government is sharing financial responsibility and assisting municipalities with various measures and relief packages, most notably via its special fund for infrastructure and climate neutrality. At the same time, demand for municipal (investment) loans remains high, though the share of local authority and association debt accounted for a modest 7 per cent of total public sector debt in 2024. The federal government and the states are expected to be very willing to continue providing support. This is also due to the high level of systemic support in Germany, which has been demonstrated yet again. Competition for local authority loans is holding steady.

DZ HYP's business model, which is focused on the German real estate market, is responding to these potential threats with different degrees of sensitivity. This means that, at the very least, there could be indirect effects, for example due to falling demand or financial market volatility.

Expected development of DZ HYP

Based on these framework conditions, and adhering to its unchanged conservative risk strategy, DZ HYP plans to avoid cyclical peaks as much as possible in its long-term business it pursues. Key value drivers for DZ HYP's future financial performance are therefore the Bank's planned business volume, net lending margins, commission income and risk costs incurred in new business. Given DZ HYP's strengthened market position, the Bank has conservatively accounted for these value drivers in its planning calculations.

The Bank expects to be able to originate new real estate finance business of over € 11 billion in 2026, generating slightly lower margins. This is all based on the assumption that there will be no significant economic

disruptions. The aim is to strike a healthy balance between profitability targets and equity requirements while adhering closely to relevant regulatory requirements.

Net interest income is expected to be slightly lower than the € 718.8 million figure reported for the year under review.

Depending on relevant new business and the product mix, the net commission result is projected to be significantly below the current level.

DZ HYP expects a continued rise in staff and IT costs given regulatory requirements and the Bank's digital transformation. A considerable rise in administrative expenses is therefore to be expected.

Provisions for loan losses are calculated using individual standard risk costs commensurate with the Bank's business model. For 2026, these provisions are projected to be slightly above the level in the year under review.

We expect no significant changes in the Bank's net financial result.

Based on the anticipated development of the individual performance indicators, DZ HYP expects the key performance indicators to fall short of the high levels achieved in the year under review. Our forecasts suggest that distributable earnings will be markedly lower in 2026 than in 2025, meaning that DZ HYP is expecting a significant drop in the RoE and, in turn, a strong increase in the CIR.

DZ HYP's rigorously pursued business and risk strategy, together with its integration into the Cooperative Financial Network, will contribute to a stable financial situation and a solid financial performance in 2026, with the strategic build-up of general risk provisions, which is set to continue in 2026, helping to establish a stable asset and financial structure and also underpinning DZ HYP's viable business model.

In the Management Board's view, DZ HYP is on a successful path with regard to profitability and new business origination, even though it is not likely to match the result of the year under review, which was well above projections, in the 2026 financial year. New business is aligned toward our clients' requirements. The Bank consistently reduces capital market transactions that are not related to client business.

EMPLOYEE REPORT

The diversity of DZ HYP's workforce is an important building block for its corporate success. The Bank believes that diversity encourages efficiency, inspires ideas, drives innovation and makes a company stronger. DZ HYP aims to foster diversity and create a corporate culture of appreciation and equal opportunities for all employees. The Bank's Diversity Policy, published in 2024, defines the measures DZ HYP has taken in pursuit of this goal, and those measures are regularly developed further in a targeted manner.

The German Act on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors (*Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst – "FüPoG"*) requires co-determined companies with more than 500 employees to define mandatory targets for their supervisory board, management board and the two highest management levels (Department/Division Heads).

The Management Board redefined target levels for the proportion of women at the two highest management

levels below the Management Board in November 2020. The target of 25 per cent for both levels was supposed to be achieved by the end of October 2025. As at 31 October 2025, the proportion of women was 25.0 per cent at the first management level (Department Head level) and 22.9 per cent at the second (Division Head level). At the Department Head level, the target was narrowly missed, by two positions, based on the current staffing plan and vacancies pending to be filled, despite positive developments observed. At the Division Head level, the target was met.

Therefore, planning for personnel development and awareness-raising initiatives was stepped up in the year under review; implementation will continue in 2026. In October 2025, DZ HYP's Management Board defined new targets for the women's quota for Division and Department Heads to be achieved by the end of October 2030. For Division Heads, the new target is 31.3 per cent, while for Department Heads it is 30 per cent. DZ HYP is also aiming to keep the proportion of women on the Management Board at 33.3 per cent and on the Supervisory Board at 27.8 per cent between now and the end of July 2028. The targets for the Management Board and the Supervisory Board were both met as at 31 December 2025.

STAFFING INDICATORS

	2025	2024
Total^{*)}	953	906
Fluctuation rate (in %)	3.7	3.6
Share of voluntary resignations (in %)	1.5	1.8
Years of service	12.8	12.7
Number of training days per employee	3.6	2.7
Employment basis (in %)^{**)}		
Full time	77.1	78.3
Part time	22.9	21.7
Share of women (in %)	42.3	42.4
Average age	46.5	46.0

*) Annual average

***) Average values

SUSTAINABILITY REPORT

For DZ HYP, sustainability is an integral part of corporate responsibility and long-term value creation. Within a dynamic economic and regulatory environment, the Bank pursues a systematic approach to integrating ever-evolving ESG aspects into its business processes and decision-making structures. This strategic framework is the foundation for forward-looking and responsible business operations.

During the year under review, DZ HYP continued its work on sustainability topics. A key element of its sustainability activities was the further reduction of greenhouse gas emissions from operations through the introduction of a transition plan. The goal is climate neutrality in DZ HYP's banking operations.

In addition, new material topics have been added in the context of this report and are reflected in the sections "Sustainable Funding" and "Biodiversity and Ecological Diversity" in the "Environment" chapter. As well as providing information on how the Bank contributes to sustainable development in the real estate sector, these sections outline the criteria and initiatives that DZ HYP has implemented to preserve and enhance biodiversity.

DZ HYP also provides significant impetus in the social sphere. New leadership guidelines promote a values-based corporate culture and offer clear guidance for executives and employees alike. They underscore the Bank's ongoing development as a responsible employer.

GENERAL DISCLOSURES

ABOUT THIS REPORT

This Sustainability Report meets the requirements that apply to a non-financial statement pursuant to sections 289b et seq. of the German Commercial Code (HGB) and was prepared on an individual basis. The content below constitutes the non-financial statement for the 2025 financial year. Below, this statement is referred to as the "Sustainability Report" and is prepared applying the first sentence of the ESRS (Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU) as a framework within the meaning of section 289d of the HGB.

Time horizons

This report is based on the following time horizons:

- » Short-term time horizon: time periods up to one year
- » Medium-term time horizon: period of up to four years
- » Long-term time horizon: time periods extending beyond four years

Based on the requirements that apply to the DZ BANK Group, DZ HYP uses the established risk management time horizons for the medium- and long-term time horizons.

Estimation and outcome uncertainty

Some of the data points in this Report are based on estimates and assumptions. Content containing

estimates and/or assumptions are indicated accordingly and explained in the relevant disclosures on these data points. The estimates and assumptions used are subject to an annual review.

Only limited data was available on greenhouse gas emissions at the time this report was prepared. As a result, some data on greenhouse gas emissions from operations and financed emissions was collected by extrapolating existing data and selected indicators in order to estimate values that were not available. Detailed information on the basis for extrapolation is provided in the “Ecological Responsibility” and “Greenhouse Gas Emissions” chapters. The key performance indicators in this report were prepared without being validated by an external agency.

Changes in the preparation and presentation of sustainability information

Methodological adjustments were made to the calculation of key performance indicators in the year under review. The adjustments made to the definition of employees, incorporating marginally employed members of staff, are presented in the chapter “DZ HYP’s employees”. As well as this, the methodology for calculating the overall remuneration ratio was updated. Details are provided in the section on remuneration indicators.

Intellectual property

In this Report, DZ HYP has not opted to omit disclosures relating to its intellectual property, know-how or innovations.

Supplementary references

Unless indicated otherwise, all references in the Sustainability Report are not part of the statement itself.

Disclosures based on the German Commercial Code

This Sustainability Statement in accordance with the ESRS also meets the requirements that apply to DZ HYP’s non-financial statement pursuant to sections 289b et seq. of the HGB.

In order to meet the reporting obligations under German commercial law, DZ HYP makes the following declaration:

- » The European Sustainability Reporting Standards (ESRS) are being applied in full as a framework pursuant to section 289d of the HGB due to their significance as the European Commission’s sustainability reporting standards.
- » There are no material risks resulting from DZ HYP’s own operations, or from its business relationships, products or services that are deemed very likely to potentially cause serious adverse impacts on the non-financial aspects pursuant to section 289c of the HGB.
- » There are no non-financial performance indicators at DZ HYP, as defined by section 289c of the HGB, that are material to the business activities.

Disclosures based on the EU Taxonomy Regulation

The disclosures pursuant to Article 8 of Regulation 2020/852 (EU Taxonomy Regulation) for DZ HYP are included in the chapter entitled “Disclosures Pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)” in this Sustainability Report as part of the environmental information.

ABOUT DZ HYP

Business model and strategy

DZ HYP is a leading real estate finance house and Pfandbrief issuer in Germany, as well as a centre of competence for public-sector clients within the Volksbanken Raiffeisenbanken Cooperative Financial Network. The Bank is active in three business segments in Germany: Corporate Clients, Retail Customers and the Public Sector. Further information can be found in the “DZ HYP’s employees” chapter.

Within the segment Corporate Clients, DZ HYP is active both as part of its direct business and as a partner to the cooperative banks in Germany, working with commercial real estate investors and the housing sector. DZ HYP focuses on financing properties in the German market, as well as providing support for its German clients’ investment projects in selected international markets. Retail business is largely originated through intermediation by cooperative banks. DZ HYP’s offering includes initial as well as roll-over financings for new construction, purchase and modernisation/refurbishment of real estate. As a centre of competence for public-sector clients within the Cooperative Financial Network, DZ HYP helps cooperative banks across Germany to develop their business with counties, towns/cities and local authorities, their legally dependent operations, municipal special public-law administrative unions and public-sector institutions. Further information can be found in the “Business Model” chapter.

For DZ HYP, sustainability is an issue that has been evolving constantly and has become firmly established within the Bank. As a member of the DZ BANK Group, DZ HYP is committed to the fundamental cooperative concept of responsible business.

Sustainability in the DZ BANK Group

DZ HYP has been playing an active role in the DZ BANK Group’s sustainability initiative since 2012. The aim is to coordinate all activities in this area, to identify and exploit market opportunities, minimise risks and promote constructive dialogue in order to realise synergy potential within the Group. To this end, the Group Sustainability Committee (GSC) has been set up as a standing committee.

The GSC is a central committee that helps to implement sustainability-related social, business policy and regulatory requirements at the DZ BANK Group. The GSC, whose members include management board representatives from the individual Group entities and the division heads responsible for sustainability, also acts as a platform where members can exchange their professional views and speed up the integration of sustainability factors into core business.

DZ HYP’s sustainability strategy

In its sustainability strategy, DZ HYP has set out its understanding of sustainability, key fields of action, goals and how to put them into practice. This strategy was developed in collaboration with the relevant departments and is reviewed annually by analysing, evaluating and integrating the political and social environment, market dynamics and technological innovations. The defined ambition levels are also subject to review by the Strategy and Sustainability department, which is part of the Corporate Strategy and Development division.

The main quantitative environmental and social sustainability targets are set out in the relevant chapters.

Ecological Responsibility

Ecological responsibility is coordinated by the Strategy and Sustainability department, which is part of the Corporate Strategy and Development division. This department is in charge of developing the Bank’s environmental management system. This is done with the support of further specialist divisions, which in

turn are responsible for implementing environmental protection measures in their respective areas. Further information can be found in the “Ecological Responsibility” chapter.

Sustainability in the product portfolio

Since the beginning of May 2024, DZ HYP has offered a sustainable “Eco” loan to new retail customers for properties with very good energy efficiency classes or low energy consumption levels. The promotional programmes offered by the German state-owned development bank KfW, namely “Climate-Friendly New Construction – Residential Buildings”, “Refurbishment – Efficiency House” and “Home Ownership for Families”, were also incorporated into the Bank’s distribution channels and have since been used in the Retail Customers business.

In its Corporate Clients business, DZ HYP offers promotional loan programmes in cooperation with KfW and continues to expand its portfolio of sustainable lending products.

Even though it has already achieved a high level of coverage, DZ HYP continues to aim for better data quality regarding the energy efficiency of financed properties in its existing portfolio by requesting energy performance certificates.

In the segment Public Sector, the DZ HYP sustainability ranking provides a standardised, structured and nuanced assessment of ESG criteria at business partner level. The DZ HYP sustainability ranking was expanded in 2024 to include a dynamic component that reflects not only the level of sustainability achieved by German municipalities, but also how they are evolving in this area. This ranking is an integral part of the municipal lending and decision-making process.

DZ HYP developed decarbonisation pathways for its portfolios in the 2024 financial year. Further information can be found in the “Sustainable Banking” chapter.

Credit portfolio classification approach

DZ HYP aims to improve transparency in the credit portfolio in all business segments. In sustainable lending, the Bank not only applies the customary credit-worthiness assessment criteria but also places particular emphasis on promoting the energy efficiency of the property it finances. To this end, the Bank has developed a classification approach, which is aligned with the minimum standards of the Association of German Pfandbrief Banks (vdp) for Green Pfandbriefe. Further information can be found in the “Sustainable Banking” chapter.

Additionally, as part of its lending process, DZ HYP avoids sustainability risks by applying industry-specific exclusion criteria defined in the DZ BANK Group’s lending standards. The purpose of these exclusion criteria is to prevent transactions that fail to comply with minimum sustainability requirements or transactions associated with an elevated ESG risk for the DZ BANK Group. For example, the Bank does not enter into business relationships if significant human rights violations or environmental breaches cannot be ruled out in the course of the partner’s business activities. Further information can be found in the “Sustainable Banking” chapter.

Sustainable funding

Green Pfandbriefe play a significant role in the Bank’s funding strategy. The proceeds generated from these issuances are specifically earmarked for financing energy-efficient property in Germany. The eligibility criteria for Green Pfandbriefe are based on energy performance certificates, energy standards and sustainability certifications. Further information can be found in the “Sustainable Banking” and “Sustainable Funding” chapters.

DZ HYP: A resilient business model

The Corporate Strategy and Development division regularly reviews the resilience of DZ HYP’s strategy and business model. Within the DZ BANK Group, ESG risks are not regarded as a separate risk category, but rather as a factor that drives conventional financial

and non-financial risk types, in line with the regulatory definitions.

An annual risk inventory process is used to assess the DZ BANK Group's exposure to material risk factors related to the climate and environment, social factors and governance. Further information on how risks are derived can be found in the "Overall methodology" section.

Since undergoing the ECB's climate stress test in 2022, the DZ BANK Group has gradually incorporated sustainability criteria into its internal stress test. The DZ BANK Group's explorative climate scenario analyses cover the following scenarios:

Physical risks:

- » Flood scenarios: The DZ BANK Group analyses flood risks based on extreme flooding scenarios. The analysis focuses on direct damage to property as well as on business interruption for companies. The scenario analyses are based on climate pathway scenarios developed by the Network for Greening the Financial System (NGFS) that correspond to at least the Current Policies scenario.
- » Wildfire and drought scenarios: In wildfire scenarios, location-specific fire probabilities are used to calculate damage to property and business interruptions. In drought scenarios, the loss of yield during an acute dry period is simulated. The NGFS climate pathway scenarios used for these scenario analyses correspond to at least the Current Policies scenario.

Transition risks:

The DZ BANK Group examines transition risks using the NGFS Delayed Transition scenario, focusing on the intensive transition period.

For the adverse climate scenario, the Delayed Transition scenario is considered with a brought-forward transition period and is expanded to include additional Bank-specific transition risks as well as physical risks. In this scenario, a sudden transition phase is initiated to limit global warming to below 2°C. The maximum global warming expected in this scenario is 1.7°C or 1.8°C as a model average.

Climate variables from various data sources are combined for these scenarios, with NGFS scenarios and data forming the core. For physical scenarios, location-specific information is added, including data from the Joint Research Centre. The NGFS regularly publishes new versions of its scenarios, which are promptly incorporated into the climate stress tests.

Due to the utilisation of an own funds waiver, DZ HYP is integrated into the Group's risk management framework. Since the ECB climate stress test is conducted exclusively at Group level, no separate, standalone disclosure is provided at the individual entity level for DZ HYP. As part of the DZ BANK Group's internal climate stress tests, both physical and transition risks are analysed, focusing specifically on the real estate portfolio as well. The Bank regularly contributes its expertise in real estate loans to the development and implementation of these methodologies, working closely with the DZ BANK Group's relevant expert units. This exchange serves to ensure that the specific characteristics of DZ HYP as a real estate lender are taken into consideration appropriately. Another key contribution of the Bank is developing and overseeing satellite models, which are used to determine stressed credit risk parameters for the real estate portfolio. These models are an integral part of the DZ BANK Group's overarching stress-testing methodology and allow the specific features of DZ HYP's real estate portfolio to be taken into consideration.

Overall, DZ HYP is involved in Group processes and contributes to the methodological development, ensuring that the results of the stress test analyses accurately reflect the Bank's institutional characteristics.

The environment in which DZ HYP operates was also analysed. Here, various risk drivers were explored and their impact on DZ HYP's strategy and business model assessed. Particular attention is paid to physical risks in the banking business. No scenario analysis is performed for banking operations within this context. Physical risks arise both with regard to individual extreme weather events (such as wildfires, heavy rain, winter storms or river flooding) and their implications, known as acute risks, and with regard to long-term

changes in climatic and ecological conditions, known as chronic risks. The impact of physical risks on DZ HYP's real estate portfolio is based on a risk assessment of various natural hazards in specific locations, derived from the potential losses for the property locations.

The analysis of the environment in which DZ HYP operates also looks at transition risks, for example those resulting from changes in legal requirements or consumer behaviour. The energy efficiency characteristics of the property used as collateral is particularly important in this regard.

DZ HYP analyses ESG risk drivers annually as part of the Group-wide risk inventory process. This process examines which ESG risk drivers influence the material risk types. To begin with, a Group-wide materiality matrix for ESG risk drivers and risk types is compiled. Subsequently, a specific local view is developed for DZ HYP, taking into account the special characteristics of its business model focusing on real estate loans. For this analysis, the results from the Group-wide portfolio/concentration analyses and explorative scenario analyses ("carve-outs") for DZ HYP's perspective were used. In addition, local insights and qualitative expert assessments of real estate loans are incorporated into the evaluation.

Ultimately, the aim is to address sustainability risks using an effective and sustainable risk management system. This is evident, for example, from the consideration of sustainability risks in lending decisions and, in cases involving elevated risks, the assessment of appropriate risk mitigation measures. When valuing collateral, features such as the energy efficiency ratings of properties used as collateral and any investment backlogs are also taken into account. DZ HYP has also set climate targets to help it evaluate and manage the decarbonisation of the real estate portfolio that it finances. At the time this report was prepared, there was no reason to suggest, from DZ HYP's perspective, that DZ HYP's business model was not resilient.

Future sustainability challenges for DZ HYP

In light of current developments, DZ HYP is working on establishing transparency for its portfolio with regard to the new and extensive information and reporting requirements for banks and clients alike. In particular, the "do no significant harm" criteria set out in the EU Taxonomy present both the Bank and its clients with a considerable challenge. This also applies to the management of the decarbonisation pathway and the decarbonisation of the Bank's large portfolio.

The future marketability of properties is already factored into the valuation and lending process. This means that greater emphasis needs to be placed on both transition and physical risks. Changes in overall statutory or regulatory conditions could require the Bank to step up this risk assessment even further.

The market is also faced with the challenge of striking a balance between increasing sustainability requirements for properties and the need for affordable housing.

Value chain

The value chain spans both upstream and downstream activities, as well as DZ HYP's own operations.

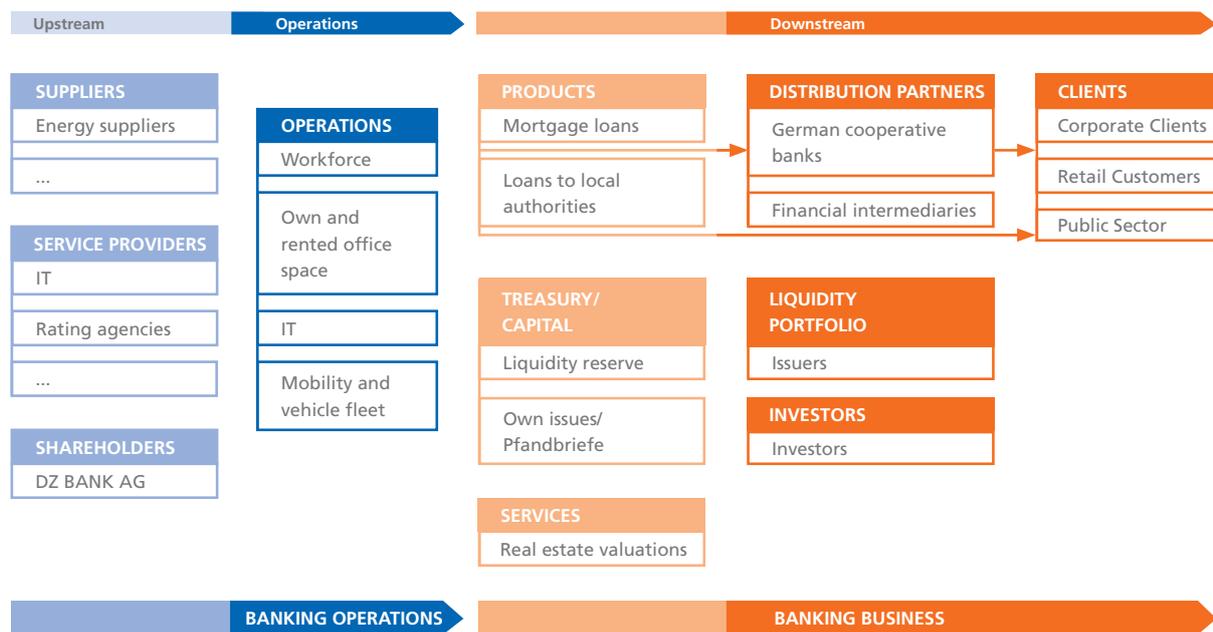
DZ HYP's upstream value chain includes activities performed by suppliers (e.g. energy suppliers), service providers (such as IT or training providers) and the shareholder (DZ BANK AG). The downstream value chain, on the other hand, comprises products and services (real estate loans and loans to local authorities, property valuations, issues) and clients (cooperative banks, direct clients, investors). As part of its funding activities, DZ HYP issues covered bonds (Pfandbriefe), which are generally distributed to investors on the capital market via banks. By contrast, unsecured funding is primarily used within the Group. Further information can be found in the "Business Model" chapter.

The full value chain was analysed for the purposes of identifying and assessing impacts, risks and opportunities. Further information can be found in the “Overall methodology” section.

Key elements of the value chain

DZ HYP’s value chain is split into banking operations and banking business. Operations act as a bridge linking the upstream and downstream value chains and serve to operationalise DZ HYP’s business model.

UPSTREAM AND DOWNSTREAM VALUE CHAIN



Interests and views of stakeholders

Stakeholders are individuals and institutions that place social, ecological, economic, legal or ethical demands on DZ HYP, that are affected by the Bank’s decisions, or that can exert influence over these decisions. The table

provides an overview of DZ HYP’s main stakeholders and the dialogue formats used to communicate with them. It shows in which formats the Bank engages with its stakeholders with a view to better understanding their interests and concerns.

ENGAGEMENT AND DIALOGUE WITH DZ HYP'S STAKEHOLDER GROUPS

Stakeholder group		Examples of stakeholder engagement and dialogue formats	Stakeholder representatives
Employees	DZ HYP employees, employee representatives / Works Council members, external employees, employees in the supply chain	Employee appraisals, intranet, regular meetings with the Works Council and HR, active employee involvement in Management Board talks, Management Board information, works meetings	Human Resources
Shareholders	DZ BANK AG	Participation in boards and committees	Corporate Strategy and Development
Distribution partners	German cooperative banks	Premium Partner Powerday for cooperative banks that excel in sales, groups of cooperative banks as visitors to DZ HYP's head offices	Communications, Marketing & Events
Investors	Financiers	Capital market conferences, presentations, panels, exhibitions, one-on-one or group meetings	Treasury
Clients	Corporate Clients, Retail Customers, Public Sector	Ongoing regional support from DZ HYP's local real estate centres; New Year's receptions in Hamburg, Düsseldorf, Frankfurt, Stuttgart and Munich; investor meetings; dialogue formats such as DZ HYP ImmoTalks; presence at real estate exhibitions in Cannes (MIPIM) and Munich (EXPO REAL)	For Corporate Clients: Corporate Strategy and Development For Retail Customers: Retail Customers and Cooperative Financial Network Business For Public Sector: Back Office Treasury and Public Sector
Suppliers/service providers	IT suppliers, rating agencies, training providers, consultancy firms	Ad hoc supplier meetings, management meetings regarding ratings	Corporate Strategy and Development
Industry associations	Association of German Cooperative Banks (BVR), Association of German Pfandbrief Banks (vdp), German Property Federation (ZIA), etc.	Professional dialogue, participation in working groups and committees, cooperation at specialist conferences	Corporate Strategy and Development
Non-governmental organisations (NGOs)	Representatives of NGOs, foundations, academics	Regular events with different representatives, academic talks (on UN Climate Change Conference)	Corporate Strategy and Development, Communications, Marketing & Events
Authorities (regulatory and supervisory authorities)	German Federal Financial Supervisory Authority (BaFin), European Central Bank (ECB), Deutsche Bundesbank	Enquiries as and when required, led by DZ BANK AG	Back Office Corporate Clients
Peers	Private banks, public-sector banks, cooperative banks, building societies	Dialogue at events and specialist trade fairs	Corporate Strategy and Development

Further information on engaging key stakeholders

Employees

To intensify the dialogue with employees, we conduct anonymous online employee surveys – known as Pulse Checks – every three years to assess the Bank's development from its employees' perspective. The surveys are designed to capture the mood in the Bank and gauge workplace satisfaction. The most recent survey was evaluated at the beginning of 2024 on the initiative of HR. One of the results was the introduction of leadership guidelines and the ZukunftsFit! programme.

In addition to this, there are dialogue formats such as the "Board talk". This serves primarily to allow a member of the Management Board to answer questions from employees face-to-face in a small group and to find out what issues most concern them. It was organised six times in the year under review. There is also the digital "Board information" format from the DZ HYP Studio, which the Management Board uses to keep employees abreast of the latest topics and projects within the Bank.

Shareholders

DZ HYP's majority shareholder is DZ BANK. Further investors are the foundation Stiftung Westfälische Landschaft in Münster and cooperative banks.

The Annual General Meeting elects shareholder representatives to the Supervisory Board. Together with the Central Works Council and the Works Council members in Hamburg and Münster, the Bank's owners are key stakeholders when it comes to remuneration policies and are involved in structuring the remuneration systems and receive annual information about them. As well as this, various meetings with shareholders are organised so that they remain engaged.

Distribution partners

As distribution partners, cooperative banks rank among DZ HYP's most important stakeholders. The formats for promoting dialogue with them include personal meetings and visits by the Management Board and employees of the front office units. Dialogue is also supported by the Advisory Board. Furthermore, DZ HYP continually creates opportunities for dialogue. For instance, the Bank regularly invites selected cooperative banks and real estate clients to attend sessions to step up collaborative efforts.

Investors

As part of its funding activities, DZ HYP maintains a regular dialogue with capital market partners and Pfandbrief investors through one-on-one or group meetings or participation in industry events. Additionally, DZ HYP ensures that all relevant information is available on its website at all times.

Clients

Events are key to DZ HYP's success in building and strengthening client relationships. In the age of digitalisation, face-to-face interaction remains a central building block for solid business relationships. This is facilitated through the ongoing regional support provided by DZ HYP's real estate centres at the clients' locations. As well as this, there are events such as the New Year receptions held at the real estate centre locations and attended by Management Board members. As well as this, the Management Board hosts investor meetings at six locations and invites selected corporate clients to exclusive table talks. Eight of these talks were organised in 2025.

In addition to the above-mentioned in-person events, DZ HYP has established the DZ HYP Studio as a key platform for knowledge transfer. Participants have the opportunity to watch the "DZ HYP ImmoTalk" (three episodes each in the spring and autumn) with renowned real estate experts as well as the "Economic, interest rate and currency forecast", broadcast in Janu-

ary and September. The interactive online events are broadcast via livestream.

Rating agencies

DZ HYP is in constant dialogue with rating agencies and analysts for financial and sustainability ratings. It receives sustainability ratings from ISS ESG, Sustainalytics and Sustainable Fitch.

DZ HYP has mandated Moody's and Standard & Poor's for its financial rating and uncovered bond ratings. It also has a joint rating with the German Cooperative Financial Network from Fitch.

Covered bond ratings are provided by Moody's and Standard & Poor's. Comprehensive information on DZ HYP's ratings is available from the Bank's website.

Industry associations

DZ HYP is a member of numerous associations, including the Association of German Pfandbrief Banks (vdp), Association of German Cooperative Banks (BVR), Association for Environmental Management and Sustainability in Financial Institutions (VfU), German Investor Relations Association (DIRK), German Property Federation (ZIA), Federal Association of German Housing and Real Estate Companies (GdW), German Development Assistance Association for Social Housing (DESWOS), European Covered Bond Council (ECBC) and Hamburg@work e.V. Further information on our work with associations can be found in the "Compliance" chapter.

Advisory Boards

DZ HYP has Advisory Boards for banks and public-sector clients / the housing sector, which serve as dialogue platforms for a regular exchange of views. They advise DZ HYP's Management Board on the Bank's strategic approach and, in turn, are provided with information by the Management Board twice a calendar year on important matters and the development of the Bank.

The Advisory Board members also act as multipliers. The Advisory Board – Banks consists of up to 30 members. At least 75 per cent of these are full-time management board members of cooperative banks. The Management Board appoints up to 18 members to the Advisory Board – Public Sector / Housing Sector. Up to nine representatives each are appointed from the municipalities, public authorities and municipal associations. Up to nine more representatives are appointed from the management boards or senior management of housing companies that maintain a close business relationship with DZ HYP.

Corporate governance

At DZ HYP, we apply a model of dual leadership. The Bank is overseen by a three-person Management Board in accordance with existing statutory provisions and is responsible for ensuring compliance within DZ HYP. For its part, the Management Board is advised and monitored by the Supervisory Board and its committees. The Bank's internal regulations – for example the Articles of Incorporation and the Rules of Procedure of corporate bodies – comply with legal requirements.

Duties and responsibilities of the Management Board

The Management Board is responsible for the Bank's strategic focus and the further development of DZ HYP's business model. The Management Board has the sole management authority concerning DZ HYP's risk governance. The Management Board is responsible for managing and monitoring risks of the entire Bank at portfolio level and also for allocating risk capital. It decides upon individual loan exposures in line with its lending authority, which is founded on the long-standing experience of its members. A Schedule of Responsibilities defines the responsibilities of the Management Board for individual divisions. It separates the front and back office units in line with statutory provisions. The Chief Executive Officer is responsible for the market-facing functions, while the Chief Risk Officer is

responsible for back-office functions. The final member of the Management Board is the Chief Financial Officer. In addition, DZ HYP is integrated into the committee structures of the DZ BANK Group and the Cooperative Financial Network, where DZ HYP's Management Board members or employees are represented. To ensure that impacts, risks and opportunities are monitored and that sustainability issues are given the attention they deserve within the Bank, these responsibilities lie with the Management Board members responsible for the relevant decisions. These Management Board members are also involved in the processes for approving the results of the materiality analysis and in approving the gradual preparation of the report in accordance with the ESRS. The Supervisory Board is not involved separately.

Duties and responsibilities of the Supervisory Board

By its very nature, the Supervisory Board concerns itself with matters such as business and risk strategies or the Bank's performance and risk management. As per the Articles of Incorporation, DZ HYP's Supervisory Board consists of 18 members. In accordance with the German Act to Simplify the Election of Employee Representatives to the Supervisory Board (*Drittelbeteiligungsgesetz – "DrittelbG"*), it comprises twelve members elected by the Annual General Meeting and six members elected by employees (employee representatives). The suitability of individual members of the Supervisory Board is further monitored by the European Central Bank (ECB). This ensures that members possess the necessary qualifications and experience to perform their duties effectively. Most of the shareholder representatives on DZ HYP's Supervisory Board are management board members of cooperative banks. One shareholder representative left the Supervisory Board with effect from the end of the ordinary 2025 Annual General Meeting and another with effect from 1 August 2025; a new shareholder representative was elected by the Annual General Meeting to replace each of these. To fulfil its tasks, the Supervisory Board appointed a Nomination Committee, a Remuneration Oversight

Committee, an Audit Committee and a Risk Committee. These committees met 15 times in the year under review. In addition, each committee's chairperson informed the Supervisory Board about its work on a regular basis. The Supervisory Board convened four times during the 2025 financial year. The Supervisory Board is briefed annually in a meeting on DZ HYP's key sustainability activities.

Suitability and composition of the Management Board and the Supervisory Board

The Supervisory Board and the Management Board complete external training sessions on current specialist topics every two years. The most recent training session was provided by an auditing firm mid-2025 and also covered sustainability topics. The material impacts, risks and opportunities are covered by the areas of responsibility of the individual members of the Management Board.

The self-evaluation carried out by the Supervisory Board in the period from April to May 2025 and the evaluation of the DZ HYP Management Board led to the conclusion that the structure, size, composition and performance of the Supervisory Board and the Management Board were in line with legal requirements and those set out in the Articles of Incorporation. The evaluations also led to the conclusion that the knowledge, skills and expertise of the individual members of the Supervisory Board and Management Board and of both bodies in their entirety were in line with legal requirements and those set out in the Articles of Incorporation. The results of the self-evaluation were made available to the full Supervisory Board. The Supervisory Board also has human and financial resources at its disposal to assist members in taking up office and ensure they receive in-house training to help them maintain the required expertise.

A list of the individuals on the Management Board and the Supervisory Board can be found in the annual financial statements. Information on the professional experience of the members of the Management Board

COMPOSITION AND DIVERSITY OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD AS AT 31 DECEMBER 2025

Management body	Number of executive members		Number of non-executive members		Percentage of independent board members		Percentage of women		Percentage of men	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Management Board	3	3	0	0	0	0	33.3	33.3	66.7	66.7
Supervisory Board	0	0	18	18	0	0	27.8	27.8	72.2	72.2

can also be found on DZ HYP's website. In the year under review, the average proportion of female members was 33.3 per cent (2024: 33.3 per cent) for the Management Board and 27.8 per cent (2024: 24.1 per cent) for the Supervisory Board. The average figure is calculated by analysing the composition of the Supervisory Board over all months in the reporting period. Shareholder and employee representatives are not considered independent in this context.

Enshrining sustainability as a fundamental component of corporate governance

While responsibility for sustainability at DZ HYP lies with the Management Board, the topic is also addressed across all management levels and divisions. To this end, the Bank has established the following committees, chaired by specific members of the Strategy and Sustainability department. This governance is part of DZ HYP's sustainability strategy.

SUSTAINABILITY GOVERNANCE – COMPREHENSIVE ANCHORING OF SUSTAINABILITY TOPICS

SUPERVISORY BOARD

The Supervisory Board concerns itself with matters such as the Bank's business and risk strategies, its business performance, sustainability strategy and risk management.

MANAGEMENT BOARD

Due to the importance of sustainability, overall responsibility for this lies with DZ HYP's Management Board, including the Bank's risk appetite and sustainability strategy.

SUSTAINABILITY COORDINATION COMMITTEE

OBJECTIVES:

- » To oversee the operational design, coordination and management of sustainability topics
- » To exchange views and information on cross-divisional sustainability issues

PARTICIPANTS:

Sustainability experts from various divisions

SUSTAINABILITY COMMITTEE

OBJECTIVES:

- » To oversee information and coordination at division management level
- » To exchange views on and manage key sustainability measures and implemented projects

PARTICIPANTS:

DZ HYP's Management Board, Heads of division (departmental representatives) plus Sustainability Officer

SUSTAINABLE PRODUCTS COMMITTEE

OBJECTIVES:

- » To define green real estate and related management
- » To continue developing sustainable products

PARTICIPANTS:

Representatives of the front office and back office in the lending business, Treasury, Back Office Treasury & Public Sector, Legal department and Sustainability Officer

SPECIALIST AREAS

(in particular: front office, back office, Risk Control, Finance, Compliance, Treasury and IT)

- » Responsible for implementing sustainability measures
- » First and second lines of defence within the risk governance framework

INTERNAL AUDIT

- » Third line of defence within the risk governance framework

Sustainability Coordination Committee

DZ HYP's Sustainability Coordination Committee ensures that sustainability issues are aligned and managed across divisions at the level of the institution as a whole and identifies activities in the different fields of action. It meets once a month and is composed of sustainability experts from the various divisions.

Sustainability Committee

The Sustainability Committee – which was set up in 2019 and is composed of the Management Board and Division Heads, together with the Sustainability Officer – creates the ideal framework for the Bank to pursue a sustainable approach. The Committee acts as a central decision-making body, connecting the sustainability management team (Strategy and Sustainability department) with the Bank's various organisational units.

The aim is to improve DZ HYP's sustainability performance, and this includes the strategic development of DZ HYP's sustainability projects and targets, interdivisional exchanges and the evaluation of risks and opportunities emanating from current developments in the context of sustainability. The Sustainability Committee met twice in the 2025 financial year. Participants in the meetings provide feedback from their division's perspective; this serves to ensure that we deal with sustainability matters in a way that is tailored to DZ HYP's situation and that any decisions that are made are subsequently implemented in the divisions. At the same time, this approach ensures that the divisions are actively involved in upcoming tasks.

Sustainable Products Committee

The Sustainable Products Committee provides inspiration for new products and monitors them. This committee includes relevant decision-makers from the front and back offices, Treasury, the Back Office Treasury & Public Sector, the Sustainability division (Head) and Legal. The Committee's tasks not only include monitoring the green mortgage portfolio but also determining suitability criteria for adequate assets in line with relevant standards, while taking current regulatory require-

ments into account. The Committee also provides impetus for developing further sustainable products (on both the asset and the liabilities sides) and examines the banking market for trends and developments.

Stakeholder contacts

The central point of contact for both internal and external stakeholders is the Strategy and Sustainability department, which drives the Bank's sustainable transformation process and manages all activities relating to sustainability. In addition, the department is responsible for integrating sustainability activities into the Bank's operations, and – together with the Division Head – informs the Management Board about any internal and external developments at regular intervals.

The Strategy and Sustainability department is also the point of contact for other departments in the event of issues arising that are related to sustainability. It monitors all actions and, in consultation with the relevant divisions, suggests ways to optimise the sustainability programme. Sustainability Communications is also part of the Strategy and Sustainability department. Working in close collaboration with Communications, Marketing & Events, it manages internal and external communications on all matters related to sustainability. In the 2025 financial year, the department underwent further training on sustainability topics by completing online training courses and attending conferences.

Remuneration of members of the Management Board and Supervisory Board and sustainability-related performance

The remuneration paid to members of the Management Board is agreed in writing with the Supervisory Board. Members receive twelve fixed monthly salaries as well as variable remuneration linked to the achievement of quantitative and qualitative targets. Taking into account the multi-year perspective, the target achievement level is measured as an average figure

for the last three financial years of DZ HYP and the DZ BANK Group. The targets are set based on the corporate strategy in the form of Group, corporate, divisional and individual targets, and are agreed between the Supervisory Board and the members of the Management Board.

The remuneration strategy ties in closely with the corporate culture of both DZ HYP and the DZ BANK Group. The DZ BANK Group's remuneration systems are structured to tie in with its sustainable culture and strategy. The remuneration paid is designed not to create any incentives to take disproportionately high risks.

DZ HYP is committed to the United Nations Sustainable Development Goals (SDGs), the Paris Climate Agreement and the German government's sustainability strategy. To meet these ambitions, several objectives across the relevant fields of action – Sustainable Banking, Ecological Responsibility, Employees and Social Commitment – were set out, and corresponding levels of ambition derived for implementing them. In addition, indicators are being developed to assess the composition of the portfolio as well as with regard to climate and environmental risks. Going forward, these indicators will be implemented through clearly defined ambitions.

20 per cent of the variable remuneration paid to members of the DZ HYP Management Board is linked to sustainability targets, comprised of environmental (10 per cent), social (5 per cent) and governance (5 per cent) components. The environmental component focuses on the further development of DZ HYP's sustainable strategic alignment. Key priorities include developing a mobility concept, identifying measures to reduce emissions and undertaking actions to ensure compliance with the Group-wide climate pathway. The social component incorporates HR initiatives such as enhancing employer attractiveness and taking steps to ensure demographic resilience or to reduce psychological strain in the workplace. The governance component focuses on increasing the proportion of women in leadership positions to 25 per cent by

October 2025 and to 30 per cent by October 2030. To evaluate target achievement, the Supervisory Board applies a three-year observation and development period ("assessment period"). If the quantitative and qualitative sustainability targets are achieved in full, the Supervisory Board determines the bonus according to specified weightings. Targets are cascaded to ensure that corresponding sustainability targets are also included in the target agreements of several Division Heads. These sustainability targets for Division Heads are then cascaded down to the lower levels in the hierarchy. Managers are also urged to set targets with their employees that encourage sustainable behaviour at DZ HYP. This helps to establish sustainable thinking and business practices as a central component of the Bank's culture. At present, greenhouse gas reduction targets are not reflected in the remuneration paid to members of the Management Board.

Supervisory Board remuneration comprises fixed annual remuneration paid to each member, which varies depending on whether that member is the (Deputy) Chairperson or serves on a committee. Supervisory Board members do not receive any variable remuneration, nor are sustainability targets such as greenhouse gas reduction targets incorporated in remuneration for Supervisory Board members.

Due diligence in the Sustainability Report

The table below provides an overview of those sections in DZ HYP's Sustainability Report that address the most important due diligence aspects and steps. Due diligence is a process that companies use to identify, prevent (or minimise) and report on the actual and potential negative impacts of their business activities on the environment and people.

DUE DILIGENCE IN THE SUSTAINABILITY REPORT

Core elements of due diligence	Sustainability Report reference (chapter)
a) Embedding due diligence in governance, strategy and business model	<ul style="list-style-type: none"> » Business model and strategy » Corporate governance
b) Engaging with affected stakeholders in all key steps of the due diligence	<ul style="list-style-type: none"> » Business model and strategy » Corporate governance » Materiality analysis » Guidelines and objectives in banking operations » Working conditions and pay » Occupational health and safety
c) Identifying and assessing adverse impacts	<ul style="list-style-type: none"> » Business model and strategy » Corporate governance » Materiality analysis
d) Taking actions to address those adverse impacts	<ul style="list-style-type: none"> » Guidelines and objectives in banking operations » Measures to achieve targets in banking operations » Measures to achieve targets in the banking business » Diversity » Occupational health and safety » Skills development
e) Tracking the effectiveness of these efforts and communicating	<ul style="list-style-type: none"> » Measures to achieve targets in banking operations » Measures to achieve targets in the banking business » Greenhouse Gas Emissions » Diversity » Occupational health and safety » Skills development

Risk management and internal controls for sustainability reporting

DZ HYP uses its existing processes and controls to ensure risk management and internal controls for sustainability reporting. These were expanded to include the sustainability reporting processes. The Bank's risk processes are set out in standardised documents in line with the internal requirements that apply throughout DZ HYP and are integrated into the organisational structure and procedures.

Within the scope of sustainability reporting, risks inherent in the processes are identified and assessed by the process owners based on uniform criteria. The following two risks have been identified in the context of the risk analyses:

- » First, there is a risk that the reporting might overlook key issues for DZ HYP, which would make for an incomplete Sustainability Report. In order to reduce this risk, a materiality analysis is conducted before the Sustainability Report is prepared. Further information on the processes and controls can be found in the "Materiality Analysis" chapter. This is designed to ensure that all of the topics that are relevant to DZ HYP are covered in the Sustainability Report.
- » Second, there is a risk that incorrect or incomplete data will be included in the Sustainability Report. This could mean that the contents of the report might not be accurate. To mitigate this risk, a plausibility check is performed on report content before it is included. The Division Heads and the Management Board are responsible for signing off on the report content.

Various controls to mitigate the risks identified and to ensure the completeness and accurateness of the Bank's reporting have been implemented at all stages of the sustainability reporting process chain. The risks identified and controls implemented for sustainability reporting are recorded systematically in a control inventory, which is updated on an ongoing basis. All of the control activities are documented and monitored and any risks related to the internal control system (ICS) are assessed and adjusted as part of an ongoing process. The roles and responsibilities within the ICS are defined in DZ HYP's Guidelines on the Internal Control System for Sustainability (CSRD ICS Guidelines). There are plans to implement regular reporting on the results of the internal controls to the Management Board and Supervisory Board in the 2026 financial year.

DZ HYP's Compliance department is actively involved in further developing internal guidelines in the defined sustainability action areas. It promotes the introduction of effective procedures for complying with applicable

legislation, rules, regulations and standards. This also includes monitoring new regulatory requirements as well as identifying and, where appropriate, helping to implement major legal provisions and requirements related to sustainability.

DZ HYP's Internal Audit department reviews compliance with internal guidelines and procedures and with external requirements both regularly and on an ad hoc basis. These reviews include regulations related to sustainability. As an independent review body, it assesses the appropriateness and effectiveness of the internal control system and compliance with internal guidelines. In this capacity, it reports directly to the Management Board, the Supervisory Board, the Audit Committee and external controllers. If addressing sustainability issues leads to new products being launched or to decisions to move into new markets, the control unit must always be integrated into the established new product processes.

MATERIALITY ANALYSIS

In order to define the scope of this Report, an update to the Bank's materiality analysis on the basis of the 2024 results was conducted in the second quarter of the financial year in accordance with the principle of double materiality. This included DZ HYP's impacts on people and the environment ("impact materiality") and also examined opportunities and risks ("business materiality"). At DZ HYP, the materiality analysis is updated every year.

OVERALL METHODOLOGY

An iterative process was used to identify the sustainability issues that might be relevant to DZ HYP's operations and banking business before exploring the corresponding impacts, risks and opportunities. This resulted in the following 19 sub-topics being analysed for DZ HYP under the ESRS, together with 2 entity-specific topics. These topics serve as a basis for identifying the corresponding impacts, risks and opportunities.

ESRS E1 – Climate change:

- » Climate change adaptation
- » Climate change mitigation
- » Energy

ESRS E2 – Pollution:

- » Pollution
- » Hazardous substances

ESRS E3 – Water and marine resources:

- » Water
- » Marine resources

ESRS E4 – Biodiversity and ecosystems:

- » Biodiversity and ecosystems

ESRS E5 – Resource use and circular economy:

- » Resource use and circular economy

ESRS S1 – Own workforce:

- » Working conditions
- » Equal treatment and opportunities for all
- » Other work-related rights

ESRS S2 – Workers in the value chain:

- » Workers in the value chain

ESRS S3 – Affected communities:

- » Local communities

ESRS S4 – Consumers and end-users:

- » Consumers and end-users

ESRS G1 – Business conduct:

- » Business conduct and corporate culture
- » Management of relationships with suppliers, including payment practices
- » Anti-competitive behaviour or political engagement/lobbying
- » Corruption and bribery

Entity-specific topics:

- » Social engagement
- » Sustainable funding

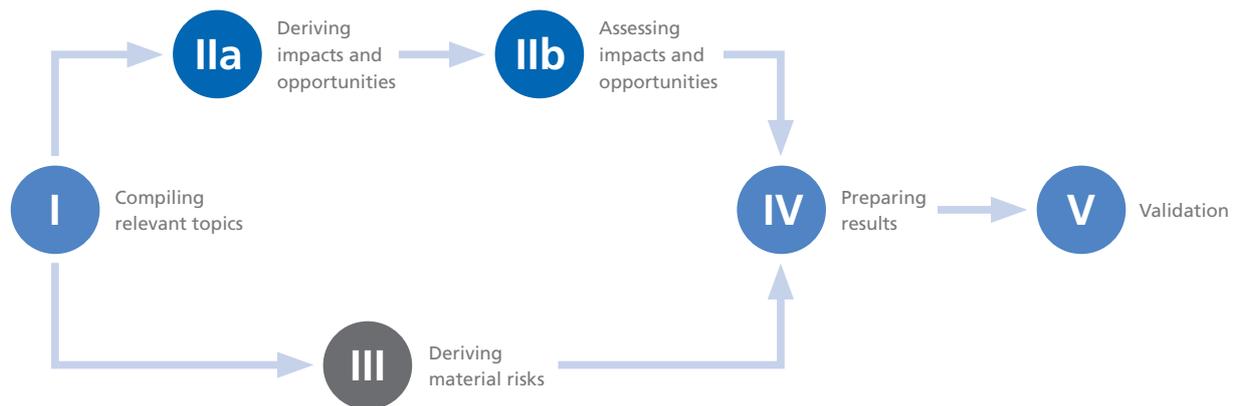
Stakeholder engagement

The Bank's key stakeholders were included in the materiality analysis by involving representative experts. These experts were required to have sufficient knowl-

edge, based on their work at DZ HYP, of stakeholders' sustainability concerns and duties, and to be able to conduct an assessment. Further information on the Bank's main stakeholder groups can be found in the

section on "Interests and views of stakeholders". The materiality analysis for environmental standards E2 to E5 did not use any specific methods, assumptions or instruments beyond those described in this chapter.

MATERIALITY ANALYSIS PROCESS



I. Compiling relevant topics

The starting point was the materiality analysis for the 2024 financial year and the list of topics comprising the 19 ESRS sub-topics set out above. In addition, stakeholder representatives identified the DZ HYP-specific topics "Social engagement" and "Sustainable funding" during the year under review. These two entity-specific topics were incorporated during the year under review in order to ensure a comprehensive picture of DZ HYP's sustainability performance. The next steps in the materiality analysis process took two approaches: firstly having stakeholder representatives identify and assess impacts and opportunities, and secondly deriving material risks (risk drivers) based on the Group-wide ESG risk driver analysis for the DZ BANK Group.

II. a) Deriving impacts and opportunities

The impacts and opportunities relevant to DZ HYP were validated and updated based on the 21 sub-topics (including the entity-specific topics). The potential

and actual positive and adverse impacts and opportunities that were relevant to the Bank's business activities and stakeholders in general were recorded in an IRO (impacts, risks and opportunities) catalogue. The IRO inventory draws on various sources, such as the analysis of the business environment, to reflect DZ HYP's specific business model. Once the impacts and opportunities have been validated, they provide the basis for further assessment.

II. b) Assessing impacts and opportunities

Stakeholder representatives also assessed the impacts and opportunities. The impacts were assessed in terms of their dimension, scope and the extent to which they can be remedied (in the case of adverse impacts), also taking into account the time horizon and, for potential impacts, the probability of occurrence. The opportunities were assessed based on the categories "financial effects" and "probability of occurrence", taking into account the extent to which they might depend on impacts and resources.

If an impact or opportunity associated with a particular sustainability topic was considered material, this topic was also categorised as material for the corresponding dimension (banking operations and/or banking business). The responsible Division Heads are tasked with managing any negative impacts.

The thresholds and scales used to determine the materiality of an impact or opportunity were defined based on the recommendations of the European Financial Reporting Advisory Group (EFRAG) in accordance with ESRS 1 “European Sustainability Reporting Guidelines 1 – Double materiality conceptual guidelines for standard-setting”. The impact threshold is greater than or equal to eight on a scale of one to 15. For financial materiality, the threshold value is greater than or equal to three on a scale of one to five.

To validate the impacts, an additional quantitative analysis of DZ HYP’s business portfolio was performed using reference data. The quantitative portfolio analysis is based on an “SDG demonstrator”, which builds on average values derived from DZ HYP’s portfolio and highlights any impacts on the SDGs. The SDGs were mapped to ESRS topics using the Impact Radar of the United Nations Environment Programme Finance Initiative. The results obtained from this were then assessed by the relevant experts and incorporated into the final conclusions.

III. Deriving material risks

The DZ BANK Group’s group-wide ESG risk driver analysis looks at the impact on financial and non-financial risks every year. The results of the risk driver analysis were used in DZ HYP’s materiality analysis. ESG risks are not considered a risk type in their own right, but rather a driver of existing financial and non-financial risk types, considering short, medium and long-term horizons. Compared with the previous year, the ESG risk driver analysis was further developed across the DZ BANK Group. In line with EBA requirements, time horizons extending beyond ten years are now taken into account. In addition to portfolio analyses, the materiality analysis now incorporates the results of the internal climate stress test and other analyses specific

to individual risk types. Further information on how ESG risks are managed in comparison to other risks can be found in the “Business model and strategy” chapter.

The analysis is performed for all DZ HYP’s risk types and is based on concentration analyses at portfolio level, as well as on expert assessments for specific risk types. The concentration analyses involve identifying, for each risk type, portfolio shares that are exposed to potentially elevated ESG risks and comparing these against defined materiality thresholds, also taking the probability of occurrence into account at the same time.

The ESG risks identified based on the ESG risk driver analysis are assigned to the 19 ESRS sub-topics. This allows the Bank to identify risks in its banking operations and banking business that are material from a financial perspective.

IV. Preparing results

The final step involved preparing the results of the impact and opportunity assessment and the risk driver analysis and assigning them to the individual ESRS reporting requirements. The topics material to DZ HYP in operations and banking business were presented in matrix form. Further information on the results of the materiality analysis and the matrix can be found in the “Results” section. The entire materiality analysis process is managed and overseen by a single person from the Corporate Strategy and Development function who has overall responsibility. This person ensures that all process steps and the decision-making process are carried out properly, above all by actively steering the process in the event of discrepancies arising in individual steps of the materiality analysis. DZ HYP’s Management Board acknowledges the annual results for the materiality analysis.

RESULTS

The overall results of the materiality analysis shown in the chart below were presented to the management bodies for information purposes. The materiality analysis allowed DZ HYP to identify impacts, risks and opportunities and to determine their materiality for banking operations and for the banking business.

The impacts, risks and opportunities identified can affect DZ HYP's business model and strategy and vice versa. These interdependencies are addressed in the chapters of this Report that deal with the individual topics.

As well as this, DZ HYP takes the identified risks and the associated current financial impacts into account as part of its risk management. If such risks materialise, they may lead to losses, declining income, higher costs or liquidity shortfalls, which in turn would impact the Bank's financial performance. To ensure DZ HYP's long-term financial stability, it is crucial to identify these risks at an early stage and take effective risk mitigation measures. There were no material financial impacts in the financial year under review. Further information on the material impacts, risks and opportunities identified as part of the materiality analysis can be found in chapters "Environment", "Social" and "Governance".

MATERIALITY ANALYSIS RESULTS



Compared with the previous year, the following changes have occurred. For the first time, these topics are considered material:

“Biodiversity and ecosystems” in the banking business, as well as two entity-specific topics: “Sustainable funding” in the banking business and “Social engagement” in banking operations. At the same time, the following topics are no longer considered material: “Energy”, “Pollution”, “Workers in the value chain”, “Affected

communities” and “Management of relationships with suppliers, including payment practices” in banking operations. The year-on-year changes are based in particular on a further development of the assessment process. During the year under review, DZ HYP further refined the wording of impacts, risks and opportunities in order to improve clarity. This resulted in a reduction in the number of identified impacts, risks and opportunities.

Material impacts, risks and opportunities in relation to the strategy and the business model

The material impacts, risks and opportunities identified are addressed in the individual topic chapters, assigned as follows:

MATERIAL TOPICS AND THEIR IMPACTS, RISKS AND OPPORTUNITIES

Material topic	VC ^{***}	Reference (chapter in the Sustainability Report)
ESRS E1 – Climate change adaptation	BO ^{*)}	Sustainable Banking
ESRS E1 – Climate change mitigation	BO ^{*)} , BB	Ecological Responsibility, Sustainable Banking
ESRS E1 – Energy	BB	Sustainable Banking
ESRS E4 – Biodiversity and ecosystems	BB	Biodiversity and Ecological Diversity
ESRS S1 – Working conditions	BO	Working Conditions and Pay, Occupational Health and Safety, Skills Development
ESRS S1 – Equal treatment and opportunities for all	BO	Diversity
ESRS S1 – Other work-related rights	BO	Working Conditions and Pay, Occupational Health and Safety
ESRS S4 – Consumers and end-users	BB	Clients
ESRS G1 – Business conduct	BO, BB	Corporate Culture
ESRS G1 – Anti-competitive behaviour, political engagement and lobbying activities	BO, BB	Compliance
ESRS G1 – Corruption and bribery	BO, BB	Compliance
Entity-specific topic – Social engagement	BO	Social Engagement
Entity-specific topic – Sustainable funding	BB	Sustainable Funding

*) Banking business

**) Banking operations

**) Value chain

The table below presents the main positive and adverse impacts and the expected time horizons.

IMPACT TIME HORIZONS

Impact	Contents	Dimension	Time horizon
ECOLOGICAL RESPONSIBILITY			
Adverse impact	Greenhouse gas emissions from operations as well as from service providers and suppliers undermine efforts to mitigate climate change.	A ^{*)}	Short-term
SUSTAINABLE BANKING			
Positive impact	Financing sustainable properties creates an incentive for sustainable behaviour.	A	Short-term
Positive impact	DZ HYP finances measures to strengthen the resilience of real estate to the impacts of climate change.	P ^{**)}	Medium and long-term
Positive impact	Financing energy-efficient properties, which may also use low-emission energy sources, reduces greenhouse gas emissions.	A	Short-term
Positive impact	DZ HYP's product portfolio helps institutional investors to factor in sustainability criteria.	A	Short-term
Positive impact	Actively financing energy efficiency projects contributes to energy-saving measures and the energy transition.	A	Short-term
Adverse impact	The Bank finances properties with high energy consumption or low energy efficiency.	A	Short-term
Adverse impact	Financing properties that rely on fossil fuels hampers the energy transition.	A	Short-term
SUSTAINABLE FUNDING			
Positive impact	DZ HYP makes an active contribution to the sustainable transformation of the real estate sector and helps it to transition to a lower-carbon economy.	A	Short-term
BIODIVERSITY AND ECOSYSTEMS			
Adverse impact	Financing construction projects or buildings, including new developments, contributes to the deterioration of biodiversity and ecosystems if no appropriate measures are taken.	P	Medium and long-term

*) Actual impact

***) Potential impact

IMPACT TIME HORIZONS

Impact	Contents	Dimension	Time horizon
EMPLOYEES			
Positive impact	Fair, transparent remuneration and attractive benefits increase employee retention.	A ^{*)}	Short-term
Positive impact	Flexible working models and health-promoting measures significantly increase employee satisfaction.	A	Short-term
Positive impact	Specific training and continual skills development enhance employee satisfaction and performance.	A	Short-term
Positive impact	An inclusive working environment promotes equal treatment of employees regardless of gender and other factors.	P ^{**)}	Medium and long-term
Positive impact	Promoting a respectful working environment increases employee satisfaction.	A	Short-term
Adverse impact	Inappropriate working conditions, such as overtime or periods of high stress, increase psychological strain and absenteeism.	P	Medium and long-term
SOCIAL ENGAGEMENT			
Positive impact	DZ HYP undertakes projects to help vulnerable groups in society.	A	Short-term
Positive impact	DZ HYP helps strengthen society through collaborations and foundations.	A	Short-term
CLIENTS			
Positive impact	The product portfolio makes it easier for all client segments to access financing products for properties with social characteristics.	A	Short-term
CORPORATE CULTURE			
Positive impact	A healthy corporate culture promotes employee satisfaction.	A	Short-term
COMPLIANCE			
Positive impact	Disclosing lobbying activities promotes transparency vis-à-vis stakeholders.	A	Short-term
Positive impact	As a member of associations, DZ HYP helps shape policies by sharing its expertise.	A	Short-term
Positive impact	Measures to prevent corruption among business partners help to promote integrity beyond the boundaries of the Bank itself.	A	Short-term
Positive impact	DZ HYP works together with business partners to promote integrity and combat financial crime.	A	Short-term

*) Actual impact

**) Potential impact

ESRS disclosure requirements covered in the Sustainability Report

Based on the results of the materiality analysis and in line with the EFRAG Value Chain Implementation Guidance, the topics identified as material were matched with the corresponding ESRS reporting requirements.

No quantitative thresholds were applied in the process. A list of the material topics, including the assigned reporting requirements, can be found in the table below.

MATERIAL TOPICS AND ASSIGNED ESRS REPORTING REQUIREMENTS

Dimension	Standard	Topic	Reporting requirements
Banking operations	E1	Climate change (climate change mitigation)	E1 GOV-3, E1 SBM-3, E1 IRO-1, E1-1, E1-2, E1-3, E1-4, E1-6
	S1	Own workforce	S1 SBM-2, S1 SBM-3, S1-1, S1-2, S1-3, S1-4, S1-5, S1-6, S1-7, S1-8, S1-9, S1-10, S1-11, S1-12, S1-13, S1-14, S1-15, S1-16, S1-17
	G1	Business conduct	G1 GOV-1, G1 IRO-1, G1-1, G1-3, G1-4, G1-5
Banking business	E1	Climate change	E1 GOV-3, E1 SBM-3, E1 IRO-1, E1-1, E1-2, E1-3, E1-4, E1-6, E1-7
	E4	Biodiversity and ecosystems	E4-1, E4 IRO-1, E4-2, E4-3, E4-4
	S4	Consumers and end-users	S4 SBM-2, S4 SBM-3, S4-1, S4-2, S4-3, S4-4, S4-5
	G1	Business conduct	G1 IRO-1, G1-1, G1-3, G1-4, G1-5

The materiality of the disclosure requirements in the list of datapoints in ESRS 2 Appendix B resulting from other EU legislation is presented below.

DATAPOINTS IN ESRS 2 APPENDIX B

Disclosure requirement	Data point	Materiality	Chapter in the Sustainability Report
ESRS 2 GOV-1	Gender diversity in management and supervisory bodies	Material	Corporate Governance
ESRS 2 GOV-1	Percentage of independent board members	Material	Corporate Governance
ESRS 2 GOV-4	Statement on due diligence	Material	Corporate Governance
ESRS 2 SBM-1	Involvement in activities related to fossil fuel activities	Not applicable ^{*)}	
ESRS 2 SBM-1	Involvement in activities related to chemical production	Not applicable ^{*)}	
ESRS 2 SBM-1	Involvement in activities related to controversial weapons	Not applicable ^{*)}	
ESRS 2 SBM-1	Involvement in activities related to cultivation and production of tobacco	Not applicable ^{*)}	
ESRS E1-1	Transition plan to reach climate neutrality by 2050	Material	Guidelines and Objectives in Banking Operations
ESRS E1-1	Undertakings excluded from Paris-aligned benchmarks	Not applicable ^{*)}	
ESRS E1-4	GHG emission reduction targets	Material	Guidelines and Objectives in Banking Operations, Guidelines and Objectives in the Banking Business
ESRS E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Not material	
ESRS E1-5	Energy consumption and mix	Not material	
ESRS E1-6	Gross scopes 1, 2, 3 and total GHG emissions	Material	Indicators on Greenhouse Gas Emissions
ESRS E1-6	Gross GHG emissions intensity	Material	Indicators on Greenhouse Gas Emissions
ESRS E1-7	GHG removals and carbon credits	Material	Indicators on Greenhouse Gas Emissions
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks	Not applicable ^{**)}	
ESRS E1-9	Disaggregation of monetary amounts by acute and chronic physical risk	Not applicable ^{**)}	
ESRS E1-9	Location of significant assets at material physical risk	Not applicable ^{**)}	
ESRS E1-9	Breakdown of the carrying value of its real estate assets	Not applicable ^{**)}	
ESRS E1-9	Degree of exposure of the portfolio to climate-related opportunities	Not applicable ^{**)}	
ESRS E2-4	Amount of each pollutant listed in Annex II of the EPRT Regulation emitted to air, water and soil	Not material	

*) Not applicable due to business model

**) Not applicable because the datapoint was not included in the 2025 financial year due to the transition period or because it is voluntary

DATAPOINTS IN ESRS 2 APPENDIX B (CONTINUATION)

Disclosure requirement	Data point	Materiality	Chapter in the Sustainability Report
ESRS E3-1	Water and marine resources	Not material	
ESRS E3-1	Dedicated policy	Not material	
ESRS E3-1	Sustainable oceans and seas	Not material	
ESRS E3-4	Total water recycled and reused	Not material	
ESRS E3-4	Total water consumption in m ³ per net revenue on own operations	Not material	
ESRS 2 SBM3 E4	Paragraph 16	Not material	
ESRS E4-2	Sustainable land/agriculture practices or policies	Not applicable ^{*)}	
ESRS E4-2	Sustainable oceans/seas practices or policies	Not applicable ^{*)}	
ESRS E4-2	Policies to address deforestation	Material	Biodiversity and ecosystems
ESRS E5-5	Non-recycled waste	Not material	
ESRS E5-5	Hazardous waste and radioactive waste	Not material	
ESRS 2 SBM3 S1	Risk of incidents of forced labour	Material	Working conditions and pay, Occupational health and safety
ESRS 2 SBM3 S1	Risk of incidents of child labour	Material	Working conditions and pay, Occupational health and safety
ESRS S1-1	Human rights policy commitments	Material	Working conditions and pay
ESRS S1-1	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8	Material	Working conditions and pay
ESRS S1-1	Processes and measures for preventing trafficking in human beings	Material	Working conditions and pay, Occupational health and safety
ESRS S1-1	Workplace accident prevention policy or management system	Material	Occupational health and safety
ESRS S1-3	Grievance/complaints handling mechanisms	Material	Working conditions and pay
ESRS S1-14	Number of fatalities and number and rate of work-related accidents	Material	Occupational health and safety
ESRS S1-14	Number of days lost to injuries, accidents, fatalities or illness	Material	Occupational health and safety
ESRS S1-16	Unadjusted gender pay gap	Material	Working conditions and pay
ESRS S1-16	Excessive CEO pay ratio	Material	Corporate Governance, Working conditions and pay

^{*)} Not applicable due to business model

^{**)} Not applicable because the datapoint was not included in the 2025 financial year due to the transition period or because it is voluntary

DATAPOINTS IN ESRS 2 APPENDIX B (CONTINUATION)

Disclosure requirement	Data point	Materiality	Chapter in the Sustainability Report
ESRS S1-17	Incidents of discrimination	Material	Working conditions and pay
ESRS S1-17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Not applicable ^{*)}	
ESRS 2 SBM3 S2	Significant risk of child labour or forced labour in the value chain	Not material	
ESRS S2-1	Human rights policy commitments	Not material	
ESRS S2-1	Policies related to value chain workers	Not material	
ESRS S2-1	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Not material	
ESRS S2-1	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8	Not material	
ESRS S2-4	Human rights issues and incidents connected to its upstream and downstream value chain	Not material	
ESRS S3-1	Human rights policy commitments	Not material	
ESRS S3-1	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Not material	
ESRS S3-4	Human rights issues and incidents	Not material	
ESRS S4-1	Policies related to consumers and end-users	Material	Clients
ESRS S4-1	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Not applicable ^{*)}	
ESRS S4-4	Human rights issues and incidents	Material	Clients
ESRS G1-1	United Nations Convention against corruption	Material	Compliance
ESRS G1-1	Protection of whistle-blowers	Material	Compliance
ESRS G1-4	Fines for violation of anti-corruption and anti-bribery laws	Material	Compliance
ESRS G1-4	Standards of anti-corruption and anti-bribery	Not applicable ^{**)}	

*) Not applicable due to business model

**) Not applicable because the datapoint was not included in the 2025 financial year due to the transition period or because it is voluntary

ENVIRONMENT

The “Environment” chapter covers environmental protection at both the level of the Bank’s operations (“Ecological Responsibility” chapter) and at the level of the banking business (“Sustainable Banking” chapter). The topic of sustainable funding is also introduced due to its first-time materiality (“Sustainable Funding” chapter).

The methodology for calculating greenhouse gas emissions (GHG emissions) is explained and the relevant indicators are presented (“Greenhouse Gas Emissions” chapter). Details are also provided about the role of biodiversity and ecological diversity (see the chapter of the same name) at DZ HYP. In addition, information is provided on the EU Taxonomy (“Disclosures Pursuant to Article 8 of Regulation (EU) 2020/852”). The environmental indicators in this report were prepared without being validated by an external agency.

DZ HYP strives to protect the environment in its own operations using guidelines and objectives that are reflected in environmental performance indicators and improved on an ongoing basis. This process is based on the material impacts presented in the table below.

MATERIAL IROS IDENTIFIED FOR ECOLOGICAL RESPONSIBILITY

IRO type	Description	Dimension
Adverse impact	Greenhouse gas emissions from operations as well as from service providers and suppliers undermine efforts to mitigate climate change.	Banking operations

ECOLOGICAL RESPONSIBILITY

Transition to a climate-neutral economy (from an ecological responsibility perspective)

During the financial year, the DZ BANK Group’s Competence Centre Environment (KCU) established its Climate Strategy for Operational Ecology. This new framework sets out binding principles and measures and defines an overarching objective of achieving climate neutrality for controllable emissions by 2045, making use of offsetting measures for any residual emissions in the target year. The framework defines the decarbonisation of business operations and pro-

vides both (external) stakeholders and the Group companies, including DZ HYP, with a transparent overview of the strategic direction and the agreed measures for achieving the set climate targets.

In this context, two decarbonisation levers are particularly effective: an active lever and a passive lever. The “Climate Targets” chapter explains both levers in more detail.

Guidelines and objectives in banking operations

Environmental management focuses on optimising the use of energy and resources at the Bank and on using renewable energy sources to consistently reduce our operational carbon footprint. DZ HYP is also working

on reducing carbon emissions from mobility and on further measures.

As well as this, environmental protection considerations are a key focus in the procurement of products and services.

DZ HYP's sustainability strategy

The current sustainability strategy covers the topics of climate action, adaptation to climate change, energy efficiency and the use of renewable energy. It describes DZ HYP's ambition of achieving climate-neutral banking operations by 2045. The first-time use of ESRS reporting in the past year resulted in changes to the scope 3 categories and the methodology for data capture. This means that the previous ambitions for setting targets must be adapted in line with the ESRS. In the 2025 financial year, DZ HYP updated its targets together with the DZ BANK Group as part of a process in the latter's Competence Centre Environment. The targets were updated in line with the ESRS as described in the Transition Plan. DZ HYP's sustainability strategy will be updated in the 2026 financial year on the basis of the DZ BANK Group's revised climate strategy.

The climate strategy, which is part of the wider sustainability strategy, is applied at DZ HYP's locations in

Hamburg and Münster, as well as at its real estate centres and regional offices throughout Germany. Ecological responsibility at the individual locations lies with the Security & Organisation division.

The Corporate Strategy and Development division is responsible for implementing the sustainability strategy. Overall responsibility for the strategy lies with the CEO.

Climate targets

As part of the DZ BANK Group, DZ HYP aims to achieve climate neutrality in controllable emission sources arising from its banking operations by 2045, making use of offsetting measures. During the financial year, the DZ BANK Group's Competence Centre Environment (KCU) established its Climate Strategy for Operational Ecology. This new framework sets out binding principles and measures and defines an overarching objective of achieving climate neutrality for controllable emissions by 2045, making use of offsetting measures for any residual emissions in the target year. Using 2024 as a baseline, interim targets for 2030 (-9 per cent, 103,404 t CO₂e), 2035 (-24 per cent, 86,913 t CO₂e) and 2040 (-47 per cent, 60,216 t CO₂e) were defined at Group level.

DETAILED INFORMATION ON EXPECTED EMISSION REDUCTIONS WITHIN THE DZ BANK GROUP

Interim targets	Absolute emission reductions (tCO ₂ e)			of which: percentage reduction attributable to active decarbonisation levers
	Scope 1	Scope 2	Scope 3	
2030	-6,524	2,122	-6,777	85%
2035	-14,472	1,706	-14,903	47%
2040	-29,275	3,065	-28,157	24%

The climate target was developed through a participatory process in the DZ BANK Group. Company-specific conditions formed the basis, without reference to a particular scientific methodology or a 1.5 degree reference pathway. While the reduction rates included in the DZ BANK Group's interim targets for 2030, 2035 and 2040 are lower than the cross-sectoral emissions pathway of the Science Based Targets initiative (SBTi) ("Pathways to Net-zero – SBTi Technical Summary", version 1.0, October 2021, as referred to in ESRS E1 AR 28), the DZ BANK Group's decarbonisation pathway converges towards the scientific reference pathway by 2045 through the use of offsetting measures.

The passive decarbonisation levers that are taken into account in addition to active measures include political and market-specific developments that may influence the future climate pathway. As well as this, calculations include projected workforce growth until 2030, based on planned staffing levels.

The passive decarbonisation levers relating to electricity, district heating, waste and electric mobility in commuter emissions are based on the "Technical Annex to the 2024 Greenhouse Gas Projections for Germany" published by the German Environment Agency (UBA). This publication projects emissions at federal level on the basis of models and assumptions. It distinguishes between the "with measures" scenario, which includes climate action that has already been decided on, and the "with additional measures" scenario, which includes further planned measures. Emission factors can then be derived from these scenarios. The DZ BANK Group's decarbonisation pathway uses exclusively emission factors derived from the "with measures" scenario because this scenario provides more conservative and realistic values for 2045. In addition, the political scenario underpinning fleet planning assumes that all new cars sold from 2035 onwards will be fully electric.

Three scenarios were considered when developing the DZ BANK Group's decarbonisation pathway.

- » **Scenario 1 (conservative):** This scenario only takes active measures for emission reduction into account.
- » **Scenario 2 (neutral-conservative):** Passive decarbonisation levers are taken into account in addition to active measures. This scenario is the base

scenario for DZ HYP and is being pursued strategically.

- » **Scenario 3 (optimistic):** This scenario is based on highly favourable assumptions for emissions development, resulting from an optimistic approach to passive decarbonisation levers. It was calculated for comparison purposes. In defining the DZ BANK Group's decarbonisation pathway, it was decided to include only those emission sources that can be influenced directly by the respective Group company and that are closely linked to the business activities of the Group companies.

As a result, the following emission sources were taken into account for the DZ BANK Group's decarbonisation pathway:

- » Scope 1 and 2 (market-based) emissions
- » Controllable scope 3 emissions, i.e. category 1 (GHG emissions from paper consumption, water, events and client-related activities), category 3 (GHG emissions from energy- and fossil-fuel-related activities), category 5 (GHG emissions from waste), category 6 (business travel) and category 7 (employee commuting).

The following emission sources were excluded:

- » Scope 1 and 2 emissions from property used by third parties
- » Scope 3 category 13 emissions (downstream leased assets) from property used by third parties
- » Some scope 3 category 1 emissions (GHG emissions from building remodelling, office supplies, office equipment, office furniture as well as IT services, cloud computing and data centres)
- » Scope 3 category 2 emissions (GHG emissions from capital goods)

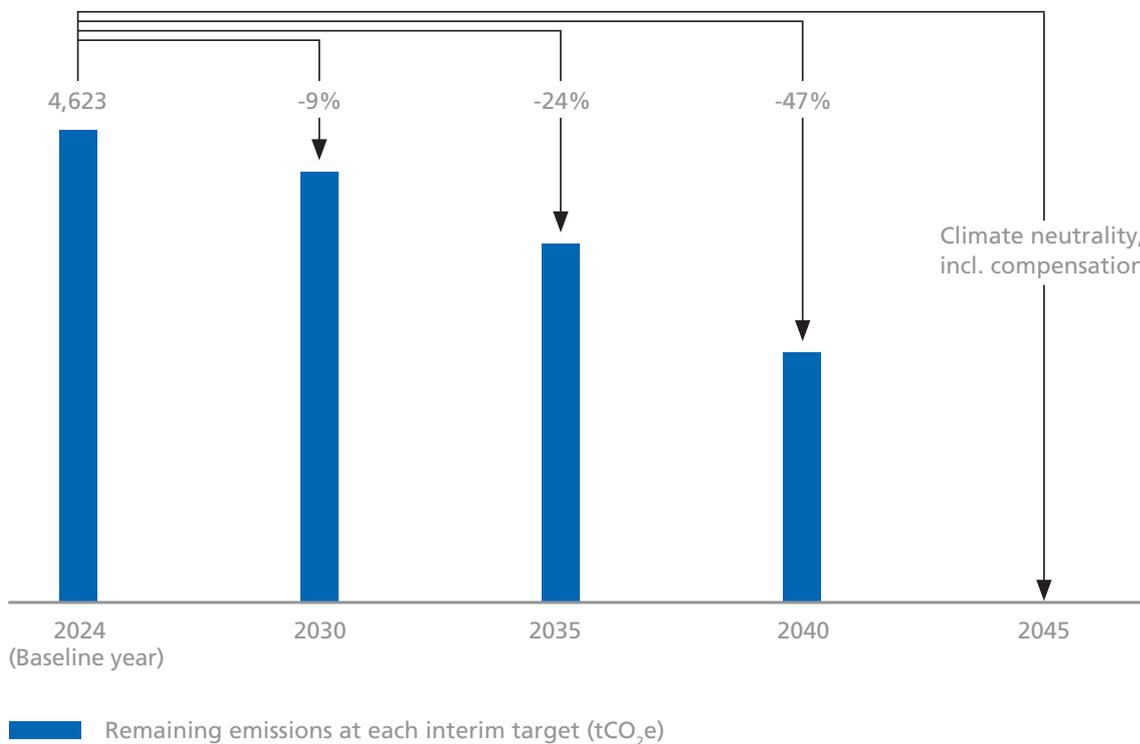
The above assumptions and methods were used to develop a Group-wide pathway for scenario 2. Based on this pathway, interim targets for DZ HYP were then derived for 2030 (-9 per cent, 4,185 t CO₂e), 2035 (-24 per cent, 3,518 t CO₂e) and 2040 (-47 per cent, 2,437 t CO₂e). The reference value for the decarbonisation pathway was derived from "Total GHG emissions" (7,534 t CO₂) as reported in the 2024 Sustainability Report as at 31 December (see the "Baseline year" column in the table "DZ HYP's GHG emissions"). After

excluding emission sources classified as non-controllable, the starting point for DZ HYP's decarbonisation pathway is 4,623 t CO₂. Under the chosen methodology, it is not possible to present a DZ HYP-specific breakdown of absolute emission reductions by scope 1, 2 and 3. As outlined in the section "Detailed information on expected emission reductions within the

DZ Bank Group", this breakdown is provided at Group level only.

The Management Board has approved DZ HYP's decarbonisation pathway. More details are provided at the beginning of this chapter.

DECARBONISATION PATHWAY FOR DZ HYP'S BANKING OPERATIONS



The Bank has two key decarbonisation levers for reducing greenhouse gas emissions from its banking operations:

- » **Active decarbonisation lever:**
measures for actively reducing and avoiding greenhouse gas emissions, for example relating to heating, electricity or the vehicle fleet
- » **Passive decarbonisation lever:**
expected emission reductions resulting from the ongoing decarbonisation and enhanced emission efficiency of the German economy and society by 2045

Active reduction measures are expected to result in an 11 per cent reduction at Group level by 2045 compared with the baseline year. In this context, DZ HYP is planning to actively reduce emissions at its Hamburg location, for example by equipping the co-generation unit with a bypass system in order to improve its efficiency and by expanding demand-driven lighting control. There are also plans to further electrify the vehicle fleet. These measures are expected to result in a reduction of 759.1 t CO₂e by 2035. In the context of the Group-wide climate pathway, the DZ BANK Group assumes a moderate reduction through the passive decarbonisation lever, corresponding to an expected

emission reduction of around 45 per cent by 2045 compared with the baseline year.

Progress is monitored through an annual process of data collection, analysis and reporting. DZ HYP regularly reviews the actual development of its environmental performance to assess whether the measures taken and priorities set remain appropriate for achieving the defined targets. Should any interim targets fail to be met, any residual greenhouse gas emissions will be offset at Group level through a financial climate contribution from the first interim target year onwards, i.e. as of 2030.

Locked-in emissions may make it more difficult to meet the operational emission reduction target. These locked-in emissions may relate in particular to existing operational infrastructure and long-term usage decisions, such as emissions from the energy supply for DZ HYP's own office buildings, from existing heating and cooling systems and from mobility structures such as commuter travel. As part of the DZ BANK Group's decarbonisation pathway, any unavoidable residual emissions of this kind will be offset in 2045 with the purchase of carbon certificates. In this context, we follow the principle of avoiding or reducing emissions wherever possible, and offsetting them in all other cases.

Measures to achieve targets in banking operations

To integrate climate aspects into DZ HYP's banking operations, the Bank has implemented energy efficiency measures in recent years, increased employee awareness and aimed to reduce resource consumption and potential negative environmental impacts. Given the overarching nature of the budget, the resources associated with the individual measures have not been quantified explicitly. As well as this, implementing measures does not depend on funds. The greenhouse gas reductions achieved and the aggregated effects of the measures can be found in the table "Total GHG emissions" in the "Greenhouse gas emissions" chapter. As far as impacts and the climate strategy are concerned, DZ HYP is focusing on the following measures, which are defined as consolidated measures for mitigating climate change.

» Sustainable measures in building operations

During the year under review, DZ HYP expanded the photovoltaic system at its Hamburg location in order to increase the share of renewable energy in total electricity consumption and also to reduce emissions. As well as this, the Bank exchanged the combined refrigeration system in the kitchen for a more eco-friendly technology and removed outdated hot water systems.

As part of refurbishment measures at the "Cube 1" in Münster, DZ HYP equipped individual areas such as the "citadel" and the gym with state-of-the-art technology such as LED lighting and connected them to an automated lighting control system.

As part of the certification process for the energy-efficient refurbishment of DZ HYP's building in Hamburg, the German Sustainable Building Council (DGNB) awarded the Bank the DGNB "Silver" certificate in 2025. Among other things, this was in recognition of its efforts in improving the efficiency of the heating system and the associated reduction in overall consumption. This award bears testimony to the effectiveness of the measures that had already been implemented.

» New company car policy promotes electric vehicles

Using fuel-efficient and low-emission models in its vehicle pool is a priority for DZ HYP. The Bank revised its company car policy during the year under review. These changes made electric vehicles more attractive and lowered the CO₂ limits for employees and Division Heads. The maximum limit is now 150 grams of CO₂ per kilometre, down from 200 grams under the 2019 policy. The current fleet comprises 86 company cars (2024: 85), of which 37 vehicles or 43 per cent (2024: 30 vehicles or 35 per cent) are electric or plug-in hybrid vehicles.

» Sustainability software "EcoVadis"

DZ HYP has incorporated sustainability criteria into its procurement processes in order to reduce the negative impact that procured goods and services have on the environment. In 2022, the sustainability software "EcoVadis" was introduced as a platform for assessing suppliers based on sustainability analyses focusing on environmental matters, labour and human rights, ethics and sustainable procurement. This allows risks in the supply chain to be

identified early on and action to be taken in response to any breaches. In 2023, DZ HYP's Sustainability department conducted its first country- and industry-specific risk analysis via EcoVadis. The Sustainability department assists service providers with the EcoVadis rating process on an ad hoc basis or in some cases organises talks with them to discuss the relevant measures.

» **Electronic signature software introduced**

During the year under review, electronic signatures were introduced for commercial real estate loan processing. In addition to creating a more efficient and secure process, electronic signatures reduce paper consumption for documents such as contracts and, by extension, reduce carbon emissions as well.

» **Measures to raise employee awareness**

DZ HYP employees are actively encouraged to use resources responsibly in their daily work. This in-

cludes deleting any data that is no longer needed and avoiding using devices on standby. They are also asked to lower the room temperature and to refrain from lowering it too much in the summer. These measures are to be implemented on an on-going basis in all locations and will help to reduce consumption. Internal formats are also used to provide employees with information on sustainability and on climate and environmental protection.

» DZ HYP also created transparency regarding mobility-related emissions and developed a carbon calculator. From 2026 onwards, divisions and departments are scheduled to receive quarterly reports on emissions generated by travel, such as trips by company car, rental car, rail or air. The objective of these reports is to create transparency and align corporate actions with climate action. This paves the way for gradually initiating a shift towards more resource-efficient mobility within divisions and departments.

SUSTAINABLE BANKING BUSINESS

DZ HYP recognises that its business activities have a significant impact on its social and ecological environment and on the climate. It considers sustainability efforts to be a strategic cross-divisional responsibility and strives to integrate them systematically into its core business. The material impacts, risks and opportunities are described in the table below.

MATERIAL IROS IDENTIFIED FOR THE SUSTAINABLE BANKING BUSINESS

IRO type	Description	Dimension
Positive impact	Financing sustainable properties creates an incentive for sustainable behaviour.	Banking business
Positive impact	DZ HYP finances measures to strengthen the resilience of real estate to the impacts of climate change.	Banking business
Positive impact	Financing energy-efficient properties, which may also use low-emission energy sources, reduces greenhouse gas emissions.	Banking business
Positive impact	DZ HYP's product portfolio helps institutional investors to factor in sustainability criteria.	Banking business
Positive impact	Actively financing energy efficiency projects contributes to energy-saving measures and the energy transition.	Banking business
Adverse impact	The Bank finances properties with high energy consumption or low energy efficiency.	Banking business
Adverse impact	Financing properties that rely on fossil fuels hampers the energy transition.	Banking business
Risk	Credit risk (physical) resulting from higher probabilities of default and lower collateral values affected by the physical consequences of climate change.	Banking business
Risk	Credit risk (transitional) resulting from higher probabilities of default and lower collateral values due to adaptation costs and/or reduced corporate profitability among borrowers caused by stricter carbon reduction requirements.	Banking business
Risk	Credit risk (transitional) resulting from higher probabilities of default, lower collateral values due to adaptation costs and/or reduced corporate profitability among borrowers caused by stricter energy efficiency requirements for properties.	Banking business
Opportunity	Green bonds unlock access to additional funding sources and investor groups.	Banking business

Transition to a climate-neutral economy (banking business)

DZ HYP is taking responsibility for helping to shape the shift towards a sustainable real estate industry – for example, through specific support measures or by including sustainability criteria in its financing solutions.

The building sector accounts for about 36 per cent of energy-related carbon emissions in the EU, with residential buildings representing the bulk of this. Against this background, DZ HYP developed specific decarbonisation targets and two decarbonisation pathways for its segments Retail Customers and Corporate Clients in 2023. Portfolio emissions are to be reduced by 36 per cent in the Corporate Clients segment and by 41 per cent in the Retail Customers segment by 2030, compared with the baseline year. At Group level, a decarbonisation pathway management system has been developed to monitor compliance with these pathways. DZ HYP's goal is to ensure that economic, social and ecological interests are in balance. The sector targets and the measures outlined in this chapter together constitute a transition plan for the real estate focus sector. This plan was approved by the Management Board together with the reporting. No clearly defined financial resources were allocated specifically to the implementation of decarbonisation measures in the business portfolio.

Guidelines and objectives in the banking business

The DZ BANK Group's climate and environmental strategy

The DZ BANK Group developed its first Group-wide climate strategy back in 2018, including measures to reduce carbon emissions and to take account of natural capital. DZ HYP is guided by this strategy and is making a contribution to climate change mitigation. Its approach is founded on its commitment to the UN Global Compact, the SDGs, the Paris Agreement and the German government's sustainability strategy. DZ HYP stands in solidarity with its customers and wants to help them transition to a low-carbon economy, which is why it complies with the principles published by the DZ BANK Group. These principles lay the

foundation for the transition to a more environmentally friendly future, as well as for climate targets that are aligned with the 1.5-degree Celsius target set out in the Paris Agreement to achieve climate neutrality in the banking business by 2050, as required under the ESRS. The Bank's climate strategy and climate targets were approved by the Management Board of DZ BANK. As well as this, DZ HYP has integrated the aforementioned climate strategy into its overall sustainability strategy. Responsibility for this lies with the Corporate Strategy and Development division and its Division Head. Further information can be found under "Guidelines and Objectives in Banking Operations". The climate strategy and the targets derived from it have not been incorporated into DZ HYP's financial planning. The targets are reviewed at regular intervals and updated where appropriate.

DZ HYP's exclusion criteria

The DZ BANK Group has set itself stringent standards for its business activities. DZ HYP applies the Group-wide exclusion criteria where these apply to its business areas. The exclusion criteria for specific business practices and areas are a key element of the Bank's commitment to sustainability. The aim is to ensure that minimum ESG requirements are met. The Group-wide exclusion criteria are subject to regular review and are updated to reflect changing social norms and new scientific and political developments. They also define exclusion criteria for the credit business. These criteria are specified in the business strategy under "Business model boundaries" and include the exclusion of controversial business areas (e.g. certain arms trading, the sex trade [pornography/prostitution]). As well as this, they exclude business where it is not possible to rule out human rights violations or environmental breaches. A corresponding exclusion criteria review and documentation section has been included in DZ HYP's decision-making document for new credit business. Responsibility for implementing the policy lies with the respective front-office Division Heads.

Decarbonisation targets in the banking business

To evaluate these targets, DZ HYP's internal climate pathways have been aligned with the standards set by

the Carbon Risk Real Estate Monitor (CRREM). The CRREM offers the real estate industry transparent, science-based and Paris-aligned decarbonisation pathways based on a relevant metric (physical emissions activities in emissions per year and square metre of usable building space in kilograms: kg CO₂e/m²/year). The transformation of the electricity and heating mix, as well as statutory requirements such as the German Buildings Energy Act and the EPBD (Energy Performance of Buildings Directive) were taken into account when modelling the targets for DZ HYP. As the sector targets relate to the business portfolio, they refer to scope 3 emissions (category 3.15). The decarbonisation targets have been defined for DZ HYP's corporate client and retail customer real estate portfolios. Two main levers can be used to achieve these targets:

» **Passive lever (sector transformation):**

This includes decarbonisation effects resulting from external developments and regulatory requirements.

» **Active lever (CO₂e-efficient new business):**

This describes additional decarbonisation resulting from specific measures within new business operations.

At present, DZ HYP is focusing on the passive lever. A key driver of the decarbonisation of the real estate portfolio is the reduced energy consumption of properties as a result of refurbishment measures required by regulations, such as those under the German Building Energy Act and the EU Energy Performance of Buildings Directive. A substantial share of the expected savings results from these measures. As well as this, improvements in emissions intensity stemming from an increasingly climate-friendly electricity and heat mix also contribute to decarbonisation. The steps detailed under "Measures to Achieve Targets in the Banking Business" are not quantified for the year under review. The expected total quantitative amount of the passive decarbonisation lever is broken down in the table below. The specific target values, expressed in terms of physical intensity (kg CO₂e/m²/year), can change over time, for example when updated to reflect the reporting date or the need to make methodological adjustments.

GREENHOUSE GAS EMISSION REDUCTION TARGETS

	2023 baseline year	31 Dec 2024	31 Dec 2025	Target for 2026	Target for 2030	Target for 2040	Target for 2050
Commercial properties in kg CO ₂ e/m ² /year	40.9	39.2	37.2	38.2	26	9	0.6
Reduction targets (commercial) in %				-7	-36	-78	-99
CRREM reference pathway for corporate clients	34.6	31.6	28.9	26.2	16.7	2.7	0.6
Passive lever: sector transformation (commercial) in per cent				-7	-36	-78	-99
Active lever: CO ₂ e-efficient new business							
Private properties in kg CO ₂ e/m ² /year	54.4	53.4	49.3	48.6	31.9	9.7	0.4
Reduction targets (private) in %				-11	-41	-82	-99
CRREM reference pathway for retail customers	29.7	27.0	24.6	22.1	13.9	2.1	0.4
Passive lever: sector transformation (private) in per cent				-11	-41	-82	-99
Active lever: CO ₂ e-efficient new business							

The targets for the real estate decarbonisation pathway were published for the first time in 2023. They were agreed on with the front-office units representing stakeholders. Initially, the gap separating the status quo from the selected pathway is to widen temporarily, as the CRREM reference pathway for Germany is very ambitious. The targets were calculated based on the assumption that the composition of the business portfolio would remain constant. The CRREM reference pathways were determined in the same way, taking as a basis the portfolio as at 31 December 2023 (CRREM version 2.02).

Based on the portfolio composition as at 31 December 2025, the coverage ratio of the share considered in the target amounts to 38.7 per cent of total scope 3 category 15 greenhouse gas emissions.

Measures to achieve targets in the banking business

The measures implemented in the banking business cover both climate mitigation and climate change adaptation. Key measures for decarbonising the real estate sector include switching from fossil fuels (coal, oil and gas) to renewable sources of heat and power, adapting properties to enable them to use efficient renewable energy sources, and improving building energy efficiency, particularly through refurbishment measures. The decarbonisation of DZ HYP's real estate portfolio hinges in particular on to what extent – and within what time frame – the regulatory requirements and plans are implemented in practice and lead to a decarbonisation within the sector.

A decarbonisation pathway management system has been developed at Group level to monitor compliance with the decarbonisation pathways. The portfolio monitoring and management approach has been applied by DZ HYP accordingly. The annual business environment analysis looks at the implications of future developments and their influence on the emission reduction targets. Ultimately, no further measures have been derived from this. As things currently stand, DZ HYP has no plans to introduce any new technologies to achieve its GHG emission reduction targets. The meas-

ures and objectives described in this chapter were green-lit during the year under review when the Management Board approved the CSRD report.

DZ HYP believes that its products and services are ethically justifiable, and it intends to clearly communicate any potential risks. As the "sustainable banking business" action area is of great relevance to both internal and external stakeholders, DZ HYP has defined measures to achieve its targets in the banking business. The resources associated with the individual measures have not been quantified explicitly.

Green Pfandbriefe in the banking business

As part of the Green Bond Framework, a procedure has been established to classify properties. This is done by assessing and evaluating the properties based on factors such as energy performance certificates and sustainability certificates. The procedure was developed further in 2024 and, above all, was adapted to reflect the new minimum standards set out by the Association of German Pfandbrief Banks (vdp), which took effect on 1 January 2025. This helped to ensure that the Bank is closely aligned with the EU Taxonomy criteria for a substantial contribution to climate change mitigation and also boosted transparency. Further information can be found under "Guidelines and Objectives in the Banking Business".

The first green Mortgage Pfandbrief was issued in February 2022. Since then, sustainable funding using Green Mortgage Pfandbriefe has become a fixed component of DZ HYP's business model, further underscoring the Bank's commitment to sustainable financing practices. As at 31 December 2025, DZ HYP had outstanding Green Pfandbriefe worth € 4.8 billion (2024: € 3.3 billion).

Retail Customers business

In the Retail Customers business, DZ HYP has launched the "Eco" product feature for home loan financings, which can be used by properties with low levels of energy consumption. The expansion of this product type is designed to allow clients to combine financial decisions with an ecological mindset. DZ HYP considers

this a key step towards meeting the growing demand for environmentally conscious financial solutions among retail customers.

Energy performance certificates are also requested as a disbursement condition if the property owner is required to produce one in accordance with the German Buildings Energy Act. DZ HYP records available sustainability data in the core banking system for an automatic sustainability classification.

Corporate clients

In the Corporate Clients segment, the extent to which the client/property or the financing project is sustainable from an environmental or social perspective is always evaluated as part of the credit decision. At the very beginning of a business relationship, it is crucial to ascertain whether the borrower, the property or the project is associated with any potential reputational risks from an ESG perspective. As a fixed component of the new business process, DZ HYP collects energy performance certificates and other certificates to classify the financed property. In the existing portfolio, the Bank also obtains these documents with the aim of increasing transparency. The new business is classified in accordance with the Green Bond Framework and the exclusion criteria are checked. The new business process also examines climate risks. The Back Office is responsible for administering and implementing the associated ESG risk policy.

Binding ESG lending criteria in the form of requirements for energy efficiency classes G and H were implemented starting on 1 January 2025. Properties with energy efficiency classes G or H may entail increased risks with regard to sustainable and efficient usability, which in turn may impair the value and earnings capacity of these properties. Against this background, DZ HYP generally requires evidence that domestic com-

mercial properties with energy efficiency classes G and H are transformed either on the basis of a refurbishment concept supported and financed by the Bank or through the use of its own funds or third-party funding (exception: listed buildings). In the residential real estate segment, the Bank requires clients to provide an overall energy refurbishment concept at portfolio level (social criterion: provision of housing).

DZ HYP has joined the ECORE initiative so that it can assess additional sustainability criteria relating to clients and projects.

Public-sector clients

Municipalities are instrumental when it comes to implementing sustainable action at global, national and federal state level. DZ HYP's municipal clients can only achieve their environmental and social objectives if they are also thriving economically and financially and are benefiting from strong governance. The DZ HYP sustainability ranking is a key component of the municipal lending and decision-making process, and ensures that sustainability aspects are given greater consideration. Using a number of key indicators, a multidimensional sustainability assessment is carried out for all German municipalities based on the 17 United Nations Sustainable Development Goals (SDGs). In 2024, the ranking system was extended to include a dynamic component designed to assess the sustainability development of the municipalities at all evaluation levels.

Sustainability is also relevant for DZ HYP's securities portfolio with its strong bias towards public-sector borrowers. As with its other portfolios, DZ HYP has integrated its own ESG assessment method into the credit quality analyses and lending decision process.

SUSTAINABLE FUNDING

DZ HYP is committed to making a significant contribution to sustainable development in the real estate sector with specific policies, measures and objectives. Energy-efficient properties form the basis for funding through Green Pfandbriefe. The table below describes the material impact associated with issuing Green Pfandbriefe.

MATERIAL IROS IDENTIFIED FOR SUSTAINABLE FUNDING

IRO type	Description	Dimension
Positive impact	DZ HYP makes an active contribution to the sustainable transformation of the real estate sector and helps it to transition to a lower-carbon economy.	Banking business

Policies on sustainable funding

DZ HYP's Green Bond Framework provides the basis for issuing Green Pfandbriefe, enabling investors to invest in the sustainable transformation of the real estate sector and contribute to a lower-carbon economy.

In January 2022, DZ HYP published its first Green Bond Framework, which provides comprehensive information on the Bank's Green Pfandbriefe. The Bank aligned this framework with the Green Bond Principles of the International Capital Market Association (ICMA) as well as with the minimum standards for Green Mortgage Pfandbriefe issued by the vdp that applied at the time.

On 18 December 2024, DZ HYP published a comprehensive update to its Green Bond Framework. The revised version complies with the vdp minimum standards for Green Mortgage Pfandbriefe that have been in force since 1 January 2025. By further developing the framework, DZ HYP is strengthening its position in the field of sustainable capital market products and

establishing the basis for issuing additional Green Pfandbriefe.

The DZ HYP Green Bond Framework is subject to regular review to ensure ongoing compliance with regulatory requirements and adapt it to changing market conditions as necessary. Treasury is responsible for updating and further developing the framework.

DZ HYP sets great store by informing investors and stakeholders about the use of green bond proceeds and their impact on the environment. That is why the Bank publishes an annual Green Bond Report to provide details on the use of funds and climate impact achieved with its outstanding Green Pfandbrief issues. This Green Bond Report is prepared once a year as at 31 December and is published in the first quarter of the subsequent year. In total, € 4,806 million in Green Pfandbriefe was outstanding as at year-end 2025 (2024: € 3,296 million).

Sustainable funding objectives

DZ HYP is actively involved in the sustainable transformation of the real estate sector in Germany by financing energy-efficient properties. These properties form the basis for issuing Green Pfandbriefe, which are linked to clearly defined eligibility criteria in order to achieve a transparent and traceable environmental impact.

To date, the Bank has not defined any measurable targets for managing material impacts, risks and opportunities in connection with Green Pfandbriefe. It has yet to set any quantitative targets because the annual volume of new Green Pfandbrief issues depends on the availability and maturity profile of assets within the mortgage cover pool that are classified as green.

Sustainable funding measures

Since 2022, DZ HYP has commissioned the consulting firm Drees & Sommer to review the assets for eligibility and to calculate the associated carbon savings for the impact report. This independent review underscores the quality and transparency of the reported data. As well as this, the Bank has its annual Green Bond Report reviewed by an independent external party. This external review confirms compliance with the provisions of the Green Bond Framework and the ICMA reporting standards as well as with relevant market standards for calculating the impact relating to Green Pfandbriefe.

GREENHOUSE GAS EMISSIONS

Ecological responsibility

Within the DZ BANK Group's Competence Centre Environment, DZ HYP has worked with other Group companies to elaborate principles for calculating carbon emissions. Because the financed emissions in the banking business fall under scope 3 emissions, GHG emissions are presented as an aggregate figure for banking operations and the banking business. In accordance with the Greenhouse Gas (GHG) Protocol, DZ HYP records its GHG emissions in CO₂e for the following categories:

Scope 1 emissions

Direct emissions from within the system under review. At DZ HYP, these include:

- » the fleet (fuel),
- » self-generated energy,
- » volume of refrigerant loss,
- » emergency power.

Scope 2 emissions

Indirect emissions from externally generated energy (in particular, electricity and heating), shown as market-based accounting and location-based accounting:

- » purchased electricity or
- » purchased heat,
- » electricity for the data centre.

Scope 3 emissions

Other indirect emissions, e.g. related to transportation and logistics, the use of products and services, supply and disposal for our service providers, and business travel. These emissions can also occur at any level of the upstream or downstream value chain:

- » Cloud computing and data centre services
- » Waste production
- » Paper consumption
- » Water consumption
- » Business travel

- » Commuting
- » Mobile working
- » Events
- » Building remodelling, office furniture, office equipment
- » Refrigerants and extinguishing agents
- » IT resources and software
- » Rented space
- » Financed emissions

A uniform procedure for determining consumption data from the ecological responsibility perspective was defined in consultation with the DZ BANK Group. To determine annual consumption, all available data as at the reporting date (30 September) or earlier in the year under review is used, taken from previous years or estimated by experts. These figures are extrapolated to the calendar year (as at 31 December). Given the limited data availability to date, this collection method combines actual and projected data to reach a sound overall analysis. DZ HYP calculates its operational indicators (scope 1, 2 and 3 emissions) based on the VfU indicator system (Association for Environmental Management and Sustainability in Financial Institutions). The Bank identifies its main emission sources and calculates the GHG emissions using the tool. Based on the consumption data determined as described above, greenhouse gas emissions were calculated using ecoinvent's emission factors (version 3.10) and other sources from the VfU tool (version 2024 1.4, 25 Nov 2024). Additional emission factors published by public authorities – e.g. national fuel mixes – were also included in the calculation. These are mandatory when using the VfU tool to calculate greenhouse gas emissions from operations. Further information on financed emissions can be found in the "Indicators on Greenhouse Gas Emissions" section.

Back in 2024, DZ HYP conducted a significance analysis of its scope 3 emissions for the first time. The analysis is repeated at least every three years or on an ad hoc basis, i.e. either if a significant event occurs or if the circumstances surrounding the full scope 3 greenhouse gas emission inventory change considerably. The significant categories that were identified only take DZ HYP's emissions into account and are consistent with those of the DZ BANK Group. The categories "Purchased goods and services" (1), "Capital goods"

(2), "Fuel and energy-related activities" (3), "Business travelling" (6), "Employee commuting" (7) and "Downstream leased assets" (13) were assessed as significant as they exceeded the significance level of 3 per cent. The "Upstream transportation and distribution" (4) and "Upstream leased assets" (8) categories were assessed as not significant. Even though it is classified as not significant, the category "Waste generated in operations" (5) is included in the analysis due to high stakeholder demand.

As "Downstream transportation" (9), "Processing of sold products" (10), "Use of sold products" (11), "End-of-life treatment of sold products" (12) and "Franchises" (14) do not apply to financial service providers, no data has been calculated for these categories.

Financed emissions

Absolute financed carbon emissions (scope 3 category 15) are calculated separately from the operational carbon emissions. They are calculated based on PCAF ("Partnership for Carbon Accounting Financials"), the market standard for calculating and reporting financed GHG emissions. The greenhouse gas emissions reported are CO₂ equivalents (CO₂e), which include all greenhouse gases specified in the Kyoto Protocol (carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride) and are expressed as CO₂ equivalent values. The methods and values reported below relate to financed emissions.

In general, the financed emissions associated with a transaction are calculated pro-rated to the total emissions of the financed business partner. In line with the PCAF standard, the relevant share is calculated based on the attribution factor, namely by determining the share of the outstanding amount for the transaction in relation to the customer's current enterprise value. The "Accounting and Reporting of GHG Emissions from Real Estate Operations" technical guidance published by the Global Real Estate Sustainability Benchmark ("GRESB"), PCAF and CRREM provides a standard for calculating financed emissions from real estate. This is used by DZ HYP to calculate the financed emissions of properties in the corporate client and retail customer portfolios. Accordingly, the attribution factor corresponds to the ratio of that part of the loan volume that

is collateralised by land charges on the property to the property's market value. The carbon emissions from property operations are calculated based on the energy certificates provided by business partners, where such certificates are available. If they are not available, estimates are used instead. An in-house estimation method is used for the Corporate Clients segment and takes into account the type of building and its year of construction. The estimation method was calibrated by examining a sample of the energy performance certificates obtained that was considered to be representative of DZ HYP's portfolio. If the data coverage was not sufficient, CRREM average values were used or assumptions were applied regarding the available heating source. The emission factors for calculating building emissions are based on the CRREM publications and Annex 9 to the German Buildings Energy Act.

At present, DZ HYP does not use any primary data to collect figures on financed emissions. Primary data refers to emissions data that is measured and provided directly by the customer. It also includes emissions data that can be obtained from external data providers. Only emissions data that data providers have marked as stemming from reports is taken into account. The quality of this data depends on the data provider. Primary data is actual consumption data from property operations and is not the same as data taken from energy performance certificates.

Because estimation methods are sometimes used to calculate financed carbon emissions, the results are – as explained above – subject to some degree of measurement uncertainty. In particular, this is because client-specific data has to be based on models or average values in cases where no data is available. This approach is based on the assumption that clients produce country-specific emissions and that an average value can be applied accordingly.

DZ HYP is aware that calculating financed emissions involves challenges, particularly when it comes to data accuracy. Methods and processes are planned to be continuously improved in order to meet these challenges. This includes reviewing and updating the models and assumptions used to ensure that the reported emissions are as accurate as possible and reflect the most recent data available.

The estimation approach for calculating emissions for the Retail Customers segment is based on the results of the EU-funded TABULA project, which was tasked with developing building typologies to assess the energy efficiency of residential buildings. The emissions factors for calculating building emissions are based on the CREM publications and Annex 9 to the German Buildings Energy Act.

Indicators on greenhouse gas emissions

DZ HYP reports the greenhouse gas emissions resulting from its banking operations as CO₂ equivalents. The emission factors from the VfU tool are used to calculate these emissions. Data is collected on emissions resulting from direct combustion, including fuel consumption in the vehicle fleet and refrigerant losses (scope 1), emissions from electricity and district heating consumption (scope 2), as well as emissions generated in the upstream and downstream value chain (scope 3, operational). The indicators are not validated by an external body.

The contractual instruments for market-based scope 2 emissions include various mechanisms and agreements that companies can use to reduce their indirect greenhouse gas emissions from purchased energy. Bundled contractual instruments are traded together with the energy generated to furnish evidence of specific characteristics (for example renewable energy). 52.85 per cent of the market-based scope 2 GHG emissions reported in the table for the 2025 financial year (2024: 40.7 per

cent) are covered by bundled contractual instruments. No unbundled contractual instruments were traded in the financial year under review and potentially covered greenhouse gas emissions were not considered.

To determine the scope 3 emissions presented in the table, all available data as at the reporting date (30 September) or earlier in the year under review is used, taken from previous years or estimated by experts. These figures were then extrapolated to the calendar year (31 December) following the corresponding Group guidelines, with different methodologies for different emission sources. This approach was adopted in light of the current limitations in data availability and is intended to ensure that data is made available in good time as well as being collected and processed properly and, where necessary, extrapolated consistently. To provide a complete and representative picture of the financial year as a whole, the data collected as at 30 September was extrapolated for the fourth quarter as described above. This collection method combines actual and projected data to reach a sound overall analysis. As at 30 September, 42 per cent of operational scope 3 greenhouse gas emissions (categories 1 to 14) were determined on the basis of activity data derived from primary data sources (previous year: 58 per cent). Due to methodological advancements introduced during the year under review, greenhouse gas emissions from events and client-related activities (3.1) – together with cost-based estimates for scope 3.1 building remodellings and office equipment and scope 3.2 IT equipment – are no longer classified as primary data.

The table below shows DZ HYP's GHG emissions.

in t CO ₂	Baseline year	Comparison	N (2025)	% N / N-1	2025	2030	(2050)	Annual target/baseline year
SCOPE 1 GHG EMISSIONS								
Gross scope 1 GHG emissions (t CO ₂ e)	1,552	1,552	2,146	38.3%				
Percentage of scope 1 GHG emissions from regulated emission trading schemes	0	0	0	0%				
SCOPE 2 GHG EMISSIONS								
Gross location-based scope 2 GHG emissions (t CO ₂ e)	2,060	2,060	2,415	17.2%				
Gross market-based scope 2 GHG emissions (t CO ₂ e)	670	670	477	-28.8%				
SIGNIFICANT SCOPE 3 GHG EMISSIONS								
Total gross indirect (scope 3) GHG emissions (t CO ₂ e)	1,885,520	1,885,520	2,372,673	25.8%				
1 Purchased goods and services	905	905	1,359	50.2%				
(Optional sub-category: Cloud computing and data centre services)			1					
2 Capital goods	526	526	151	-71.3%				
3 Fuel and energy-related activities (not included in scope 1 or scope 2)	1,519	1,519	1,501	-1.2%				
4 Upstream transportation and distribution	0	0	0	0%				
5 Waste generated in operations	18	18	65	261.1%				
6 Business travelling	189	189	155	-18.0%				
7 Employee commuting	1,184	1,184	733	-38.1%				
8 Upstream leased assets	0	0	0	0%				
9 Downstream transportation	0	0	0	0%				
10 Processing of sold products	0	0	0	0%				
11 Use of sold products	0	0	0	0%				
12 End-of-life treatment of sold products	0	0	0	0%				
13 Downstream leased assets	970	970	175	-82.0%				
14 Franchises	0	0	0	0%				
15 Investments	1,880,208	1,880,208	2,368,533	26.0%				
TOTAL GHG EMISSIONS								
Total GHG emissions (location-based) (t CO ₂ e)	1,889,132	1,889,132	2,377,234	25.8%				
Total GHG emissions (market-based) (t CO ₂ e)	1,887,742	1,887,742	2,375,296	25.8%				

Refer to
"Guidelines and objectives in banking operations" and
"Guidelines and objectives in the banking business"

The table below breaks down DZ HYP's financed emissions into scope 1, scope 2 and scope 3 emissions to ensure transparent and accurate reporting. In addition,

data quality according to PCAF (DQ score) is assessed on a scale from 1 to 5.

	Scope 1	Scope 2	Scope 3	DQ Score
Financed emissions (tCO₂e)	876,627	426,019	1,065,887	3.7

The following table shows the intensity of total greenhouse gas emissions in relation to net income (€ 3,116.4 million in the year under review; 2024: € 3,922.3 million) in tonnes of CO₂ equivalent.

Net income comprises the sum of interest income, current income, income from profit-pooling, profit transfer and partial profit transfer agreements, commission income and other operating income.

TOTAL GHG EMISSIONS PER NET REVENUE (T CO₂E/€)

	2025	2024
Total GHG emissions (location-based) per net revenue (t CO₂e/€)	0.000763	0.000482
Total GHG emissions (market-based) per net revenue (t CO₂e/€)	0.000762	0.000481

GHG removals and carbon credits

DZ HYP has not launched any specific projects aimed at storing or removing greenhouse gases in its own opera-

tions or in the upstream and downstream value chain. No carbon credits were purchased either.

BIODIVERSITY AND ECOLOGICAL DIVERSITY

Through a global assessment, the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) has highlighted the central role the climate plays for biodiversity and ecosystem performance. Against this background, all climate-related targets, measures and guidelines described in the “Environment” chapter are also of relevance for the protection and promotion of biodiversity. As part of its qualitative materiality analysis, DZ HYP determined the actual and potential risks related to pollution and biodiversity at its locations. It did not carry out a more detailed site-specific analysis because these locations are predominantly situated in urban areas. In DZ HYP’s resilience analysis, the front-office divisions represent stakeholders. Further information can be found under “DZ HYP: A resilient business model”.

MATERIAL IROS IDENTIFIED RELATING TO BIODIVERSITY AND ECOSYSTEMS

IRO type	Description	Dimension
Adverse impact	Financing construction projects or buildings, including new developments, contributes to the deterioration of biodiversity and ecosystems if no appropriate measures are taken.	Banking business

Policies on biodiversity and ecosystems

DZ HYP applies the same exclusion criteria as the DZ BANK Group. These criteria not only define climate-related standards, but also set benchmarks with a direct link to biodiversity and ecosystems. The “deforestation” exclusion criterion, for example, prohibits the financing of trading activities that are directly linked to illegal logging, slash-and-burn practices and/or the conversion of tropical and/or primary forests and other protected areas. The latter include high conservation value forests and areas, UNESCO World Heritage Sites and natural habitats under categories I and II of the International Union for Conservation of Nature and Natural Resources. The “significant environmental hazards” criterion excludes the financing of businesses or projects that pose substantial risks to the environment. Further information can be found in the “Sustainable Banking” chapter.

With DZ HYP’s support, DZ BANK undertook an in-depth sector-specific examination of biodiversity and ecosystems within the “Nature” module of its existing sustainability programme during the year under review. Construction projects contribute to land take, which can restrict habitats and lead to further losses of ecosystem performance. The aim of this in-depth examination was to identify impacts, establish a knowledge base and derive initial action points.

Targets relating to biodiversity and ecosystems

The areas of biodiversity and ecosystems are still being finalised at DZ HYP, which is why no quantitative targets have been set so far.

Measures relating to biodiversity and ecosystems

DZ HYP is part of the ECORE initiative (ESG Circle of Real Estate), which allows the Bank to collect comprehensive sustainability data when assessing clients and projects. This also includes the collection of biodiversity parameters, such as data on greening measures, which serve as a basis for the future development of initiatives.

In connection with the DZ HYP sustainability ranking for municipalities, the Bank also collects several biodiversity metrics and incorporates them into the municipal lending process. These include the proportion of green versus sealed areas, forest coverage and water quality.

As well as this, DZ HYP is currently in the process of implementing the requirements for a biodiversity risk measurement methodology set out in the European Banking Authority's (EBA) guidelines on the management of ESG risks. One key step in this regard is developing a measurement methodology for biodiversity and environmental risks, which is scheduled to be completed in the 2026 financial year.

Complying with the German Federal Nature Conservation Act is mandatory for the Bank's clients and is reviewed through the relevant building permits.

DISCLOSURES PURSUANT TO ARTICLE 8 OF REGULATION (EU) 2020/852 (TAXONOMY REGULATION)

Information on methodology and status of the EU Taxonomy Regulation

The aim of the EU Action Plan on Financing Sustainable Growth, published in March 2018, is to reorient capital flows effectively towards environmentally sustainable activities. This requires a uniform understanding and clearly defined criteria for ecologically sustainable activities.

The EU Taxonomy Regulation, which entered into force in 2022, provides this very foundation by defining criteria for environmentally sustainable economic activities and by setting out associated disclosure requirements in Article 8 of the EU Taxonomy Regulation.

There are six environmental objectives at the core of the EU Taxonomy Regulation:

- 1 Climate change mitigation
- 2 Climate change adaptation
- 3 Sustainable use and protection of water and marine resources
- 4 Transition to a circular economy
- 5 Pollution prevention and control
- 6 Protection and restoration of biodiversity and ecosystems

The six environmental objectives are defined in greater detail in accordance with Articles 10(3), 11(3), 12(2), 13(2), 14(2) and 15(2) using technical screening criteria set out in Delegated Acts. In July 2025, the European Commission adopted a Delegated Act to minimise red tape for companies reporting under the EU Taxonomy, published with a delay on 8 January 2026. This resulted in the following material changes in its mandatory EU Taxonomy disclosures as at the reporting date 31 December 2025 compared with the prior-year reporting date of 31 December 2024:

- » The number of reporting templates was significantly reduced. The previous templates for gas and nuclear activities were cancelled, with the related disclosures being integrated into the “GAR sector information” template.
- » The methodology for calculating the Green Asset Ratio (GAR) was adjusted: the denominator no longer includes assets that cannot be included in the numerator.
- » The scope of quantitative disclosures in the templates was reduced.

As a result of the Delegated Act, the initially planned first-time application of the detailed templates 6 and 7 was postponed. These templates will not be required to be disclosed until 31 December 2027.

Table format requirements are to be met for the mandatory disclosures on the Green Asset Ratio. These requirements are set out in detail in Delegated Regulation EU/2021/2178 of 6 July 2021 (in particular Annexes V and VI).

Scope of mandatory and voluntary EU taxonomy disclosures

In its management report, DZ HYP only publishes mandatory EU taxonomy disclosures, i.e. disclosures that are made within the narrow methodological framework set out in the EU Taxonomy Regulation for companies subject to reporting requirements.

Pursuant to the EU Taxonomy Regulation, voluntary disclosures cannot be made within mandatory disclosures; if voluntary disclosures are made, they are to be distinguished from the mandatory disclosures.

Explanatory information on the structure of assets in the mandatory disclosures on the Green Asset Ratio

The presentation of results in DZ HYP's mandatory disclosures meets the relevant requirements set out in the EU Taxonomy Regulation. The balance sheet structure required under the EU Taxonomy Regulation is implemented on the basis of the Financial Reporting framework (FINREP) and supplemented with the additional

disclosures required. In the segment Retail Customers, additional disclosures are made in “of which” items, which do not necessarily match the total item when added up.

Within this balance sheet structure, the European Commission has introduced the concept of total GAR assets, which form the denominator of the GAR calculation.

Only a portion of these total GAR assets may be included in the numerator of the GAR, provided that they finance defined activities and comply with the relevant technical screening criteria. This applies essentially to CSRD-reporting financial undertakings, CSRD-reporting non-financial undertakings, households and local housing companies. The defined activities are presented in the top part of the “Overview of assets used to calculate the Green Asset Ratio” in DZ HYP’s mandatory disclosures.

Assets such as central bank balances, the trading book and exposures to governments and supranational issuers are excluded when calculating the Green Asset Ratio.

Within these detailed quantitative disclosures relating to the EU Taxonomy, inflows of assets that are not included in the GAR calculation were determined using the simplified method of “closing balance as at the reporting date minus closing balance as at the previous year’s reporting date”. This means that negative values for inflows indicate that the balance of these assets has decreased year on year.

DZ HYP identified whether the relevant clients fell under the scope of the CSRD on the basis of certain criteria as required by Articles 19a or 29a of Directive 2013/34/EU (Accounting Directive). If a subsidiary reports its own key financial indicators, these are used to determine the taxonomy-related metrics. If a subsidiary does not report separate key financial indicators, the taxonomy metrics are derived from the parent. The same approach was taken for special-purpose vehicle structures. This check is based on the information from the annual financial statements that is available at the level of the individual customer or, if a group structure is involved, on the basis of the information

published in the consolidated financial statements of the parent company. In line with the requirements set out in the EU Taxonomy Regulation, DZ HYP presents the gross carrying amounts of the assets in the mandatory disclosures on the Green Asset Ratio (as with FIN-REP). In the 2025 financial year, the CSRD reporting obligation was operationalised through the counterparty’s reporting obligation under the NFRD. Once the NFRD has been replaced by the CSRD and transposed into national law, this approach will be adjusted accordingly.

Explanatory information on the EU Taxonomy classification

For the purposes of the EU Taxonomy, DZ HYP classifies the relevant assets in accordance with the methodological requirements set out in the EU Taxonomy Regulation.

Where the European Commission stipulates that certain assets must be checked for EU taxonomy eligibility and alignment, it is necessary to decide which of the two possible methods – the KPI method or the individual transaction method – should be used.

If the use of funds for the asset or funding is not specified in the agreement with the customer, the EU taxonomy eligibility and alignment must be assessed at the level of the entire business relationship with the customer (key performance indicator (KPI) method). In this method, DZ HYP obtains the EU taxonomy KPIs published by the customer and assesses the assets to be classified pro rata in line with the customer’s KPIs as EU taxonomy-eligible or EU taxonomy-aligned. If the use of funds for the asset or funding is not specified in the agreement with the customer, the EU taxonomy eligibility and alignment must be assessed at the level of the entire business relationship with the customer (key performance indicator (KPI) method).

In those DZ BANK Group subsidiaries that provide private real estate loans (Bausparkasse Schwäbisch Hall and DZ HYP), the individual transaction method is to be applied to private households due to the specific use of funds. It is irrelevant whether the country where the borrower is based or the property is located is inside or outside the European Economic Area (EEA). In

cases involving properties outside the EEA, suitable proof of EU taxonomy alignment must be furnished. DZ HYP classifies financing arrangements that are eligible for an EU taxonomy classification and involve the specified use of funds by comparing the financing purpose against the EU Taxonomy requirements for financed activities. If the requirements for one of the defined environmental objectives are met and, at the same time, there is no significant risk to achieving the other environmental objectives (“do no significant harm” [DNSH]) and compliance with the minimum safeguards is ensured, the activity in question can be classed as EU taxonomy-aligned.

Checking EU taxonomy eligibility

DZ HYP checks EU taxonomy eligibility by comparing the purpose of the financing/use against the activities set out in the EU Taxonomy Compass.

The first step involves allocating real estate loans to one of the six environmental objectives in the EU Taxonomy. This is based primarily on the relevant sector and the technical screening criteria defined for that sector.

As a rule, all real estate loans for which technical screening criteria have been defined are EU taxonomy-eligible. This sort of financing is marked accordingly and is then

checked for EU taxonomy alignment. All other activities for which no technical screening criteria have been defined – meaning that they are not EU taxonomy-eligible – are not analysed any further and are definitively marked as taxonomy-non-eligible and taxonomy-non-aligned.

Checking EU taxonomy alignment

a) Allocation to an environmental objective

Real estate loans are to be allocated to the “Construction and real estate activities” sector. The technical screening criteria for the “Construction and real estate activities” sector are described in Annexes I and II of Delegated Regulation (EU) 2021/2139. These define the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives. Economic activities in the “Construction and real estate activities” sector can generally be allocated to the environmental objectives 1 “Climate change mitigation”, 2 “Climate change adaptation” or 4 “Transition to a circular economy”. Activities not listed in the table below are not currently included in DZ HYP’s portfolio.

ENVIRONMENTAL OBJECTIVE

Activity	Climate change mitigation	Climate change adaptation	Transition to a circular economy
Construction of new buildings	X	X	X
Renovation	X	X	X
Acquisition and ownership	X	X	

As the share of the financing amount attributable to the environmental objective “Climate change adaptation” is not usually reported separately in the context of the overall financing arrangement, DZ HYP does not have sufficient information at its disposal to assess EU taxono-

my alignment for this environmental objective. This means that the following description of the technical screening criteria only relates to the environmental objective “Climate change mitigation”, to which all of the activities mentioned are assigned.

b) Technical screening criteria

The technical screening criteria for all economic activities are defined in Delegated Regulation EU/2021/2178 of 6 July 2021 (Annex I). The activities described in chapter 7 “Construction and real estate activities” are particularly relevant for DZ HYP. These are outlined in brief below.

Information from the energy performance certificate is needed to check the technical screening criteria for private and commercial real estate loans. This is why new clients are required to submit energy performance certificates as a mandatory requirement as part of the lending process.

As far as DZ HYP's existing clients are concerned, an external service provider will in future – as indicated last year – collect energy and refurbishment data on the existing loan portfolio, both at portfolio and individual borrower level. DZ HYP is currently in final discussions on this.

Real estate loans that were classified and marked as EU taxonomy-eligible in the previous step, and for which an energy performance certificate is available, are then checked for EU taxonomy alignment by comparing the data from the energy performance certificate against the technical screening criteria under 7.1–7.7.

The procedure for checking EU taxonomy alignment within the individual taxonomy activities is explained below:

7.1 Construction of new buildings:

The following technical screening criteria apply to both use types – “Construction of new buildings” and “Acquisition and ownership of buildings” – for buildings approved after 31 December 2020:

- » The property's Primary Energy Demand (PED) is at least ten per cent lower than the threshold set for the nearly zero-energy building (NZEB) requirements: The PED is compared against the reference requirement from the energy demand certificate ($PED \leq 90$ per cent of the reference requirement).
- » Buildings spanning an area of more than 5,000 square metres must undergo testing for air tightness and thermal integrity (or, alternatively, robust and traceable quality control processes are to be carried

out during the construction process); in addition, the life-cycle Global Warming Potential (GWP) of the new building must be calculated for each stage in the life cycle.

- » DZ HYP has financed only a very limited number of properties with a gross floor area of more than 5,000 square metres.

7.2 Renovation of existing buildings:

- » Renovation reduces the PED by at least 30 per cent: in the event of classification, the previously confirmed PED prior to the renovation work is compared, for example, with the PED shown in the energy performance certificate after the renovation work.

7.6 Installation, maintenance and repair of renewable energy technologies:

- » The individual measure comprises the installation, maintenance and repair of renewable energy technologies (for example photovoltaic systems): in the event of classification, loans to be used for “Renewable energies” meet the screening criterion and are used for the further DNSH review.

7.7 Acquisition and ownership of buildings:

- » Buildings whose permit was applied for before 31 December 2020 have at least energy efficiency class A.
- » Alternatively, the building ranks among the top 15 per cent of buildings nationwide: the energy efficiency class shown in the energy performance certificate is checked. Alternatively, the property fulfils the criteria required to be included in the top 15 per cent of buildings nationwide (for example, according to the “Drees & Sommer” study).
- » Buildings whose permit was applied for after 31 December 2020 are evaluated based on the criteria for activity 7.1.

If the real estate loan meets the criteria for contributing substantially to an environmental objective, compliance with the DNSH criteria is checked in the next step. If the criteria for contributing substantially to an environmental objective are not met, the DNSH criteria are not checked and the financing arrangement in question is marked, in the data interface, as not being

EU taxonomy-aligned. As such, it is only included in the denominator for the purposes of calculating the Green Asset Ratio (GAR).

c) Do no significant harm

Private and commercial real estate loans that meet the “substantial contribution” screening criteria are then checked to see whether they meet the DNSH criteria. In particular, a climate risk and vulnerability analysis has to be performed for real estate loans.

Properties are analysed at house number level using risk maps, weather maps and climate scenarios to identify material climate risks, and are then allocated to risk classes.

Properties classified as high-risk for at least one climate risk must be checked for adaptation solutions as part of the next step. If no risk-mitigating measures have been taken, the loan is classified as taxonomy-non-aligned.

Real estate loans which – following the review based on the climate risk and vulnerability analysis and the adaptation solutions that have been implemented – are only associated with a low or moderate risk can be classified as EU taxonomy-aligned.

In accordance with paragraph 266 of EBA/GL/2020/06, building insurance is mandatory for loans secured by property. The building insurance for these loans is imposed as a condition in the loan agreement or in the declaration of purpose for the land charge. Clients generally have to submit evidence of this cover to the Bank at the time of disbursement, or at the Bank’s request.

The building insurance has to cover the risks of fire, burst pipes, storm and hail at the very least. If the building insurance covers the high risks identified, meaning that it can be classed as a risk-mitigating measure, the real estate loan is considered to be taxonomy-aligned. These risks are marked accordingly and are included in the numerator and denominator when calculating the GAR.

According to the FAQs, other DNSH criteria (for example, evidence that 70 per cent of construction and demolition waste can be recycled) do not have to be

checked for economic activity 7.7, regardless of the year in which the building was constructed.

An assessment of DNSH criteria is required for activity 7.1. For the use types “Purchase” and “First acquisition”, the technical screening criteria defined in the “Construction of new buildings” section 7.1 are relevant for assessing EU Taxonomy alignment. The DNSH criteria to be applied correspond to those of section 7.7 “Acquisition and ownership of buildings”. The technical screening assessment is carried out on the basis of a valid, officially registered energy performance certificate indicating the relevant energy efficiency class.

d) Minimum safeguards

There is no need to check compliance with minimum safeguards for private real estate loans. These loans are assumed to comply with the safeguards.

In the case of Corporate Clients, an individual review of compliance with the minimum safeguards by all clients subject to the NFRD/CSRD is currently under way based on documents furnished by the clients themselves.

Explanatory information on data sources and limitations

Explanatory information on the availability of EU Taxonomy ratios in cases involving corporate clients

DZ HYP has based its EU Taxonomy classification of corporate clients on the KPI method, predominantly on information published by clients. Data is currently obtained from internet research performed by DZ HYP itself. DZ HYP has not used any estimates whatsoever for the EU Taxonomy classification of corporate clients using the KPI method.

In the event that DZ HYP does not know what the funds are being used for, the CapEx and turnover ratio published by the company is used to calculate the taxonomy-aligned share, as the product of the relevant ratio and the volume financed.

Obtaining information from corporate clients when DZ HYP knows what the funds are being used for

In cases where DZ HYP knows what corporate clients are using the funds for, the transaction is classified based on the individual transaction method. In such cases, there is no need to obtain any further information.

If DZ HYP knows what the funds are being used for, then, as with private real estate loans, the financing is assigned to 7.1 "Construction of new buildings", 7.2 "Renovation of existing buildings", 7.6 "Installation, maintenance and repair of renewable energy technologies" or 7.7 "Acquisition and ownership of buildings". An exact definition of the individual activities can be found in the chapter entitled "Information on methodology and status of the EU Taxonomy Regulation".

If the requirements for one of the defined environmental objectives are met and, at the same time, there is no significant risk to achieving the other environmental objectives (DNSH) and compliance with the minimum social safeguards is ensured, the activity in question can be classed as EU taxonomy-aligned.

Explanatory information on the availability of customer data for retail customers

Retail business can generally be split into two categories: "Use of funds known" and "Use of funds unknown".

The first category tends to involve real estate loans. As there is no publicly available data for this sort of financing, data availability and data coverage for existing properties is still, for the main, a work in progress. To enhance portfolio transparency, the following measures have been implemented:

- » Requesting energy performance certificates in new business for the categories "Purchase", "Purchase and modernisation" and "Construction of new buildings" (since Q4/2022)
- » Recording energy performance certificates in the loan management system (SAP CML)
- » Mailing campaign: requesting energy performance certificates from selected clients where, due to the requirements of the German Building Energy Act, the existence of such a certificate can be assumed (Q2/2025)

- » Integration of KfW promotional programmes to support energy-efficient refurbishments and climate-friendly new builds

DZ HYP is currently in final discussions about the acquisition of energy efficiency data via an external service provider for its Retail Customers business.

Financing in the retail business where no information is available on the use of funds is neither taxonomy-eligible nor taxonomy-aligned due to the requirements set out in the EU Taxonomy Regulation.

Explanatory information on flow reporting

Based on the current interpretation of the EU Taxonomy Regulation, the flow of assets in the 2025 financial year is to be determined and recognised via a definition of new business.

Explanatory information on the development of the type and objectives of taxonomy-aligned economic activities within DZ HYP

Under the new GAR calculation methodology, some of the taxonomy-non-eligible or non-aligned business is no longer considered when calculating the numerator. This provides a more accurate picture of the taxonomy-eligible and taxonomy-aligned business activities.

On-balance sheet

DZ HYP's total assets came to € 85,726 million as at 31 December 2025 (2024: € 85,931 million). DZ HYP's GAR assets came to € 33,562 million (2024: € 84,473 million) as at 31 December 2025 (39.15 per cent of total assets, 2024: 98.3 per cent of total assets). These include assets of € 0 million (2024: € 57,681 million) (0 per cent of total assets, 2024: 67.1 per cent of total assets) that can only be used in the GAR numerator. Assets of € 52,163 million (2024: € 1,459 million) – 60.85 per cent of total assets (2024: 1.7 per cent of total assets) – are left out of the GAR calculation entirely.

DZ HYP's total Green Asset Ratio as at 31 December 2025 comes to 0.98 per cent (revenue-based) (2024: 0.1 per cent) or 0.99 per cent (CapEx-based) (2024: 0.1 per cent).

Off-balance sheet

The scope of the financial guarantees issued by DZ HYP as at 31 December 2025 that are to be taken into account in accordance with the requirements of the EU Taxonomy Regulation amounts to € 1 million (2024: € 1 million). The EU Taxonomy check for financial guarantees is carried out in the same way as for assets carried in the financial statements. The GAR in relation to these financial guarantees is 0 per cent (revenue-based) (2024: 0 per cent) and 0 per cent (CapEx-based) (2024: 0 per cent).

Compliance with Regulation (EU) 2020/852 in the financial company's business strategy, product development processes and cooperation with customers and counterparties

DZ HYP sees itself as a transformation partner for the real economy on the path towards a sustainable business model: within this context, it aims to exploit business opportunities arising from the strong demand for financing and investment solutions. An increase in EU taxonomy-aligned business would make a positive contribution to various ESG targets that DZ HYP has set in its business strategy (for example, with regard to the decarbonisation of its portfolio).

In order to make its credit portfolio more transparent and promote sustainable lending, the Bank has been focusing on classifying its lending business since 2022, with a particular emphasis on the energy efficiency and ecological components of the properties it finances.

In this connection, a range of green lending products was developed in the year under review. To this end, the "Eco" product feature was developed in the Retail Customers segment, offering an attractive interest rate discount for financing privately used real estate with a maximum energy consumption of 0.05 MWh/m² per year. 964 loans with the "Eco" label were realised as at the reporting date, i.e. 31 December 2025, equating to a total loan volume of € 278,624 thousand. Other products, also for the Corporate Clients business, are still being developed.

Quantitative EU Taxonomy disclosures made by DZ HYP

The mandatory reporting templates in accordance with the Annex to Delegated Regulation (EU) 2023/2486 are included in the Annex.

SOCIAL RESPONSIBILITY

EMPLOYEE MATTERS

This chapter deals with our employees (“Employee Matters” chapter), social commitment (“Social Commitment” chapter) and DZ HYP’s clients (“Clients” chapter). The social indicators in this report were prepared without being validated by an external agency.

As a responsible employer, DZ HYP constantly strives to offer its employees a healthy and safe working environment and attractive opportunities for development. The table below charts out the impacts and opportunities that are relevant to our own employees. The individual measures and the resources associated with them have not been quantified explicitly.

MATERIAL IROS IDENTIFIED FOR EMPLOYEES

IRO type	Description	Dimension
Positive impact	Fair, transparent remuneration and attractive benefits increase employee retention.	Banking operations
Positive impact	Flexible working models and health-promoting measures increase employee satisfaction.	Banking operations
Positive impact	Specific training and continual skills development strengthen employee satisfaction and performance.	Banking operations
Positive impact	An inclusive working environment promotes equal treatment of employees regardless of gender and other factors.	Banking operations
Positive impact	Promoting a respectful working environment increases employee satisfaction.	Banking operations
Adverse impact	Inappropriate working conditions, such as overtime or periods of high stress, increase psychological strain and absenteeism.	Banking operations
Opportunity	Better working conditions and specific training improve performance, health and competitiveness.	Banking operations
Opportunity	The Bank’s reputation as a fair employer with a diverse workforce boosts motivation and helps to retain existing and recruit new talent.	Banking operations

DZ HYP's employees

Motivated and skilled employees are DZ HYP's most vital resource because the Bank's economic success depends largely on their ability, dedication and hard work. Creating a working environment in which everyone is treated with respect, openness and fairness is not only essential for ethical and legal reasons but also because this sort of environment is a prerequisite for a company's long-term success.

DZ HYP's HR work is based on the labour and social standards of the International Labour Organization (ILO), as set out in the DZ BANK Group's Code of Conduct and the DZ BANK Group's Human Rights Guideline.

The Group Sustainability Committee (GSC) adopted a Human Rights Guideline that provides further details on the terms of the Code of Conduct as they relate to human rights. It also provides in-depth information on DZ HYP's positioning as a responsible employer. Adherence to the Guideline is not monitored at the Bank level but rather at the divisional level. With the Human Rights Guideline, DZ HYP is able to position itself with regard to fundamental human rights and sees compliance as a top priority. Through these voluntary commitments, DZ HYP wants to minimise the risk of human rights violations and, in turn, to help build a humane society and economy that offers equal opportunities for everyone. The Human Rights Guideline is a DZ BANK Group document and applies to all DZ HYP employees and their work. The highest-ranking organisational unit within DZ HYP with responsibility for implementing the Guideline is the HR Division Head.

DZ HYP sees itself as a responsible employer and wants to align its employees' needs with the prevalent economic conditions. It aims to do this by offering employees performance-related pay, flexible working hours and a family-friendly corporate culture. This is

complemented by an extensive continuing professional development programme, social benefits and occupational health management. The workforce includes all persons with an active work contract with DZ HYP (i.e. fixed-term or permanent, full or part-time as well as on-call), including all top-level managers, people in the active phase of partial retirement, trainees / junior staff, people in minor employment and people on parental leave or with other "dormant" contracts. Not included are interns, working students and students doing research for their PhD, Master's or Bachelor's thesis. The Management Board and other bodies are not included either.

During the 2025 financial year, the group of external workers includes ten agency workers as defined by the German Act on Temporary Agency Work (*Arbeitnehmerüberlassungsgesetz – "AÜG"*). These individuals are employed by a third-party company (the temporary work agency) but provide their services to another company (the user) for a specified period. They receive their remuneration from the agency and are subject to the instructions of the user during their assignment. The German Act on Temporary Agency Work is designed to ensure that agency workers receive comparable benefits to the permanent employees at the company to which they are assigned. This includes remuneration, holiday and Christmas bonuses, access to communal facilities and on-site childcare as well as specific social benefits. Consequently, all other objectives, policies, measures and procedures detailed hereafter apply exclusively to employees and not to external workers (defined as agency workers for the purpose of this year under review). DZ HYP complies with all national regulations regarding temporary agency work.

A total of 994 people work at DZ HYP (2024: 938). These 420 female (2024: 392) and 574 male employees (2024: 546) are all based in Germany, either at one of the Bank's two head offices in Hamburg and Mün-

DIVERSITY

DZ HYP treats all employees equally, regardless of their heritage, skin colour, religion, gender or gender identity, age, nationality, sexual orientation, marital status or degree of disability. DZ HYP adopted a Diversity Policy in this context in 2024.

DZ HYP's Diversity Policy

DZ HYP published its Diversity Policy in 2024, containing internal and external measures for employees to take, based on suitable packages of measures that were developed to combat discrimination. The Diversity Policy promotes a healthy work-life balance, communication among employees based on respect, along with anti-discrimination and generational diversity. It applies to all DZ HYP employees and is in the responsibility of Human Resources.

Diversity targets

Back in November 2020, the Management Board of DZ HYP set itself the target of having women account for 25 per cent of Division Heads and 25 per cent of Department Heads. When this target was introduced, the actual figures were 5.9 per cent for Division Heads and 20.3 per cent for Department Heads. The targets were set for the end of October 2025 and aimed to promote equal treatment and equal opportunities within DZ HYP.

As per this date and 31 December 2025, the women's quota for Division Heads was 25 per cent (2024: 12.5 per cent), meaning that the target was achieved.

While structural changes at DZ HYP and the Bank's ongoing efforts to promote female talent have borne fruit in recent years, they have yet to reach their full potential at the Department Head level. Although the quota rose to 22.9 per cent in the period under review, the Bank was still not able to fill two Department Head vacancies with women because the share of female candidates in the internal talent pool was not high enough to reach the target quota.

The German Act on Equal Participation of Women and Men in Leadership Positions in the Private and Public

Sectors (*Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst – "FüPoG"*) requires co-determined companies with more than 500 employees to define and publish mandatory targets for their supervisory board, management board and the two highest management levels (department/division heads).

In October 2025, DZ HYP's Management Board defined new targets for the women's quota for Division and Department Heads to be achieved by the end of October 2030. The new target is 31.25 per cent for Division Heads and 30 per cent for Department Heads. DZ HYP is also aiming to keep the proportion of women on the Management Board at 33.33 per cent and the proportion on the Supervisory Board at 27.78 per cent between now and 31 July 2028. The targets for the Management Board and the Supervisory Board were both met as at 31 December 2025.

In line with the specific requirements of the German Banking Act (*Kreditwesengesetz – "KWG"*) and the German Stock Corporation Act (*Aktiengesetz – "AktG"*), DZ HYP's Supervisory Board has defined time-limited targets for the proportion of the under-represented gender both on the Management and the Supervisory Board. It has also laid out a strategy for achieving these targets, which was included in DZ HYP's Diversity Policy. The targets are reviewed annually by the Supervisory Board, redefined in good time before the end of a set time limit and included in the Diversity Policy. The diversity targets are disclosed and discussed in the Management Report of the Annual Report. The targets for the women's share at the first and second management level are defined and regularly reviewed by the Management Board. They are redefined before the end of the time limit set by the Management Board pursuant to section 76 (4) of the AktG.

Diversity measures

A corporate culture that is geared towards equality and that gives all employees room for personal development is essential in order for any measure promoting diversity and equal opportunities to be successful.

DZ HYP's leadership guidelines highlight values such as appreciating employees and encouraging their personal development.

Employees are to be recruited irrespective of specific personal characteristics such as ethnic origin, religion, gender, age, nationality, sexual orientation, gender identity, marital status or degree of disability. In order to foster equal opportunities in the recruiting process, DZ HYP now uses inclusive wording that directly addresses people with disabilities in its job advertisements. The Bank is also committed to using inclusive language, for example through gender-neutral wording in job advertisements.

DZ HYP's central employer / works council agreement on succession planning includes a statement on the advancement of women. Having transparent processes and using objective criteria when filling vacant management positions are key for advancing women and establishing a culture of equality. Other measures for promoting diversity in the year under review included providing training on gender-specific communication and creating internal and external networking opportunities for women.

As well as this, all DZ HYP employees are obliged to complete training on the German General Equal Treatment Act (*Allgemeines Gleichbehandlungsgesetz – "AGG"*) when they join the Bank and every two years after that. This is to raise awareness of diversity and equality at the workplace. DZ HYP was also awarded AGG certification in the year under review. This demonstrates that non-discriminatory and responsible conduct is firmly anchored in the Bank's corporate culture and that DZ HYP works to ensure respect, diversity and equal treatment. DZ HYP values the diversity of its workforce and publicly committed to this principle in 2012 by signing the German Diversity Charter.

In 2022, the Bank also signed DZ BANK's Group Inclusion Agreement. One of the Agreement's goals is to raise awareness among all employees about the concerns of people with severe disabilities and their working environment.

DZ HYP's representative body for severely disabled employees and the Inclusion Officer represent the interests and concerns of employees with severe disabilities. The Diversity Policy is designed to promote a healthy work-life balance, communication among employees is based on respect, along with anti-discrimination and generational diversity.

The working hours system and the option for mobile working are conducive to a healthy work-life balance. DZ HYP's working hours system for its employees is governed by the employer / works council agreement on working hours. This agreement provides DZ HYP's employees with a framework within which they are to work their weekly target working hours. The employer / works council agreement on working hours also sets out provisions governing sabbaticals, working hours planning, mobile working, overtime and time recording. DZ HYP's employees are offered flexible working hours for a better work-life balance, governed by the relevant employer / works council agreements.

Mobile working is governed by the corresponding employer / works council agreements on hybrid working at DZ HYP. These agreements apply to all employees covered by the Hamburg and Münster works councils and are the responsibility of the HR Division Head and the relevant board division.

Another key part of the Bank's strategy is promoting the equal treatment of DZ HYP employees. This enhances the Bank's good reputation as a fair employer that takes a zero-tolerance stance against discrimination and actively promotes diversity. This also serves to reduce the risk of stakeholder trust being damaged by the Bank underestimating the importance of equal treatment.

DZ HYP did not measure the monetary resources made available for managing material impacts on employees during the reporting period.

Diversity indicators

The gender split at DZ HYP's top management level in the reporting period is shown below.

GENDER SPLIT AT DZ HYP'S TOP MANAGEMENT LEVEL AS AT 31 DECEMBER 2025

Gender	Number		Per cent	
	2025	2024	2025	2024
Men	12	14	75.0	87.5
Women	4	2	25.0	12.5
Non-binary	–	–	0	0
Not disclosed	–	–	0	0
TOTAL	16	16	1.6^{*)}	1.7^{*)}

*) Share of top-level managers in the total number of staff

To calculate the percentages, the number of employees at top management level by gender was divided by the number of employees at top management level, in each case on the reporting date before being

multiplied by 100. The top management level includes the Division Heads. The figure refers to the headcount.

The breakdown of DZ HYP's employees by age is as follows.

BREAKDOWN OF EMPLOYEES (HEADCOUNT) BY AGE AS AT 31 DECEMBER 2025

Age	Number		Per cent	
	2025	2024	2025	2024
Less than 30	94	94	9.5	10.0
Ages 30 to 50	502	467	50.5	49.8
Ages 50+	398	377	40.0	40.2
TOTAL	994	938	100.0	100.0

With regard to age structure, DZ HYP also strives to maintain a balanced mix of all age groups in the interest of ensuring equal treatment for all employees. This figure was calculated by taking the number of employees by age group on the reporting date and dividing it by the number of employees on the reporting date.

The proportion of severely disabled employees and employees with equivalent status at DZ HYP came to 3.2 per cent (2024: 2.9 per cent) in the 2025 financial year. 4.0 per cent of our female members of staff and 2.6 per cent of our male employees were disabled.

The total share was calculated by dividing the number of employees with a proven degree of disability of 50 per cent or more – and employees with a certificate attesting to their equivalent status owing to a degree of disability of between 20 and 50 per cent – on the reporting date by the number of employees on the reporting date. To calculate the shares by gender, the number of employees with a recorded disability, broken down by gender (taking into account legal restrictions on data collection), was divided by the total number of staff in the respective gender group and then multiplied by 100. The definition that applies to individuals with disabilities pursuant to section 2 (1) of Book IX of the German Social Code (SGB IX) is binding in Germany.

WORKING CONDITIONS AND PAY

DZ HYP's HR work is based on the ILO labour and social standards. As a responsible employer, the Bank wants to align its employees' needs with the prevalent economic conditions. This means offering employees performance-related pay, flexible working hours and a family-friendly corporate culture.

Code of Conduct

By complying with the DZ BANK Group's Code of Conduct, DZ HYP commits itself and its employees to acting responsibly, respecting international human rights, rejecting all forms of child and forced labour, treating each other with respect and ensuring good and sustainable corporate governance. DZ HYP is also dedicated to preventing white-collar crime and maintains a zero-tolerance stance against any criminal acts, corruption and market abuse within the Bank's workforce. Processes have been put in place to ensure compliance with the DZ BANK Group's Code of Conduct and allow employees to report any potential or actual violations while keeping their identity confidential. In this way, DZ HYP strives to ensure respect for human rights and to prevent child and forced labour in its own operations while protecting the confidentiality of employee identities. The Code of Conduct must be observed by all DZ HYP employees and the DZ BANK Group ensures that it is implemented. The Code of Conduct is the responsibility of the HR Division Head.

The information in the Code of Conduct relating to human rights is set out in greater detail in the DZ BANK Group's Human Rights Guideline. Please refer to the "DZ HYP's employees" chapter for more details on the Human Rights Guideline.

DZ BANK is a signatory to the UN Global Compact and submits an annual Communication on Progress for the DZ BANK Group. Through our parent company's participation in the UN Global Compact, DZ HYP also commits to the ten universally accepted principles of responsible conduct. This includes ensuring that the Bank is not complicit in human rights abuses.

The Bank recognises and strives to uphold human rights, in particular the Universal Declaration of Human Rights (UDHR) – which was adopted by the United Nations General Assembly – and the European Convention on Human Rights (ECHR). DZ HYP is strictly opposed to any form of forced or child labour.

Human resources strategy

DZ HYP's HR strategy takes into account the Bank's strategic direction as well as overarching themes such as sustainability and the digital transformation. It includes the following action areas: recruitment, employee loyalty and generational management, leadership and culture, social sustainability, learning and development, regulatory and statutory legal requirements, modern working and agility, digital transformation and AI, strategic HR planning, personnel costs and resource management, and co-determination. This defines the framework for DZ HYP's HR activities, which are implemented by Human Resources under the auspices of the responsible Division Head.

DZ HYP's remuneration strategy

DZ HYP is subject to the requirements set out in the DZ BANK Group's Group-wide remuneration strategy. Taking this strategy as a basis, the Management Board of DZ HYP has defined its own remuneration strategy for DZ HYP. This remuneration strategy is designed to help achieve the targets set out in the Bank's business and risk strategies, and also reflects the corporate culture. DZ HYP's remuneration strategy applies to all of the Bank's locations and business areas in Germany. The remuneration strategy is reviewed at least once a

year and, if necessary, is adjusted to ensure that it still complies with the latest requirements and objectives. No significant changes were made to DZ HYP's remuneration strategy in the year under review.

The main representatives of the key stakeholders involved in determining remuneration policies are the Bank's owners, the Central Works Council and the Works Council members in Hamburg and Münster. The Annual General Meeting elects shareholder representatives to the Supervisory Board, ensuring that the Bank's owners are involved in structuring the remuneration systems and receive information about them every year. In accordance with the co-determination rights stipulated in German works constitution law, the Central Works Council and the Works Council members in Hamburg and Münster also participate in structuring the remuneration systems.

DZ HYP ensures that its employees receive fair pay and that any applicable statutory benchmarks are adhered to. By implementing the requirements set out in the German Act to Promote Transparency of Pay Structures (*Entgelttransparenzgesetz* – "EntgTranspG") and the individual right to information implemented in accordance with section 10 of the EntgTranspG, DZ HYP ensures that its remuneration systems are transparent and can be verified by all employees. These remuneration systems are in line with market standards and are deemed by the Bank to be consistent with its sustainable culture and strategy. None of DZ HYP's employees are paid below the applicable benchmark for adequate wages (industry or collective pay scale comparison).

The remuneration paid to DZ HYP's employees consists of fixed remuneration and, as a rule, variable remuneration based on the Bank's performance. The size of the fixed remuneration component for employees covered by collective agreements is determined by the collective bargaining agreements for the private banking industry and public banks, the collective agreement for cooperative banks, and the cooperative central institution, in each case as amended. For employees who are not covered by a collective agreement, the fixed component of the remuneration is determined by status, market conditions and the employee's individual qualifications. The size of the variable remuneration component

generally depends on whether the employees reach their personal targets. However, depending on the remuneration system, it might also – or exclusively – depend on the Bank's performance. The variable remuneration component is not guaranteed. DZ HYP's remuneration systems are reviewed at least once a year to ensure they are appropriate. The relevant Internal Audit reports, the audit report prepared by the auditor of the annual financial statements and the Remuneration Oversight Report of the Remuneration Officer are used for the purposes of this review. The remuneration structures for all employees are coordinated with the Works Council as and when required. Various bodies and functions are involved in structuring and monitoring the remuneration systems at DZ HYP. The Supervisory Board decides on the structure of the remuneration system for members of the Management Board and monitors the remuneration systems for employees who are not members of the Management Board.

The Management Board of DZ HYP is responsible for making decisions regarding the structure and implementation of the remuneration systems for employees who are not members of the Management Board. HR prepares and implements the design of the remuneration systems and the decisions made by the Management Board on a technical level. Managers use the performance management and remuneration tools provided as part of their leadership and management role.

Targets related to working conditions and pay

DZ HYP aims to strengthen employee loyalty. Its appeal as an employer plays a key role here. It also strives to make itself a more attractive employer in less conventional areas, such as IT. DZ HYP did not have any measurable targets for managing material impacts, risks and opportunities relating to employee working conditions and pay during the reporting period. In addition, the Bank does not have any procedures in place to involve its employees in defining and pursuing its targets. Quantitative targets have not been deemed necessary to date, given DZ HYP's high ranking on employer review portals.

Collective bargaining coverage and social dialogue

In accordance with national law, all DZ HYP employees have the right to freedom of association and collective bargaining and the right to strike. They are also free to form and join a trade union.

665 members of staff (2024: 623) were not covered by a collective agreement as at 31 December 2025, while 329 (2024: 315) were employed at DZ HYP based on a valid collective pay scale agreement. This equates to a collective bargaining coverage rate of 33.1 per cent (2024: 33.6 per cent). These figures include both fixed-term and permanent employment contracts. The remuneration paid to employees covered by collective agreements is based on the collective agreements referred to above. These collective bargaining agreements define criteria for job classification and the corresponding remuneration that are not based on gender, institutionalising equal pay for men and women in the collective remuneration scheme. For employees who are not covered by a collective agreement, salary and salary development are set forth in an employer / works council agreement based on the employees' activities and their qualifications. Employees can also take family leave as part of the social benefits they enjoy. In the year under review, 7.1 per cent of female employees (2024: 7.3 per cent) and 3.0 per cent of male employees (2024: 2.8

per cent) – or 4.7 per cent of employees in total (2024: 4.6 per cent) – took advantage of this benefit. This total figure was calculated by dividing the number of employees who took family leave in the 2025 financial year by the number of employees entitled to take special family leave under German law as at the reporting date. The calculation also included an employee breakdown by gender. Here, the number of female and male employees who took family leave was divided by the average number of female and male employees respectively in the year under review. Special family leave includes, for example, parental leave and care leave.

DZ HYP's locations are subject to the German Works Constitution Act (*Betriebsverfassungsgesetz* – "BetrVG"), which sets out provisions governing cooperation between DZ HYP as the employer and the Works Council as the employee representative body. All DZ HYP employees are represented by employee representatives. The individual employer / works council agreements are the responsibility of the HR Division Head and the relevant board division.

For the purposes of the calculation, the number of employees in the EEA covered by employee representative bodies on the reporting date was divided by the total number of employees on the reporting date. The results are presented in the table below.

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE AS AT 31 DECEMBER 2025

Coverage rate	Collective bargaining coverage		Social dialogue	
	Employees (EEA)		Representation through workers' representatives (EEA)	
	2025	2024	2025	2024
0-19 per cent				
20-39 per cent	Germany	Germany		
40-59 per cent				
60-79 per cent				
80-100 per cent			Germany	Germany

Social protection for employees

DZ HYP employees who are subject to social security contributions in Germany enjoy protection against loss of earnings under public social security schemes if they face major life events. Specifically, they enjoy protection through the statutory health insurance scheme in the event of illness, protection in retirement through the statutory pension insurance scheme, protection in the event of unemployment through the statutory unemployment insurance scheme and protection in the event of workplace accidents and general disability through the statutory accident and disability insurance schemes. Employees on parental leave are also entitled to statutory parental allowance.

Occupational benefits are offered to all in-house employees. As well as performance-related pay, DZ HYP offers all full-time and part-time employees – as well as employees on fixed-term contracts – an extensive range of social benefits to enhance their security and improve their work-life balance. These benefits include group accident insurance and financial support for surviving dependants. A company pension scheme is available to permanent employees. All employees also receive tax-free employer grants for capital formation purposes to help them accumulate personal assets in the long term. The additional occupational benefits offered by DZ HYP help to enhance employee motivation and satisfaction, and give the Bank a competitive edge on the labour market.

DZ HYP contributes to employees' retirement provisions through the employer / works council agreement on the company pension scheme for employees. This scheme is available to all employees who joined DZ HYP on 1 January 2002 or later and who are not senior executives. The individual employer / works council agreements are the responsibility of the HR Division Head and the relevant board division.

Employee loyalty measures

DZ HYP provides an additional financial incentive by assuming the costs of public transport cards such as Jobticket or Deutschlandticket. In the 2025 financial year, 661 employees (2024: 594) took advantage of the Jobticket programme. Employees in Münster have also been able to lease bikes and e-bikes from bicycle leasing provider JobRad at a special company bike rate. This allows them to travel to work in an extremely environmentally friendly way. DZ HYP subsidises the lease with a € 10 per month contribution, and also pays the insurance for the bike. In the 2025 financial year, a total of 163 employees (2024: 180) used bicycles or e-bikes to travel to and from work.

DZ HYP also invests in its employees' health and well-being by subsidising a sports programme, which grants access to an extensive network of sports and wellness activities in Germany and Austria. In addition to this, DZ HYP is extending its internal health infrastructure. Measures for modernising the fitness room at the Münster location began in the year under review. This will provide employees with a fully accessible training facility close to the workplace. Aside from that, a multi-functional room was repurposed so that exercise classes can be included in the corporate sports programme. At the Hamburg location, yoga classes and other activities within the corporate sports programme take place at the Bank's gym. There are also numerous corporate sports groups at DZ HYP's two head offices, which encourage social interaction and physical activity.

The head offices also offer relaxing mobile massages to reduce work-related strains – especially those due to prolonged sitting – and increase physical well-being. As another measure for increasing physical activity in the workforce, bicycle parking spaces and a bicycle repair station are available to employees – and to commercial tenants of our cooperative companies – at the DZ HYP head office underground car park in Hamburg. To make cycling to work an even more attractive option, suitable changing rooms have been available since mid-2022. There are covered bicycle parking

places in Münster and further spaces on the grounds, as well as charging stations for e-bikes. Employees there can also use free parking spaces at the bicycle station at the railway station. "Cube 1" also has changing and shower facilities available as well as a bike station with its own car-free entrance.

All these measures are designed to help increase employee health, motivation and performance and to contribute to a healthy, safe and attractive working environment.

Employee engagement and co-determination at DZ HYP

Having a regular dialogue with its employees enables DZ HYP to take more pointed action in response to the concerns and wishes of its stakeholders, and to find out how they view the way DZ HYP deals with the opportunities and risks associated with its business activities.

DZ HYP's employees play an active part in the Bank's decision-making processes. This gives them the opportunity to contribute their perspectives and ideas, which is designed to lead to well-founded and more sustainable decisions. To ensure transparent communication, detailed information on the latest processes and developments at DZ HYP is made available on the intranet. In its efforts to promote more in-depth dialogue with employees and to take their perspectives into account in the Bank's decisions, anonymous online employee surveys are conducted at regular intervals. Examples of this are the Pulse Check survey and the survey performed as part of the mental health risk assessment, both of which help to gauge workplace satisfaction. The most recent Pulse Check was conducted in November 2023. This additionally gave employees the opportunity to voice suggestions, concerns and wishes while remaining anonymous. In addition, DZ HYP performed a mental health risk assessment at the beginning of 2025 with a view to systematically capturing potential mental health risk factors, identifying preventive measures and ensuring employee health and per-

formance over the long term. The results are incorporated into the occupational health management system and help to improve working conditions on an ongoing basis. DZ HYP also invites employees to events where they can interact directly with the Management Board. Further information on this format can be found in the section on "Interests and views of stakeholders".

Employees can also consult their local Works Council members to express their concerns and needs, make suggestions or lodge complaints. Information on contacts within the Works Council is published on the intranet for all employees. The Works Council and DZ HYP's HR division engage in regular dialogue, with bi-weekly meetings at the Münster location and weekly meetings in Hamburg.

Any decisions made by DZ HYP that affect its own employees are communicated via the intranet, which can be accessed by all DZ HYP employees.

Employee grievance mechanisms

DZ HYP uses a variety of channels and procedures to find out about the expectations and needs of its employees, to identify areas for action and to initiate any necessary changes. This allows it to keep in touch with its employees' opinions and incorporate them into its decisions.

An AGG complaints office has been set up within HR to deal with any incidents that are covered by the German General Equal Treatment Act (AGG). Compliance also has a whistleblower system for reporting breaches of legal norms or internal regulations. Further information on DZ HYP's whistleblower system can be found in the "Compliance" chapter. No reports were submitted via the system during the year under review.

Indicators on incidents, complaints and severe human rights impacts

No violations or complaints regarding non-compliance with the General Equal Treatment Act (AGG) were registered in 2025 (2024: 0). The procedures established to investigate violations include DZ HYP's complaints mechanisms.

As DZ HYP's business activities focus on the German market, any critical human rights issues such as child or forced labour are already covered by existing legislation. Further issues such as equal treatment, freedom of association and collective bargaining, anti-discrimination and data protection are addressed in the applicable legislation, internal regulations and in the DZ BANK Group's Code of Conduct.

Compliance records any complaints lodged using the whistleblower system, while HR records AGG incidents via its AGG complaints office. The following work-related incidents and/or complaints and severe human rights impacts occurred within DZ HYP's workforce during the reporting period:

- » Number of work-related incidents, including harassment, related to discrimination – for example on the grounds of gender, ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or other relevant forms of discrimination – in the reporting period: 0 (2024: 0)
- » Number of complaints received via DZ HYP channels for employees to raise concerns: 0 (2024: 0)
- » Total amount of fines, penalties and compensation for damages as a result of the incidents and complaints disclosed above: € 0 (2024: € 0)
- » Number of severe human rights incidents involving DZ HYP's workforce: 0 (2024: 0)
- » Number of severe human rights violations and incidents connected to DZ HYP's workforce involving failure to respect the UN Guiding Principles and the OECD Guidelines for Multinational Enterprises: 0 (2024: 0)
- » Number of complaints filed through the National

Contact Points for OECD Multinational Enterprises: 0 (2024: 0)

- » Total amount of fines, penalties and compensation for damages as a result of the incidents and complaints disclosed above: € 0 (2024: € 0)

Remuneration indicators

The unadjusted pay gap at DZ HYP is 16.9 per cent (2024: 18.9 per cent), while the adjusted pay gap is 4.0 per cent. The unadjusted pay gap measures the average difference in earnings between all male and female employees without taking into account pay-determining factors, such as role and level. It is an indicator of structural differences. By contrast, the adjusted pay gap measures the difference in earnings between male and female employees in comparable positions, accounting for objective criteria. In DZ HYP's determination process, the criteria of "organisational unit" and "level of responsibility" were used for the purposes of adjustment. To determine the adjusted pay gap, employees with comparable characteristics were grouped before adjusted pay gap was calculated for any salary differences. This was then weighted by headcount to determine the adjusted pay gap at company level.

Both of these figures are statistical indicators and do not constitute direct evidence of wage discrimination, since not all criteria for determining wages (e.g. professional experience) have been factored in. Consequently, assessments of equal pay for equal work or work of equal value are always conducted on a case-by-case basis.

The calculation included all male and female employees as of the reporting date, with the exception of members of executive bodies, such as the Management Board and the Supervisory Board. The calculation included not only their basic salary and possible variable remuneration but also other salary components such as the company pension scheme. Average income is calculated by taking the annual total compensation for male and female employees, extrapolated to a full-

time equivalent basis, and dividing it by the respective full-time working hours for male and female employees.

The ratio of the remuneration paid to the highest-paid individual and the median remuneration within DZ HYP's workforce was 12.9 in the year under review (previous year as per updated method: 12.9; previous year as per previous method: 12.4). The previous methodology was refined during the year under review and is now based on actual workload. Part-time salaries are accounted for as such. In principle, the same group of individuals used for the pay gap calculation was ap-

plied here. However, for the highest-paid individual in the numerator, members of the Managing Board were included alongside employees. The median income in the denominator represents the median annual total compensation of all employees, excluding the highest-paid individual and members of the Management Board.

DZ HYP's remuneration strategy applies to all of the Bank's locations and business areas in Germany. DZ HYP does not have any branches in third countries.

OCCUPATIONAL HEALTH AND SAFETY

In order to avoid occupational accidents, DZ HYP adheres to the guidelines set out by the employers' liability insurance associations responsible for the individual locations. As well as addressing factors that pose a risk to health, DZ HYP takes preventative steps to maintain and improve employee health. Employees may be subjected to particular stress in certain situations. This is why occupational health management is already focusing more on mental health challenges at the workplace in the wake of a changing work environment. This is a serious concern for DZ HYP because employee performance depends greatly on well-being and the ability to cope with stress.

Targets related to occupational safety

Since occupational safety at DZ HYP is high, the Bank did not have any measurable quantitative targets for managing material impacts, risks and opportunities relating to occupational health and safety during the reporting period.

Measures related to occupational health management and safety in the workplace

Occupational health management focused on mental health risk assessment in the year under review. This was done via an online survey provided by an external service provider. The survey covered topics recommended by the Joint German Occupational Health and Safety Strategy (GDA), such as work content and organisational set-up, social relationships and working environment, but also included questions on employee health and the effects of remote working.

More than 60 per cent of the workforce completed the survey. After the findings for the Bank as a whole had been presented, the results of the individual departments were handed over to their managers, who discussed them with their teams. They derived specific measures, which were documented in writing and submitted to Human Resources. This systematic approach makes it possible to derive both generalised needs for action and effective follow-up.

Teams in which an imbalance between stress and resources was identified took part in recommended

workshops (a "detailed analysis") with external specialists. The goal of these workshops was to analyse areas of stress and their causes and to involve employees in coming up with possible solutions.

The findings of the risk assessment are overall positive: there is a good balance between stress and resources and no urgent need for action. All activities relating to the risk assessment are scheduled to be completed and all measures implemented by the end of 2025. Based on the findings, DZ HYP plans to extend its prevention and health promotion activities in order to improve employee health and motivation in the long term.

The Bank-wide Committee for Occupational Safety (ASA) – which consists of the two Occupational Health and Safety Officers from the Hamburg and Münster head offices, an external occupational safety expert, fire protection and safety officers, representatives from HR, the Works Council and the representative body for severely disabled employees, and company doctors – met every six months in 2025 in both Hamburg and Münster.

The ASA's remit includes:

- » Analysing accidents at the workplace, including accidents occurring during commuting
- » Advising on measures and arrangements to counter (and prevent) accident and health risks
- » Sharing experience regarding the measures taken
- » Coordinating the occupational safety obligations incumbent upon DZ HYP as the employer
- » Advising on safety aspects when new procedures or arrangements are introduced

The objective of this Committee is to prevent any adverse impacts on employees, such as (mental) health problems and injury due to unsuitable working conditions. In the 2025 financial year, the Hamburg and Münster offices worked with external company BG prevent GmbH (formerly: B·A·D Gesundheitsvorsorge und Sicherheitstechnik GmbH) on issues relating to workplace ergonomics and occupational health and safety. In the real estate centres that serve as DZ HYP's sales offices, the Occupational Health and Safety Officer conducts inspections at least every three years together with an external occupational safety specialist and a representative of the Works Council with a view to preparing a risk assessment. These inspections are conducted every year at the head offices in Hamburg and Münster. The occupational safety specialist is also on hand to answer any questions from employees and to give advice on topics such as ergonomics in the workplace.

The Bank-wide ASA is responsible for advising on measures and arrangements to counter (and prevent) accident and health risks. This work includes reviewing and updating the existing risk analyses and, if necessary, adjusting them in the course of the year as well. The meetings take place on a quarterly basis, alternating between Münster and Hamburg.

DZ HYP offers support for employees who have children or dependants needing care and for those who undertake voluntary work in their free time. It works with these employees to find the right solutions for their personal needs – no standardised measures were taken in the reporting period. Examples of individual measures include flexible working hours, various part-time working models and the option of mobile working. In recognition of DZ HYP's family-friendly human resources policy, the non-profit Hertie Foundation first awarded the Bank the "audit berufundfamilie®" certificate back in 2013. Since then, DZ HYP has regularly received this seal of quality – which has to be earned anew every three years – most recently in December 2023 for all of its locations. The Bank also works

together with renowned EAP (employee assistance programme) provider pme Familienservice to grant DZ HYP employees access to a range of support services relating to health and work-life balance. This includes information, counselling and practical assistance, e.g. agency services, childcare (also during holidays) and life coaching, which helps employees cope with challenges at home or in the workplace.

Occupational re-integration management has been in place at the Hamburg location since 2012 and in Münster since 2019. Both head offices have permanent integration teams who contact affected employees during their working hours and develop measures for re-integration or continued employment at the workplace. The resources required to implement these measures were not quantified in the reporting period.

Occupational health and safety indicators

The Occupational Health & Safety Committee is responsible for planning the mental health risk assessment and other occupational health management services and initiatives such as ergonomics consulting, flu vaccinations or the "Cycling to work 2025" initiative. DZ HYP complies with all statutory occupational health and safety requirements. The Bank does not have any other guidelines or a certified management system in place for occupational health and safety.

The following work-related circumstances and incidents occurred in the reporting period.

- » Percentage of DZ HYP employees covered by statutory occupational health and safety requirements: 100 per cent (2024: 100 per cent)
- » Number of fatalities resulting from work-related injuries and work-related ill health: 0 (2024: 0)
- » Number of reportable workplace accidents: 8 (2024: 11)
- » Rate of reportable workplace accidents: 4.9 (2024: 7.3)

- » Number of cases of recordable work-related ill health: 0 (2024: 0)
- » Number of days lost to work-related injuries and fatalities from work-related accidents: 0 (2024: 0)
- » Number of cases of work-related ill health: 0 (2024: 0)
- » Number of fatalities resulting from ill health: 0 (2024: 0)
- » Number of incidents involving work-related injuries, ill health and fatalities: 0 (2024: 0)
- » Number of fatalities resulting from work-related injuries and ill health involving other workers at DZ HYP's locations: 0 (2024: 0)

The period used to calculate the number of fatalities and reportable workplace accidents is the year under review. The rate of reportable workplace accidents in a financial year is made up of the average number of employees involved in reportable accidents in the reporting year, divided by the actual hours worked, then multiplied by 1,000,000.

SKILLS DEVELOPMENT

Guidelines on training and skills development

DZ HYP was once again awarded the BEST PLACE TO LEARN® seal of approval for outstanding vocational training in January 2023. The seal is valid until December 2025. To ensure the ongoing development and quality assurance of its training programmes, the Bank successfully underwent re-certification during the 2025 financial year and was awarded the seal of quality for 2026, which remains valid until December 2028. Students and schoolchildren can also get to know DZ HYP by working as interns, student employees or completing a paper or thesis with the Bank. When designing these projects, DZ HYP adheres to the Fair Company Codex, a voluntary self-commitment that DZ HYP made in 2014 and for which it was awarded the corresponding seal.

For several years now, DZ HYP has been providing vocational training for talented young professionals. This is part of its ongoing efforts to rise to current challenges and respond to changing skills requirements. Since adopting its demographic concept in 2019, DZ HYP has strengthened its vocational training activities from year to year and aims to increase the quality and quantity of its trainee programmes.

Targets related to training and skills development

DZ HYP did not have any measurable targets for managing material impacts, risks and opportunities relating to training and skills development during the reporting period. Quantitative targets have not yet been deemed necessary to date, given that DZ HYP already has numerous skills development measures in place.

Measures related to training and skills development

DZ HYP has been forging ahead with its trainee programmes offering vocational training for university graduates. In the 2025 financial year, seven trainees successfully completed the programme, including in the area of Commercial Real Estate Finance, and went on to be offered permanent positions. During the year under review, a total of seven new trainees embarked upon their trainee programmes in different areas and at various DZ HYP locations. Adding to the established Real Estate Finance and IT programmes, DZ HYP also launched traineeships in Finance, Risk Controlling and Data Analysis and Process Management. The trainee programmes aim to give junior staff the qualifications they need for a permanent position in different specialist departments, while also making new skills available to DZ HYP. The traineeship programme that started in autumn 2024 continued successfully during the year under review, with trainees being deployed in various specialist departments to observe and learn from Bank employees ("work shadowing") and participating in courses, workshops and networking events. Trendence, an independent consultancy and market research institute, once again awarded DZ HYP its seal of quality in 2025 for its "fair trainee programme".

The DZ HYP Real Estate Academy is an integral part of the specialist training programme for the Bank's employees. It functions in partnership with the IRE|BS Real Estate Business School. In addition to attending a series of lectures split into four modules, participants work in small teams on a real-life case study, which they then present to a commission of IRE|BS representatives and DZ HYP's Management Board. The Real Estate Academy offers comprehensive training and in-depth insights into the various areas of the real estate industry. All DZ HYP employees also have access to DZ BANK AG's continuing professional development programme, which allows employees to develop their skills, with a view to making them more motivated. DZ HYP employees can find comprehensive information on the entire range of training courses on DZ HYP's intranet.

The resources required to implement these measures were not quantified in the reporting period.

The “ZukunftFit!” programme launched in 2024 was continued in the year under review. This initiative helps employees to develop skills that are relevant for the future and to prepare them for new requirements in the workplace. The programme was initially based on four pillars: leadership, communication, mindfulness and emotional intelligence. Artificial intelligence was added in 2025. Measures were implemented for each of them, including inspiring events, the digital learning platform “Masterplan” and a mindfulness programme for improving mental health. For the first time, DZ HYP offered an AI Masterclass, which aims to help employees develop a solid understanding of artificial intelligence. This is in addition to the two more basic courses that were already on the Bank’s Masterplan platform. While these formats accompanied the introduction of Campfire as the new internal AI platform, they lay the foundation for a responsible and knowledgeable use of AI in the workplace. “ZukunftFit!” is open to all employees and is designed to foster equal opportunities, ongoing skills development and long-term employability.

Mandatory company training sessions

All employees at DZ HYP must complete the following training programmes:

- » Preventing fraud
- » Preventing money laundering
- » Data protection
- » Information security
- » German General Equal Treatment Act

In accordance with the statutory provisions and requirements for occupational safety, all new employees joining DZ HYP receive safety training and information

about who to contact regarding occupational safety issues. They are also given an overview of all first-aiders and fire safety assistants. In addition, all employees are obliged to complete an occupational safety e-learning course once a year. Some of the training courses – e.g. on occupational and fire safety, data protection or equal treatment – are repeated at regular intervals. Regular initial and further training courses are also organised for company first-aiders and fire safety assistants.

Employee evaluation

To facilitate modern management, DZ HYP has developed a workable and state-of-the-art format for employee appraisals at its Hamburg location. This ensures that managers and their staff enter into dialogue at least once a year. Engaging in a regular dialogue also serves to identify individual areas for improvement. The location in Münster also uses a similar format.

Indicators related to training and skills development

DZ HYP employees completed an average of 27.9 hours of training per person in the reporting period (2024: 20.6 hours). Broken down by gender, male employees took an average of 29.4 hours of training per person (2024: 21.7), while female employees completed an average of 25.9 hours of training per person in the reporting period (2024: 19.2 hours). The average number of training hours per person is calculated by dividing the total training hours by the average number of employees in the 2025 financial year, multiplied by 100. The average number of training hours by gender is calculated by dividing the training hours by gender by the average number of employees in the year under review by gender, multiplied by 100.

SOCIAL COMMITMENT

DZ HYP uses guidelines and measures to underscore its commitment to affected communities. The table below describes the impacts that are material to the Bank's social commitment.

MATERIAL IROS IDENTIFIED FOR SOCIAL COMMITMENT

IRO type	Description	Dimension
Positive impact	DZ HYP undertakes projects to help vulnerable groups in society.	Banking operations
Positive impact	DZ HYP helps strengthen society through collaborations and foundations.	Banking operations

The basic cooperative values of solidarity, aiding empowerment and sustainable and responsible conduct are cornerstones of DZ HYP's social commitment. As a committed corporate citizen, DZ HYP is active in regions where it has locations and has a positive impact on local communities. As both an employer and a client, the Bank is aware of its social responsibility towards affected communities and aims to exert a positive influence over economic and social development in the regions where it has locations.

Guidelines related to social commitment

DZ HYP's practical understanding of integrity and ethical business is clearly set out in the Code of Conduct that it prepared together with the DZ Bank Group companies. Further information can be found in the "DZ HYP's employees" chapter.

DZ HYP's social commitment is enshrined in a donations and sponsorship concept, which is implemented by Communications, Marketing & Events under the auspices of the Division Head. The concept includes the fundamental principles and the primary fields of

action relating to DZ HYP's social commitment. Specifically, these fields of action are: education, culture, sustainability/environment and regional/social responsibility.

Targets related to social commitment

DZ HYP has not yet defined any targets for managing material adverse impacts, promoting positive impacts or handling material risks and opportunities in relation to its social commitment. Quantitative targets have not yet been deemed necessary to date, given that the impact regarding social commitment has mainly been positive.

Measures related to social commitment

Together with its employees, DZ HYP is dedicated to working for the benefit of society and makes its own contribution to social cohesion. The Bank actively supports a large number of social projects, institutions and non-profit organisations that are active in the real estate or cooperative sectors.

The Bank also promotes the Active Citizenship Association (*Aktive Bürgerschaft*), which advocates civic action and non-profit organisations. In 2024, both partners joined forces to initiate the civic foundation fund “Bildung ist Vielfalt” for diversity in education. Financial support totalling € 10,000 will be provided every year. This allows DZ HYP to help educational projects launched by civic foundations and also to support the local cooperative banks as key partners of civic foundations in their individual regions. In the year under review, the Bank supported the all-women mentoring project “Women Boost”, run by the non-profit association LESSAN e.V. This integration initiative, in which the BürgerStiftung Hamburg foundation has been involved since 2020, provides education and guidance to female refugees, especially of African origin, helping them on their personal and career path.

DZ HYP also aids the CLUB OF ROME's German charter by providing its branch office with rent-free premises in Hamburg. As well as this, it is the host and financial backer of the annual meeting of the CLUB OF ROME schools network. DZ HYP works together with two schools in Münster within the scope of the “Schools and Business Partnership” project launched by the local chamber of commerce and industry. The Bank also supports hands-on vocational orientation as part of the “Don't leave school without the prospect of a job” project run by the State of North-Rhine Westphalia. In 2025, DZ HYP also subsidised the Hamburg Donors' Parliament (“Hamburger Spendenparlament”), which helps initiatives that combat homelessness and poverty

and that promote integration in Hamburg. As in 2024, the Hamburg Pride e.V. and CSD Münster e.V. associations received donations to help them promote diversity within society. The Bank also continued its tradition of matching the staff Christmas collection initiated by the Works Council and made donations to customer-related projects. As well as this, DZ HYP once again largely refrained from sending out Christmas cards, choosing instead to donate the money saved to five social projects proposed by its workforce.

The DZ HYP division responsible for donations and sponsoring is Communications, Marketing & Events (CME), which presents the Management Board with a budget once a year. The total amount donated as at 31 December 2025 came to € 176,050 (2024: € 259,321). DZ HYP makes no donations to political parties or affiliated institutions. This is to avoid exposing itself to any possible accusation of exercising political influence or receiving preferential treatment. Further information can be found in the “Compliance” chapter.

DZ HYP is also committed to supporting employees who are actively involved in social projects. For many years now, the kitchen staff have regularly donated soup to the soup kitchen for homeless people organised by the Protestant parish of St Georg-Borgfelde near the Hamburg location. As well as this, the Bank again held its Social Day at the “Sternenbrücke” children's hospice. DZ HYP employees were given time off work to volunteer for the initiative.

CLIENTS

DZ HYP assists its clients with all their projects, offering a vast range of financial products. Its clients, their interests and their experience with DZ HYP are of paramount importance for the Bank. The material impacts, risks and opportunities are described in the table below.

MATERIAL IROS IDENTIFIED IN DEALINGS WITH CLIENTS

IRO type	Description	Dimension
Positive impact	The product portfolio makes it easier for all client segments to access financing products, for example for properties with social characteristics.	Banking business

We strive to connect with clients in many different ways and to provide an overview of DZ HYP's products and services. DZ HYP presents its full range of products and services using both online and print publications, in face-to-face discussions, at events and on the DZ HYP website. Client contact lies within the responsibility of the Sales units and the respective Division Heads.

Client guidelines

The DZ BANK Group's Human Rights Guideline provides further details on the DZ HYP Code of Conduct as it relates to employees, suppliers, clients, society and the environment. This is aligned with the UN Global Compact and the ILO. Further information on the Code of Conduct can be found in the "Working Conditions and Pay" chapter.

DZ HYP aims to protect its clients' personal data and only use it for specific purposes, countering the risk that clients might end up losing trust in DZ HYP due to insufficient data protection. This approach is based on an internal data protection policy that applies to all members of staff. Data protection requirements also play a key role in DZ HYP's internal projects as it con-

tinues to digitalise its client interface. The Bank's aim is to meet client expectations with regard to processes of enhanced quality, better efficiency and speed, while at the same time complying with the highest standards of data protection and security. The Management Board is responsible for compliance in line with the General Data Protection Regulation (GDPR), and managers are responsible for ensuring that their employees implement the required measures. The GDPR's effectiveness is reflected in documented measures and processes, such as regular internal audits by Internal Audit or the Data Protection Officer and incident management.

Targets related to clients

DZ HYP strives to strengthen its market presence in the existing Real Estate Finance business segment. This is to be achieved through systematic joint regional market coverage and development, and by expanding business with the cooperative banks. Within the Cooperative Financial Network, DZ HYP positions itself as a centre of competence for real estate finance and public-sector lending. Its product portfolio is geared towards the needs of its clients and it is committed to optimising its internal processes in the enquiry, offer,

front office approval and portfolio management phases, particularly by making greater use of digital technologies. In addition, the Bank increasingly applies ESG criteria in its lending decisions, reflecting its role as a transformation partner.

DZ HYP did not have any measurable targets for managing material impacts, risks and opportunities relating to its clients during the reporting period. Given perceived high client satisfaction, quantitative targets have not been deemed necessary to date.

Processes for engaging with clients

In the Retail Customer segment, it is mostly the intermediating banks that assess the creditworthiness in accordance with provisions set out by DZ HYP. When entering into the agreement, customers can apply to be granted the right to adapt repayments three times during the fixed-interest period. This is an ideal solution for customers who want to be flexible and adjust their monthly instalments to fit their individual income and liquidity situation. In addition, borrowers can make individual arrangements with DZ HYP should they face financial difficulties. DZ HYP endeavours to protect its customers from taking on too much debt by adopting an appropriate and moderate lending policy. The Bank also checks the customers' financial status and sustainable debt-servicing capacity in line with the provisions stipulated in the EU Mortgage Credit Directive (MCD).

DZ HYP is a member of numerous associations. It supports efforts towards a more stable financial system as well as the interests of Pfandbrief issuers and the economic and non-economic interests of the entire real estate sector. Further information on DZ HYP's association memberships can be found in the "Compliance" chapter.

DZ HYP uses various dialogue formats to communicate with its main client groups. Detailed information on the various formats used by DZ HYP can be found in the chapter "Interests and views of stakeholders".

To date, no standardised procedure has been established for assessing whether clients are aware of the ways in which they can voice their concerns or needs.

Grievance mechanisms for clients

If they have grounds to lodge a complaint, clients can access DZ HYP's grievance management system using the central complaints address shown on the DZ HYP website. If Compliance receives complaints relating to retail customers, corporate clients or public-sector clients, these are forwarded directly to the relevant Retail Customer Sales, Corporate Client Sales Management and Public Sector Sales departments, which are then responsible for handling the case to resolution. Further information on the effectiveness of DZ HYP's grievance mechanisms can be found in the "Compliance" chapter.

No serious problems or incidents related to clients were reported to DZ HYP during the reporting period.

Measures related to clients

With regard to sustainability issues resulting from its own operations, DZ HYP – as a DZ BANK Group company – uses various tools in its financing and investment business to minimise potentially adverse sustainability impacts and to limit potential risks. These include exclusion criteria, sector principles and the Group lending standard for handling ESG risks. As a matter of principle, the DZ BANK Group refuses to finance any products or activities that are categorised as illegal in accordance with the laws or provisions of the target country or per international conventions or agreements. The DZ BANK Group has exclusion criteria that are applied in the event of violations of international labour standards, including the standards on child and forced labour. Further information on these exclusion criteria can be found in the "Sustainable Banking" chapter.

DZ HYP also endeavours to protect its clients from over-indebtedness, basing its assessments on the sustainable mortgage lending values of the properties to

be financed or collateralised in the real estate finance business with retail customers. It also examines customers' financial position – i.e. their assets and liabilities – and their sustainable debt-servicing capacity and other aspects.

In the Corporate Clients segment, DZ HYP helps to provide affordable housing, for example by financing housing industry projects. Housing companies include cooperative, municipal and church-sponsored housing companies, as well as other members of the Federal Association of German Housing and Real Estate Companies (GdW). DZ HYP also acts as a sales partner for KfW loans.

In its business with retail customers, DZ HYP aims to tap into new or additional distribution channels while maintaining the principle of subsidiarity vis-à-vis cooperative banks. This is in order to facilitate access to DZ HYP's financing products and expand its customer base on an ongoing basis. In its new business, DZ HYP offers loans classified as sustainable according to internal definitions, with preferential interest rates for high energy efficiency ratings or low final energy consumption. The promotional programmes offered by the Ger-

man state-owned development bank KfW, namely "Climate-Friendly New Construction – Residential Buildings", "Refurbishment – Efficiency House" and "Home Ownership for Families", are also incorporated via the Bank's distribution channels. These products allow DZ HYP to finance the construction of sustainable homes.

The products offered to public-sector clients are exclusively made up of conventional loans to local authorities and short-term public-sector loans. No sustainable products are currently on offer for local authority lending. Loans are granted in the local authority lending business without having to be linked to specific projects. In the Public Sector segment, DZ HYP conducts a standardised and structured assessment of ESG risks and opportunities at business partner level. The target group consists exclusively of local authorities in Germany. DZ HYP prepares its own sustainability ranking for municipalities to ensure that sustainability aspects are given greater consideration in this segment. The ranking is an integral component of DZ HYP's local authority lending and decision-making process. The resources required to implement these measures were not quantified in the reporting period.

GOVERNANCE

CORPORATE CULTURE

The “Governance” chapter addresses DZ HYP’s corporate culture (“Corporate Culture” chapter) and compliance management (“Compliance” chapter). The governance indicators in this report were prepared without being validated by an external agency.

Good corporate governance calls for compliance with legal and regulatory requirements, voluntary commitment and internal guidelines (compliance), the responsible management of risks (risk management), the pro-

tection of the Bank’s reputation and the implementation of transparent business processes. The table below charts the material impacts, risks and opportunities associated with DZ HYP’s corporate culture.

MATERIAL IROS IDENTIFIED FOR CORPORATE CULTURE

IRO type	Description	Dimension
Positive impact	A healthy corporate culture promotes employee satisfaction.	Banking operations
Risk	Operational risk arising from insufficient control and RM systems due to an inadequate internal control and risk management system or due to a lack of effective control and supervision work by the committees, which facilitates unauthorised and/or criminal acts.	Banking operations
Chance	A corporate culture of transparency and integrity enhances DZ HYP’s attractiveness as an employer.	Banking operations
Chance	Through its integrity, DZ HYP positions itself as a reliable and transparent business partner.	Banking business

Governance and corporate culture guidelines

The main overall conditions for managing and supervising DZ HYP are set out in the DZ BANK Group Governance Policy (GGP) and are based on standards of good and responsible corporate governance and Group management. The GGP is implemented by the Group Risk and Finance Committee via the DZ BANK Group. DZ HYP’s practical understanding of integrity and ethical business is clearly set out in the Code of

Conduct that it prepared together with the DZ BANK Group companies, as well as in its supplementary Human Rights Guideline. This includes ensuring legally compliant behaviour, which is described in the Code of Conduct, and a functioning risk management system that also takes sustainability risks into account. The Policy obliges the Management Board and the Supervisory Board to use sustainable value creation to ensure the continued existence of DZ HYP and the Cooperative Financial Network as a going concern in accord-

ance with the principles of company and supervisory law. Risk management at DZ HYP takes into account the requirements under the KWG, the Minimum Requirements for Risk Management in Banks (*Mindestanforderungen an das Risikomanagement – “MaRisk”*) and other relevant statements of the supervisory authorities, and is an integral part of the strategic and operational management of the Bank as a whole. The Bank has established extensive control mechanisms to manage the main risk types, including operational and reputational risk. Capital requirements for operational risks are derived at Group level using the standardised approach under the CRR. Moreover, economic capital for operational risk is calculated using a portfolio model and incorporated into internal management. To identify operational risks in good time, DZ HYP records risk indicators (aligned with the CRR event categories) on a regular basis and analyses them by way of a traffic light system. Further information can be found in the Risk Report.

DZ HYP introduced leadership guidelines in the year under review in order to guarantee a healthy corporate culture and responsible corporate governance. They were prepared with the input of the Akademie Deutscher Genossenschaften (Academy of German Cooperatives) within a detailed and participatory process that included workshops, feedback rounds and training sessions to ensure that the guidelines were well anchored in the Bank’s corporate culture and that they met everyone’s needs. The guidelines were developed, adopted and presented to the Bank’s employees in the year under review to set leadership standards and provide a binding framework for managers and employees alike. Human Resources is responsible for DZ HYP’s leadership guidelines and for implementing them.

The Bank’s training concept, which encourages the development of professional and personal skills and the acquisition of relevant future skills, is also a reflection of its responsible corporate governance. Managers can take part in seminars on responsible leadership and social issues. Further information can be found in the “Skills development” section.

In order to integrate sustainability to an even greater extent in its business processes, DZ HYP has been actively involved in the DZ BANK Group’s sustainability

market initiative since 2012. As a result of this collaboration, for example, common supplier standards have been established, the policy on sustainability in lending has been developed and exclusion criteria for specific business practices and areas have been defined.

DZ HYP uses these guidelines to promote good corporate governance among its business partners. Inadequate stakeholder management could jeopardise trust in DZ HYP. Further information can be found in the “Business model and strategy” chapter.

Targets related to corporate culture

DZ HYP did not have any measurable targets for managing material impacts, risks and opportunities relating to its corporate culture during the reporting period. Quantitative targets have not yet been deemed necessary to date, given that the corporate culture’s impact has mainly been positive.

Measures for sustainable and responsible corporate governance

In 2008, DZ BANK AG became a participant in the UN Global Compact, thereby committing itself to the ten internationally acknowledged principles stipulated by the initiative for responsible conduct. In 2013, DZ HYP followed suit in taking up these principles, which focus on human rights, labour norms, protecting the environment and combating corruption. This Code of Conduct is based on the principles set out in the UN Global Compact and refers, among other things, to undesirable business practices and various tools for preventing fraud and ensuring respect for human rights. We define responsible corporate governance as including not only adherence to legal standards and requirements, but also values and principles, together with clear and transparent management. DZ HYP is also committed to the 2030 Agenda for Sustainable Development. The resources associated with the individual measures have not been quantified explicitly.

DZ HYP’s corporate governance provides an ongoing framework designed to cover all legal concerns and operational principles. As part of the Cooperative Fi-

financial Network, the cooperative basic values of aiding empowerment, individual responsibility and independent operations are cornerstones of the Bank's activity. Two examples of measures geared towards the needs and interests of its employees include the Culture Project launched in 2023 and the Network for Innovation in the Bank (ILAB), which was initiated in the 2024 financial year. The Culture Project was developed based on an employee survey in which respondents expressed a desire to interlink joint successes more effectively, to improve the way central Group functions work together and to achieve greater mutual understanding between the segments. The ILAB is designed to serve as a platform for feasibility checks on new ideas, innovations or trends at DZ HYP and to help implement them.

In order to evaluate its corporate culture (and the newly introduced leadership guidelines going forward), DZ HYP regularly conducts an anonymous online employee survey – the Pulse Check – which reflects the current mood in the Bank and gauges workplace satisfaction. Further information can be found in the “Working Conditions and Pay” chapter.

Preventing fraud

DZ HYP has implemented organisational safeguards to prevent the risk of criminal acts, both in-house and outside of the Bank, which could pose a risk to market integrity and to the assets of the DZ BANK Group, its customer base and its business partners. To achieve this, binding regulations and processes have been put in place to prevent and investigate offences like these. This means that employees can report potential or actual breaches while ensuring that their identity remains confidential, which helps to create a better corporate culture and foster long-term stability. The Compliance function is a central unit to which breaches (past, imminent or planned) of internal regulations, applicable legislation or legal standards can be reported. DZ HYP's employees are committed to complying with all relevant legal and regulatory requirements and also with internal requirements. They are aware that any breaches will result in the necessary measures under labour, civil or criminal law being taken or initiated. The general principles of behaviour, regulations and guidelines addressed in the Code of Conduct, together with further information, are available to all employees on the intranet and in company-specific information systems.

COMPLIANCE

Compliance management is the foundation for maintaining integrity within DZ HYP and ensures proper business practices. The table below charts the material impacts, risks and opportunities associated with compliance management.

MATERIAL IROS IDENTIFIED FOR COMPLIANCE MANAGEMENT

IRO type	Description	Dimension
Positive impact	Disclosing lobbying activities promotes transparency vis-à-vis stakeholders.	Banking operations
Positive impact	As a member of associations, DZ HYP helps shape policies by sharing its expertise.	Banking operations
Positive impact	Measures to prevent corruption among business partners promote integrity beyond the boundaries of the Bank itself.	Banking operations
Positive impact	DZ HYP works together with business partners to promote integrity and combat financial crime.	Banking business
Opportunity	The representation of interests within legally permissible limits through memberships of professional associations improves business opportunities.	Banking operations
Opportunity	Nil/few corruption incidents foster reliability and transparency.	Banking business

DZ HYP believes that integrity and transparency are key to any sustainable business activity. This includes compliance with applicable legislation, regulations and requirements, as well as voluntary commitments and internal guidelines that are designed to contribute to business relationships that are sustainable and successful in the long run.

Compliance guidelines

DZ HYP uses various tools that aim to minimise the potentially adverse sustainability impacts resulting from its business activities and also to limit potential risks. As a matter of principle, DZ HYP refuses to work with business partners that have questionable corporate values and guidelines. It also refuses to finance any projects that are categorised as illegal in accordance with the laws or provisions of the target country or per international conventions or agreements.

The compliance framework was set up to meet statutory and regulatory requirements within the DZ BANK Group. It consists of a Compliance Policy that sets out the requirements that apply to the establishment/structure and remit of Compliance functions, as well as compliance standards for implementing these requirements on an operational level. Compliance and the relevant Division Head are responsible for implementing the framework, which includes providing the Bank's employees with training on compliance issues.

A Compliance function has also been established to counteract any risks arising from non-compliance with legal rules and requirements. The Compliance function is responsible for ensuring that effective procedures for complying with legal rules and requirements that are material to the Bank are implemented, together with corresponding controls. It also supports and advises the management regarding compliance with these legal rules and requirements. In particular, it is responsible

for identifying the main legal rules and requirements which, if not complied with, would pose a risk to the Bank's assets. These checks are performed at regular intervals as part of a risk-based approach.

Compliance reports directly to the Management Board and bundles key second line of defence functions. It combines MaRisk compliance and capital markets compliance as well as the Central Unit encompassing anti-money laundering and fraud prevention (Anti-Money Laundering Officer). First and foremost, Compliance is tasked with identifying, managing and reducing compliance risks, exercising a supervisory function and advising DZ HYP's business entities on implementing and complying with regulatory requirements.

Political engagement and lobbying activities

DZ HYP considers itself to be an independent, politically neutral institution. The Bank is represented via memberships of associations and stakeholder groups that represent their respective interests. Work within associations is carried out at an expert and industry-specific level via industry associations that represent DZ HYP's interests as part of the Cooperative Financial Network and as a Pfandbrief bank, in order to safeguard DZ HYP's business interests. The relevant memberships listed in the lobbying register (no. R002192) include: Association of German Pfandbrief Banks (vdp), German Cooperative and Raiffeisen Confederation (dgrv), National Association of German Cooperative Banks (BVR), German Property Federation (ZIA), Cooperative Association Baden-Württemberg (Baden-Württembergischer Genossenschaftsverband e.V.), Cooperative Association Bavaria (Genossenschaftsverband Bayern e.V.), Genverband Cooperative Association, Cooperative Association Weser-Ems (Genossenschaftsverband Weser-Ems e.V.), Federal Association of German Housing and Real Estate Companies (GdW), Association of North German Housing Companies (Verband Norddeutscher Wohnungsunternehmen e.V.), Housing and Real Estate Industry Association of Rhineland-Palatinate (Verband der Wohnungs- und Immobilienwirtschaft Rheinland-Pfalz e.V.), Employers' Association of German Cooperative Banks (Arbeitgeberverband der Deutschen Volksbanken und Raiffeisenbanken e.V.), Employers' Association for Private-Sector Banks (Arbeitgeberverband des privaten Bankgewerbes e.V.), Association of

Housing Companies in Berlin-Brandenburg (Verband Berlin-Brandenburgischer Wohnungsunternehmen e.V.), Association for the Hamburg Financial Industry (Finanzplatz Hamburg e.V.), Society for Data Protection and Data Security (Gesellschaft für Datenschutz und Datensicherheit e.V.), Active Citizenship Association (Stiftung Aktive Bürgerschaft), and the Association for Environmental Management and Sustainability (Verein für Umweltmanagement und Nachhaltigkeit e.V.).

DZ HYP does not support any political parties and does not make any donations to political parties or affiliated institutions. This is to avoid exposing itself to any possible accusation of exercising political influence or receiving preferential treatment. This is set out in internal guidelines governing the acceptance and granting of personal benefits, including gifts and invitations. Compliance is responsible for these guidelines and for implementing them. In the reporting period, no members of the Management Board or Supervisory Board were appointed who had held a comparable position in public administration (including regulatory authorities) in the two years preceding their appointment. Management Board members are named as authorised representatives in the lobbying register entry.

In the year under review, DZ HYP indicated in the lobbying register that it would be terminating its representation of interests activities. Since then, DZ HYP has been listed in the lobbying register as "formerly engaged in lobbying activities". After a period of 18 months, DZ HYP's entry in the lobbying register will be deleted.

Compliance targets

The core principles of DZ HYP's business include combating corruption and bribery, preventing money laundering, terrorist financing and criminal acts, and complying with financial sanctions and embargoes.

DZ HYP did not have any measurable targets for managing material impacts, risks and opportunities relating to compliance during the reporting period. Quantitative targets have not yet been deemed necessary to date, given that the impact regarding compliance has mainly been positive.

Anti-corruption and anti-bribery measures

DZ HYP has zero tolerance of corruption and does not participate in any business that it suspects of being connected with such activities. The Bank follows clearly defined criteria when selecting individuals who act in its name or on its behalf and also expects its business partners to take anti-corruption measures. Policies on accepting and granting gifts or invitations provide a solid and reliable framework for DZ HYP employees, ensuring that legal standards and common market practice are adhered to in order to bolster trust and integrity. The resources associated with the individual measures have not been quantified explicitly.

The duty of the Anti-Money Laundering Officer (Central Unit) is to ensure appropriate risk management and internal safeguards to prevent money laundering, terrorist financing and other criminal acts that could endanger the Bank's assets. The Anti-Money Laundering Officer is responsible for compliance with money laundering rules and regulations, as well as for fulfilling the obligations to prevent criminal acts and for monitoring compliance with applicable financial sanctions and embargoes. A dedicated monitoring system and other control procedures throughout the Bank help it keep watch for suspicious business relationships and transactions. The anti-money laundering and fraud prevention division works to identify, assess and manage risks in close cooperation with the organisational unit responsible for managing operational risks. DZ HYP applies uniform instruments for identifying operational risks and processes feedback from risk analyses to ensure that the risk of losses is minimised and eliminated at an early stage.

Whistleblowing system

In order to prevent white-collar and financial crime and to protect the Bank's reputation and assets, a procedure has been put in place allowing DZ HYP employees to report potentially illegal or damaging activities. This allows the Bank to pick up on and take action against any irregularities or breaches of applicable national and international legislation, as well as directly applicable EU legislation. This measure is a firmly established part

of the compliance framework and is based on EU Directive 2019/1937 and its implementation into German law by way of the German Whistleblowing Act (*Hinweisgeberschutzgesetz – "HinSchG"*). Employees who report a suspected breach by others in good faith will not be sanctioned or disadvantaged by DZ HYP in any way. This allows the Bank to safeguard the employment status of whistleblowers and protect them from being harassed at work.

Both internal and external whistleblowers can submit reports to DZ HYP's internal reporting unit. This includes incidents relating to employees as well as those relating to the Management Board and the Supervisory Board. The identity of both the whistleblower and the person to whom the report relates is treated as confidential in order to avoid discrimination or retaliation against the whistleblower. The reporting unit is run by DZ HYP's Compliance Officer and can be contacted in person, by telephone or by post. Access to the whistleblower portal is restricted to DZ HYP's internal reporting unit comprising the Compliance Officer and the Deputy Compliance Officer who are subject to increased requirements regarding ongoing training and professional development. Such increased requirements also apply with regard to the whistleblower portal established by the Bank. The internal reporting unit provides whistleblowers with confirmation that their report has been received within seven days at the latest and forwards the report to the Whistleblowing Committee. To ensure effectiveness, the Committee attempts to close the case after 15 workdays. The Whistleblowing Committee was set up as an independent body at DZ HYP and is responsible for investigating any reports of breaches and then taking the necessary steps to clarify the matter and initiate any requisite action on a case-by-case basis. It makes a binding decision on the action to be taken for the division in question. In the event of disagreements, the Management Board of DZ HYP can be called upon to de-escalate the matter. The report documents and the final report are archived by the Head of the Whistleblowing Committee, ensuring that the relevant confidentiality requirements are met. They are deleted three years after the matter has been brought to a conclusion, unless other statutory retention periods apply. At least once a year,

the internal reporting unit provides DZ HYP's full Management Board with written information on the number and type of reports and on any investigations carried out, the outcome of these and any measures taken. This information is provided in the annual compliance report. Given its value chain and business model, DZ HYP sees no necessity to query its business partners about their whistleblowing systems.

Compliance training

DZ HYP organises mandatory compliance training sessions for its employees. High-risk functions include all employees, as any individual within the Bank could be at risk of corruption as well as bribery. The only employees who might potentially be exempt from the mandatory training are those whose duties bear no relation to the typical business tasks or services of those employees to whom this requirement applies (e.g. cleaning staff, canteen staff). However, compliance training is mandatory for all DZ HYP employees, as all employees and the management bodies could be at risk with regard to corruption and bribery. The training programmes on combating corruption and bribery include learning how to avoid corruption scenarios.

New employees at DZ HYP must complete the following training programmes: fraud prevention, preventing money laundering and terrorist financing, sanctions and embargoes (only front office functions, such as client advisors, loan officers), data protection and information security.

Employees are required to repeat the training sessions on preventing money laundering and terrorist financing and on fraud prevention every two years. This is verified by the Compliance function.

Indicators for combating corruption and bribery

As at 31 December 2025, 92 per cent (2024: 100 per cent) of DZ HYP's employees in high-risk functions had completed their training. These include all employees of DZ HYP with an active employment relationship. Employees take part in computer-based training on combating corruption and bribery. The training sessions include defining corruption, strategies for avoiding these scenarios, procedures that apply in suspected cases and procedures used to identify possible cases of corruption.

The members of the Management Board are briefed annually by the Head of Compliance on combating corruption and bribery. The members of the Supervisory Board are not addressed separately.

In 2025, DZ HYP did not become aware of any corruption incidents and there were no convictions for breaches of anti-corruption and anti-bribery legislation or any fines imposed in this connection (2024: none). DZ HYP is firmly opposed to all forms of corruption, including extortion and bribery, and is committed to respect for human rights.

ANNEX

DISCLOSURES PURSUANT TO EU TAXONOMY REGULATION 2024

0. SUMMARY OF KPIS TO BE DISCLOSED BY CREDIT INSTITUTIONS UNDER ARTICLE 8 TAXONOMY REGULATION (FROM 2024)

		Total environmentally sustainable activities	KPI (****)	KPI (*****)	% coverage (over total assets) (***)	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock		0.1%	0.1%	31.2%	67.1%	1.7%

		Total environmentally sustainable activities	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)		2.2%	2.2%	2.1%	96.2%	1.7%
	Trading book (*)		-	-	-	-	-
	Financial guarantees		-	-	-	-	-
	Assets under management		-	-	-	-	-
	Fees and commissions income (**)		-	-	-	-	-

*) For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR

**) Fees and commissions income from services other than lending and AuM

Institutions shall disclose forward-looking information for these KPIS, including information in terms of targets, together with relevant explanations on the methodology applied.

***) % of assets covered by the KPI over banks' total assets

****) based on the Turnover KPI of the counterparty

*****) based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

Note 1: Across the reporting templates: cells shaded in black should not be reported.

Note 2: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIS shall only apply starting 2026. SMEs inclusion in these KPI will only apply subject to a positive result of an impact assessment.

Methodological Explanations for the Main KPI

“% Coverage (of total assets)”: The numerator for this metric consists of the “GAR – Assets included in both the numerator and denominator” from Table 1 (numerable assets).

“% of assets not included in the GAR numerator (Article 7, paragraphs 2 and 3, and Annex V, section 1.1.2)”: The numerator for this metric is the difference between “Total GAR assets” and “GAR – Assets included in both the numerator and denominator” from Table 1 (denominator of the GAR – numerable assets).

“% of assets not included in the GAR denominator (Article 7, paragraph 1, and Annex V, section 1.2.4)”: The numerator for this metric consists of “Assets not considered for the GAR calculation” from Table 1 (assets without impact on the GAR).

Methodological Explanations for the KPI, GAR (flow)

“% Coverage (of total assets)”: The numerator for this metric consists of the inflows during the reporting year within the “GAR – Assets included in both the numerator and denominator” from Table 1 (flows of numerable assets).

“% of assets not included in the GAR numerator (Article 7, paragraphs 2 and 3, and Annex V, section 1.1.2)”: The numerator for this metric is the difference between “Total GAR assets” and the inflows during the reporting year within the “GAR – Assets included in both the numerator and denominator” from Table 1 (denominator of the GAR – inflows of numerable assets).

“% of assets not included in the GAR denominator (Article 7, paragraph 1, and Annex V, section 1.2.4)”: The numerator for this metric consists of “Assets not considered for the GAR calculation” from Table 1 (assets without impact on the GAR).

DISCLOSURES PURSUANT TO EU TAXONOMY REGULATION 2025

0. SUMMARY OF KPIS TO BE DISCLOSED BY CREDIT INSTITUTIONS UNDER ARTICLE 8 TAXONOMY REGULATION

		Total exposure to Taxonomy-aligned activities (currency)		KPI ⁽¹⁾ %		% coverage (over total assets) ⁽³⁾ (%)	non assessed exposures (% of covered assets) ⁽⁴⁾ (%)	
		Turnover-based	CapEx-based	Turnover-based	CapEx-based		Turnover-based	CapEx-based
Main KPI	Green asset ratio (GAR) stock	330	333	0.98	0.99	39.15	–	–

		Total exposure to Taxonomy-aligned activities (currency)		KPI ⁽¹⁾ %		% coverage (over total assets) ⁽³⁾ (%)	non assessed exposures (% of covered assets) ⁽⁴⁾ (%)	
		Turnover-based	CapEx-based	Turnover-based	CapEx-based		Turnover-based	CapEx-based
Additional KPIs	GAR (flow)	104	105	1.89	1.91	6.41	–	–
	Trading book	–	–	–	–	–	–	–
	Financial guarantees	–	–	–	–	–	–	–
	Assets under management	–	–	–	–	–	–	–
	Fees and commissions income ⁽⁵⁾	–	–	–	–	–	–	–

(1) Based on the Turnover KPI of the counterparty

(2) Based on the CapEx KPI of the counterparty

(3) % of assets covered by the KPI over banks' total assets

(4) In accordance with Article 7(8) of this Regulation

(5) Fee and commission income from services other than lending and AuM

Note 1: Across the reporting templates: cells shaded in black should not be reported.

Note 2: Fee and Commission (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2028.

1. ASSETS FOR THE CALCULATION OF GAR (STOCK/CAPEX)

		Disclosure reference date/period t															
€ mn		TOTAL [GROSS] CARRYING AMOUNT	Of which Taxonomy- eligible	Of which Taxonomy- aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transi- tional	Of which enabling	Non- assessed exposures	VII)	VIII)	IX)
					I)	II)	III)	IV)	V)	VI)							
1	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR	33,562	18,391	333	333	-	-	-	-	-	318	-	-	-	-	-	-
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	33,562	18,391	333	333	-	-	-	-	-	318	-	-	-	-	-	-
3	FINANCIAL UNDERTAKINGS	3,148	751	15	15	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	1,899	480	12	12	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	1,249	271	3	3	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	NON-FINANCIAL UNDERTAKINGS	788	286	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Loans and advances	788	286	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	HOUSEHOLDS	17,400	17,354	318	318	-	-	-	-	-	318	-	-	-	-	-	-
12	of which loans collateralised by residential immovable property	16,312	16,312	318	318	-	-	-	-	-	318	-	-	-	-	-	-
13	of which building renovation loans	267	267	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	LOCAL GOVERNMENTS FINANCING	12,226	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Other local government financing	12,226	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	COLLATERAL OBTAINED BY TAKING POSSESSION: RESIDENTIAL AND COMMERCIAL IMMOVABLE PROPERTIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	EXPOSURES INCLUDED ON A VOLUNTARY BASIS ⁽³⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	TOTAL GAR ASSETS	33,562															

- I) Climate Change Mitigation (CCM)
- II) Climate Change Adaptation (CCA)
- III) Water and marine resources (WTR)
- IV) Circular economy (CE)
- V) Pollution (PPC)
- VI) Biodiversity and Ecosystems (BIO)

- VII) Of which financing non-material activities of counterparties⁽¹⁾
- VIII) Of which exposures financing counterparties reporting in accordance with Article 7 (9)
- IX) Of which not assessed considered non-material by the credit institution ⁽²⁾

The table continues on the next page.

1. ASSETS FOR THE CALCULATION OF GAR (STOCK/CAPEX)

		Disclosure reference date/period t															
€ mn		TOTAL [GROSS] CARRYING AMOUNT	Of which Tax- onomy- eligible	Of which Taxonomy- aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transi- tional	Of which enabling	Non-as- sessed exposures	VII)	VIII)	IX)
					I)	II)	III)	IV)	V)	VI)							
21	ASSETS NOT COVERED FOR GAR CALCULATION	52,163															
22	Central governments and Supranational issuers	1,416															
23	Central banks exposure	-															
24	Trading book	-															
25	Undertakings and entities not subject to CSRD	45,248															
26	SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	44,775															
27	Loans and advances	44,239															
28	of which loans collateralised by commercial immovable property	29,062															
29	of which building renovation loans	1,267															
30	Debt securities	535															
31	Equity instruments	1															
32	Non-EU country counterparties not subject to CSRD disclosure obligations	473															
33	Loans and advances	226															
34	Debt securities	247															
35	Equity instruments	-															
36	Derivatives	5,427															
37	On demand interbank loans	976															
38	Cash and cash-related assets	-															
39	Other categories of assets (e.g. goodwill, commodities etc.)	-903															
40	TOTAL ASSETS	85,726															
Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments																	
41	Financial guarantees	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

- I) Climate Change Mitigation (CCM)
- II) Climate Change Adaptation (CCA)
- III) Water and marine resources (WTR)
- IV) Circular economy (CE)
- V) Pollution (PPC)
- VI) Biodiversity and Ecosystems (BIO)

- VII) Of which financing non-material activities of counterparties ⁽¹⁾
- VIII) Of which exposures financing counterparties reporting in accordance with Article 7 (9)
- IX) Of which not assessed considered non-material by the credit institution ⁽²⁾

The table continues on the next page.

1. ASSETS FOR THE CALCULATION OF GAR (STOCK/CAPEX)

(1) In accordance with Article 7(8)(a) and (b) of this Regulation

(2) In accordance with Article 4(1a) of this Regulation

(3) In accordance with Article 7(3) of this Regulation

Explanatory notes:

1. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange for cancellation of debts.
2. Credit institutions shall duplicate this template for reporting on stocks for the calculation of GAR stock, and reporting on new assets for the calculation of GAR flow.
3. Credit institutions shall duplicate this template for turnover-based and CapEx-based disclosures.

1. ASSETS FOR THE CALCULATION OF GAR (FLOW/CAPEX)

		Disclosure reference date/period t															
€ mn		TOTAL [GROSS] CARRYING AMOUNT	Of which Taxonomy- eligible	Of which Taxonomy- aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transi- tional	Of which enabling	Non-as- sessed exposures	VII)	VIII)	IX)
					I)	II)	III)	IV)	V)	VI)							
1	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR	5,498	3,115	105	105	-	-	-	-	-	100	-	-	-	-	-	-
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	5,498	3,115	105	105	-	-	-	-	-	100	-	-	-	-	-	-
3	FINANCIAL UNDERTAKINGS	822	245	5	5	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	755	179	5	5	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	66	66	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	NON-FINANCIAL UNDERTAKINGS	89	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Loans and advances	89	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	HOUSEHOLDS	2,890	2,867	100	100	-	-	-	-	-	100	-	-	-	-	-	-
12	of which loans collateralised by residential immovable property	2,651	2,651	100	100	-	-	-	-	-	100	-	-	-	-	-	-
13	of which building renovation loans	55	55	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	LOCAL GOVERNMENTS FINANCING	1,697	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Other local government financing	1,697	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	COLLATERAL OBTAINED BY TAKING POSSESSION: RESIDENTIAL AND COMMERCIAL IMMOVABLE PROPERTIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	EXPOSURES INCLUDED ON A VOLUNTARY BASIS ⁽³⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	TOTAL GAR ASSETS	5,498															

- I) Climate Change Mitigation (CCM)
- II) Climate Change Adaptation (CCA)
- III) Water and marine resources (WTR)
- IV) Circular economy (CE)
- V) Pollution (PPC)
- VI) Biodiversity and Ecosystems (BIO)

- VII) Of which financing non-material activities of counterparties ⁽¹⁾
- VIII) Of which exposures financing counterparties reporting in accordance with Article 7 (9)
- IX) Of which not assessed considered non-material by the credit institution ⁽²⁾

The table continues on the next page.

1. ASSETS FOR THE CALCULATION OF GAR (FLOW/CAPEX)

		Disclosure reference date/period t															
€ mn		TOTAL [GROSS] CARRYING AMOUNT	Of which Tax- onomy- eligible	Of which Taxonomy- aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transi- tional	Of which enabling	Non-as- sessed exposures	VII)	VIII)	IX)
					I)	II)	III)	IV)	V)	VI)							
21	ASSETS NOT COVERED FOR GAR CALCULATION	-5,704															
22	Central governments and Supranational issuers	-43															
23	Central banks exposure	-															
24	Trading book	-															
25	Undertakings and entities not subject to CSRD	-6,745															
26	SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	-6,609															
27	Loans and advances	-5,576															
28	of which loans collateralised by commercial immovable property	-852															
29	of which building renovation loans	-31															
30	Debt securities	-1,033															
31	Equity instruments	-															
32	Non-EU country counterparties not subject to CSRD disclosure obligations	-136															
33	Loans and advances	-86															
34	Debt securities	-51															
35	Equity instruments	-															
36	Derivatives	-153															
37	On demand interbank loans	80															
38	Cash and cash-related assets	-															
39	Other categories of assets (e.g. goodwill, commodities etc.)	1,157															
40	TOTAL ASSETS	-205															
Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments																	
41	Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

- I) Climate Change Mitigation (CCM)
- II) Climate Change Adaptation (CCA)
- III) Water and marine resources (WTR)
- IV) Circular economy (CE)
- V) Pollution (PPC)
- VI) Biodiversity and Ecosystems (BIO)

- VII) Of which financing non-material activities of counterparties ⁽¹⁾
- VIII) Of which exposures financing counterparties reporting in accordance with Article 7 (9)
- IX) Of which not assessed considered non-material by the credit institution ⁽²⁾

The table continues on the next page.

1. ASSETS FOR THE CALCULATION OF GAR (FLOW/CAPEX)

(1) In accordance with Article 7(8)(a) and (b) of this Regulation

(2) In accordance with Article 4(1a) of this Regulation

(3) In accordance with Article 7(3) of this Regulation

Explanatory notes:

1. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange for cancellation of debts.
2. Credit institutions shall duplicate this template for reporting on stocks for the calculation of GAR stock, and reporting on new assets for the calculation of GAR flow.
3. Credit institutions shall duplicate this template for turnover-based and CapEx-based disclosures.

2. GAR SECTOR INFORMATION (CAPEX)

Breakdown by sector - NACE 4 digits level (code and label) (million EUR)		Total [Gross] carrying amount	Of which Taxonomy eligible	Of which Taxonomy aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)
1	Rental and operating of own or leased real estate [68.20]	215	10	-	-	-	-	-	-	-
2	Reinsurance [65.20]	12	12	-	-	-	-	-	-	-
3	Buying and selling of own real estate [68.10]	7	5	-	-	-	-	-	-	-
4	Management of real estate on a fee or contract basis [68.32]	4	4	-	-	-	-	-	-	-
5	Nuclear activities ⁽¹⁾	-	-	-	-	-	-	-	-	-
6	Fossil gas activities ⁽²⁾	-	-	-	-	-	-	-	-	-
7	Of which non-assessed exposures ⁽³⁾	-	-	-	-	-	-	-	-	-

(1) Referred to in Sections 4.26, 4.27 and 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139

(2) Referred to in Sections 4.29, 4.30 and 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139

(3) In accordance with Article 7(8) of this Regulation

Explanatory notes:

- Credit institutions shall disclose in this template information on top ten exposures in the banking book towards top ten sectors covered by the Taxonomy (NACE sectors 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty.
- The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of disaggregation required in the template.
- Credit institutions shall duplicate this template for turnover-based and CapEx-based disclosures.

3. GAR KPI STOCK (CAPEX)

		Disclosure reference date t												
		Breakdown per environmental objective												
%		Taxonomy-eligible	Taxonomy-aligned	I)	II)	III)	IV)	V)	VI)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy-aligned in Taxonomy-eligible	Non-assessed exposures ⁽¹⁾
(compared to corresponding total covered assets in the denominator)														
1	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR	54.8	0.99	0.99	–	–	–	–	–	0.95	–	–	1.81	–
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	54.8	0.99	0.99	–	–	–	–	–	0.95	–	–	1.81	–
3	FINANCIAL UNDERTAKINGS	2.24	0.05	0.04	–	–	–	–	–	–	–	–	2.03	–
4	Loans and advances	1.43	0.04	0.04	–	–	–	–	–	–	–	–	2.52	–
5	Debt securities, including UoP	0.81	0.01	0.01	–	–	–	–	–	–	–	–	1.16	–
6	Equity instruments	–	–	–	–	–	–	–	–	–	–	–	–	–
7	NON-FINANCIAL UNDERTAKINGS	0.85	–	–	–	–	–	–	–	–	–	–	–	–
8	Loans and advances	0.85	–	–	–	–	–	–	–	–	–	–	–	–
9	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Equity instruments	–	–	–	–	–	–	–	–	–	–	–	–	–
11	HOUSEHOLDS	51.71	0.95	0.95	–	–	–	–	–	0.95	–	–	1.83	–
12	of which loans collateralised by residential immovable property	48.60	0.95	0.95	–	–	–	–	–	0.95	–	–	1.95	–
13	of which building renovation loans	0.79	–	–	–	–	–	–	–	–	–	–	–	–
14	of which motor vehicle loans	–	–	–	–	–	–	–	–	–	–	–	–	–
15	LOCAL GOVERNMENTS FINANCING	–	–	–	–	–	–	–	–	–	–	–	–	–
16	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–
17	Other local government financing	–	–	–	–	–	–	–	–	–	–	–	–	–
18	COLLATERAL OBTAINED BY TAKING POSSESSION: RESIDENTIAL AND COMMERCIAL IMMOVABLE PROPERTIES	–	–	–	–	–	–	–	–	–	–	–	–	–
19	EXPOSURES INCLUDED ON A VOLUNTARY BASIS ⁽²⁾	–	–	–	–	–	–	–	–	–	–	–	–	–
20	TOTAL GAR ASSETS	54.8	0.99	0.99	–	–	–	–	–	0.95	–	–	1.81	–

(1) In accordance with Article 7(8) of this Regulation

(2) In accordance with Article 7(3) of this Regulation

Explanatory notes:

- Institutions shall disclose in this template the GAR KPIs on stock of exposures calculated based on the data disclosed in template 1, on covered assets.
- Credit institutions shall duplicate this template for turnover-based and CapEx-based disclosures.

- I) Climate Change Mitigation (CCM)
- II) Climate Change Adaptation (CCA)
- III) Water and marine resources (WTR)
- IV) Circular economy (CE)
- V) Pollution (PPC)
- VI) Biodiversity and Ecosystems (BIO)

4. GAR KPI FLOW (CAPEX)

		Disclosure reference date t												
		Breakdown per environmental objective												
%		Taxonomy-eligible	Taxonomy-aligned	I)	II)	III)	IV)	V)	VI)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy-aligned in Taxonomy-eligible	Non-assessed exposures ⁽¹⁾
(compared to corresponding total covered assets in the denominator)														
1	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR	56.66	1.91	1.91	–	–	–	–	–	1.82	–	–	3.37	–
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	56.66	1.91	1.91	–	–	–	–	–	1.82	–	–	3.37	–
3	FINANCIAL UNDERTAKINGS	4.46	0.09	0.09	–	–	–	–	–	–	–	–	2.05	–
4	Loans and advances	3.26	0.09	0.09	–	–	–	–	–	–	–	–	2.74	–
5	Debt securities, including UoP	1.21	–	–	–	–	–	–	–	–	–	–	0.17	–
6	Equity instruments	–	–	–	–	–	–	–	–	–	–	–	–	–
7	NON-FINANCIAL UNDERTAKINGS	0.05	–	–	–	–	–	–	–	–	–	–	–	–
8	Loans and advances	0.05	–	–	–	–	–	–	–	–	–	–	–	–
9	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Equity instruments	–	–	–	–	–	–	–	–	–	–	–	–	–
11	HOUSEHOLDS	52.14	1.82	1.82	–	–	–	–	–	1.82	–	–	3.48	–
12	of which loans collateralised by residential immovable property	48.22	1.82	1.82	–	–	–	–	–	1.82	–	–	3.77	–
13	of which building renovation loans	1.00	–	–	–	–	–	–	–	–	–	–	–	–
14	of which motor vehicle loans	–	–	–	–	–	–	–	–	–	–	–	–	–
15	LOCAL GOVERNMENTS FINANCING	–	–	–	–	–	–	–	–	–	–	–	–	–
16	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–
17	Other local government financing	–	–	–	–	–	–	–	–	–	–	–	–	–
18	COLLATERAL OBTAINED BY TAKING POSSESSION: RESIDENTIAL AND COMMERCIAL	–	–	–	–	–	–	–	–	–	–	–	–	–
19	EXPOSURES INCLUDED ON A VOLUNTARY BASIS ⁽²⁾	–	–	–	–	–	–	–	–	–	–	–	–	–
20	TOTAL GAR ASSETS	56.66	1.91	1.91	–	–	–	–	–	1.82	–	–	3.37	–

(1) In accordance with Article 7(8) of this Regulation

(2) In accordance with Article 7(3) of this Regulation

Explanatory notes:

1. Institutions shall disclose in this template the GAR KPIs on flow of new loans and advances, debt securities, equity instruments, and repossessed collateral during the financial year prior to the disclosure reference date calculated based on the data disclosed in template 1, on covered assets.
2. Credit institutions shall duplicate this template for turnover-based and CapEx-based disclosures.

- I) Climate Change Mitigation (CCM)
- II) Climate Change Adaptation (CCA)
- III) Water and marine resources (WTR)
- IV) Circular economy (CE)
- V) Pollution (PPC)
- VI) Biodiversity and Ecosystems (BIO)

5. KPI OFF-BALANCE SHEET EXPOSURES (CAPEX)

%		Disclosure reference date/period t											
		Taxonomy-eligible	Taxonomy-aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures ⁽¹⁾
				I)	II)	III)	IV)	V)	VI)				
(compared to corresponding total covered assets in the denominator)													
1	Financial guarantees (FinGuar KPI)	100.0	–	–	–	–	–	–	–	–	–	–	
2	Assets under management (AuM KPI)	–	–	–	–	–	–	–	–	–	–	–	

(1) In accordance with Article 7(8) of this Regulation

Explanatory notes:

1. Institutions shall disclose in this template the KPIs for off-balance sheet exposures (financial guarantees and AuM) calculated based on the data disclosed in template 1, on covered assets.
2. Institutions shall duplicate this template to disclose stock and flow KPIs for off-balance sheet exposures.
3. Credit institutions shall duplicate this template for turnover-based and CapEx-based disclosures

- I) Climate Change Mitigation (CCM)
- II) Climate Change Adaptation (CCA)
- III) Water and marine resources (WTR)
- IV) Circular economy (CE)
- V) Pollution (PPC)
- VI) Biodiversity and Ecosystems (BIO)

5. KPI OFF-BALANCE SHEET EXPOSURES (CAPEX)

%		Disclosure reference date/period t											
		Taxonomy-eligible	Taxonomy-aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures ⁽¹⁾
				I)	II)	III)	IV)	V)	VI)				
(compared to corresponding total covered assets in the denominator)													
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	
2	Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-	-	-	

(1) In accordance with Article 7(8) of this Regulation

Explanatory notes:

1. Institutions shall disclose in this template the KPIs for off-balance sheet exposures (financial guarantees and AuM) calculated based on the data disclosed in template 1, on covered assets.
2. Institutions shall duplicate this template to disclose stock and flow KPIs for off-balance sheet exposures.
3. Credit institutions shall duplicate this template for turnover-based and CapEx-based disclosures.

- I) Climate Change Mitigation (CCM)
- II) Climate Change Adaptation (CCA)
- III) Water and marine resources (WTR)
- IV) Circular economy (CE)
- V) Pollution (PPC)
- VI) Biodiversity and Ecosystems (BIO)

1. ASSETS FOR THE CALCULATION OF GAR (STOCK/TURNOVER)

		Disclosure reference date/period t															
€ mn		TOTAL [GROSS] CARRYING AMOUNT	Of which Taxonomy- eligible	Of which Taxonomy- aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transi- tional	Of which enabling	Non-as- sessed exposures	VII)	VIII)	IX)
					I)	II)	III)	IV)	V)	VI)							
1	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR	33,562	18,390	330	330	-	-	-	-	-	318	-	-	-	-	-	-
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	33,562	18,390	330	330	-	-	-	-	-	318	-	-	-	-	-	-
3	FINANCIAL UNDERTAKINGS	3,148	750	12	12	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	1,899	479	9	9	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	1,249	271	3	3	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	NON-FINANCIAL UNDERTAKINGS	788	286	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Loans and advances	788	286	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	HOUSEHOLDS	17,400	17,354	318	318	-	-	-	-	-	318	-	-	-	-	-	-
12	of which loans collateralised by residential immovable property	16,312	16,312	318	318	-	-	-	-	-	318	-	-	-	-	-	-
13	of which building renovation loans	267	267	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	LOCAL GOVERNMENTS FINANCING	12,226	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Other local government financing	12,226	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	COLLATERAL OBTAINED BY TAKING POSSESSION: RESIDENTIAL AND COMMERCIAL IMMOVABLE PROPERTIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	EXPOSURES INCLUDED ON A VOLUNTARY BASIS ⁽³⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	TOTAL GAR ASSETS	33,562															

- I) Climate Change Mitigation (CCM)
- II) Climate Change Adaptation (CCA)
- III) Water and marine resources (WTR)
- IV) Circular economy (CE)
- V) Pollution (PPC)
- VI) Biodiversity and Ecosystems (BIO)

- VII) Of which financing non-material activities of counterparties⁽¹⁾
- VIII) Of which exposures financing counterparties reporting in accordance with Article 7 (9)
- IX) Of which not assessed considered non-material by the credit institution ⁽²⁾

The table continues on the next page.

1. ASSETS FOR THE CALCULATION OF GAR (STOCK/TURNOVER)

		Disclosure reference date/period t															
€ mn		TOTAL [GROSS] CARRYING AMOUNT	Of which Taxonomy- eligible	Of which Taxonomy- aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transi- tional	Of which enabling	Non- assessed exposures	VII)	VIII)	IX)
					I)	II)	III)	IV)	V)	VI)							
21	ASSETS NOT COVERED FOR GAR CALCULATION	52,163															
22	Central governments and Supranational issuers	1,416															
23	Central banks exposure	-															
24	Trading book	-															
25	Undertakings and entities not subject to CSRD	45,248															
26	SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	44,775															
27	Loans and advances	44,239															
28	of which loans collateralised by commercial immovable property	29,062															
29	of which building renovation loans	1,267															
30	Debt securities	535															
31	Equity instruments	1															
32	Non-EU country counterparties not subject to CSRD disclosure obligations	473															
33	Loans and advances	226															
34	Debt securities	247															
35	Equity instruments	-															
36	Derivatives	5,427															
37	On demand interbank loans	976															
38	Cash and cash-related assets	-															
39	Other categories of assets (e.g. goodwill, commodities etc.)	-903															
40	TOTAL ASSETS	85,726															
Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments																	
41	Financial guarantees	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

- I) Climate Change Mitigation (CCM)
- II) Climate Change Adaptation (CCA)
- III) Water and marine resources (WTR)
- IV) Circular economy (CE)
- V) Pollution (PPC)
- VI) Biodiversity and Ecosystems (BIO)

- VII) Of which financing non-material activities of counterparties⁽¹⁾
- VIII) Of which exposures financing counterparties reporting in accordance with Article 7 (9)
- IX) Of which not assessed considered non-material by the credit institution ⁽²⁾

The table continues on the next page.

1. ASSETS FOR THE CALCULATION OF GAR (STOCK/TURNOVER)

(1) In accordance with Article 7(8)(a) and (b) of this Regulation

(2) In accordance with Article 4(1a) of this Regulation

(3) In accordance with Article 7(3) of this Regulation

Explanatory notes:

1. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange for cancellation of debts.
2. Credit institutions shall duplicate this template for reporting on stocks for the calculation of GAR stock, and reporting on new assets for the calculation of GAR flow.
3. Credit institutions shall duplicate this template for turnover-based and CapEx-based disclosures.

1. ASSETS FOR THE CALCULATION OF GAR (FLOW/TURNOVER)

		Disclosure reference date/period t															
€ mn		TOTAL [GROSS] CARRYING AMOUNT	Of which Taxonomy- eligible	Of which Taxonomy- aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transi- tional	Of which enabling	Non- assessed exposures	VII)	VIII)	IX)
					I)	II)	III)	IV)	V)	VI)							
1	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR	5,498	3,115	104	104	-	-	-	-	-	100	-	-	-	-	-	-
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	5,498	3,115	104	104	-	-	-	-	-	100	-	-	-	-	-	-
3	FINANCIAL UNDERTAKINGS	822	245	4	4	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	755	179	4	4	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	66	66	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	NON-FINANCIAL UNDERTAKINGS	89	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Loans and advances	89	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	HOUSEHOLDS	2,890	2,867	100	100	-	-	-	-	-	100	-	-	-	-	-	-
12	of which loans collateralised by residential immovable property	2,651	2,651	100	100	-	-	-	-	-	100	-	-	-	-	-	-
13	of which building renovation loans	55	55	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	LOCAL GOVERNMENTS FINANCING	1,697	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Other local government financing	1,697	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	COLLATERAL OBTAINED BY TAKING POSSESSION: RESIDENTIAL AND COMMERCIAL IMMOVABLE PROPERTIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	EXPOSURES INCLUDED ON A VOLUNTARY BASIS ⁽³⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	TOTAL GAR ASSETS	5,498															

- I) Climate Change Mitigation (CCM)
- II) Climate Change Adaptation (CCA)
- III) Water and marine resources (WTR)
- IV) Circular economy (CE)
- V) Pollution (PPC)
- VI) Biodiversity and Ecosystems (BIO)

- VII) Of which financing non-material activities of counterparties ⁽¹⁾
- VIII) Of which exposures financing counterparties reporting in accordance with Article 7 (9)
- IX) Of which not assessed considered non-material by the credit institution ⁽²⁾

The table continues on the next page.

1. ASSETS FOR THE CALCULATION OF GAR (FLOW/TURNOVER)

		Disclosure reference date/period t															
€ mn		TOTAL [GROSS] CARRYING AMOUNT	Of which Taxonomy- eligible	Of which Taxonomy- aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transi- tional	Of which enabling	Non- assessed exposures	VII)	VIII)	IX)
					I)	II)	III)	IV)	V)	VI)							
21	ASSETS NOT COVERED FOR GAR CALCULATION	-5,704															
22	Central governments and Supranational issuers	-43															
23	Central banks exposure	-															
24	Trading book	-															
25	Undertakings and entities not subject to CSRD	-6,745															
26	SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	-6,609															
27	Loans and advances	-5,576															
28	of which loans collateralised by commercial immovable property	-852															
29	of which building renovation loans	-31															
30	Debt securities	-1,033															
31	Equity instruments	-															
32	Non-EU country counterparties not subject to CSRD disclosure obligations	-136															
33	Loans and advances	-86															
34	Debt securities	-51															
35	Equity instruments	-															
36	Derivatives	-153															
37	On demand interbank loans	80															
38	Cash and cash-related assets	-															
39	Other categories of assets (e.g. goodwill, commodities etc.)	1,157															
40	TOTAL ASSETS	-205															
Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments																	
41	Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

- I) Climate Change Mitigation (CCM)
- II) Climate Change Adaptation (CCA)
- III) Water and marine resources (WTR)
- IV) Circular economy (CE)
- V) Pollution (PPC)
- VI) Biodiversity and Ecosystems (BIO)

- VII) Of which financing non-material activities of counterparties ⁽¹⁾
- VIII) Of which exposures financing counterparties reporting in accordance with Article 7 (9)
- IX) Of which not assessed considered non-material by the credit institution ⁽²⁾

The table continues on the next page.

1. ASSETS FOR THE CALCULATION OF GAR (FLOW/TURNOVER)

(1) In accordance with Article 7(8)(a) and (b) of this Regulation

(2) In accordance with Article 4(1a) of this Regulation

(3) In accordance with Article 7(3) of this Regulation

Explanatory notes:

1. The following accounting categories of financial assets should be considered: Financial assets at amortised cost, financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collaterals obtained by credit institutions by taking possession in exchange for cancellation of debts.
2. Credit institutions shall duplicate this template for reporting on stocks for the calculation of GAR stock, and reporting on new assets for the calculation of GAR flow.
3. Credit institutions shall duplicate this template for turnover-based and CapEx-based disclosures.

2. GAR SECTOR INFORMATION (TURNOVER)

Breakdown by sector - NACE 4 digits level (code and label) (million EUR)		Total [Gross] carrying amount	Of which Taxonomy-eligible	Of which Taxonomy-aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)
1	Rental and operating of own or leased real estate [68.20]	215	10	-	-	-	-	-	-	-
2	Reinsurance [65.20]	12	12	-	-	-	-	-	-	-
3	Buying and selling of own real estate [68.10]	7	5	-	-	-	-	-	-	-
4	Management of real estate on a fee or contract basis [68.32]	4	4	-	-	-	-	-	-	-
5	Nuclear activities ⁽¹⁾	-	-	-	-	-	-	-	-	-
6	Fossil gas activities ⁽²⁾	-	-	-	-	-	-	-	-	-
7	Of which non-assessed exposures ⁽³⁾	-	-	-	-	-	-	-	-	-

(1) Referred to in Sections 4.26, 4.27 and 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139

(2) Referred to in Sections 4.29, 4.30 and 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139

(3) In accordance with Article 7(8) of this Regulation

Explanatory notes:

- Credit institutions shall disclose in this template information on top ten exposures in the banking book towards top ten sectors covered by the Taxonomy (NACE sectors 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty.
- The counterparty NACE sector allocation shall be based exclusively on the nature of the immediate counterparty. The classification of the exposures incurred jointly by more than one obligor shall be done on the basis of the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of disaggregation required in the template.
- Credit institutions shall duplicate this template for turnover-based and CapEx-based disclosures.

3. GAR KPI STOCK (TURNOVER)

		Disclosure reference date t												
		Breakdown per environmental objective												
%		Taxonomy-eligible	Taxonomy-aligned	I)	II)	III)	IV)	V)	VI)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy-aligned in Taxonomy-eligible	Non-assessed exposures ⁽¹⁾
(compared to corresponding total covered assets in the denominator)														
1	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR	54.79	0.98	0.98	–	–	–	–	–	0.95	–	–	1.80	–
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	54.79	0.98	0.98	–	–	–	–	–	0.95	–	–	1.80	–
3	FINANCIAL UNDERTAKINGS	2.23	0.04	0.04	–	–	–	–	–	–	–	–	1.66	–
4	Loans and advances	1.43	0.03	0.03	–	–	–	–	–	–	–	–	1.94	–
5	Debt securities, including UoP	0.81	0.01	0.01	–	–	–	–	–	–	–	–	1.17	–
6	Equity instruments	–	–	–	–	–	–	–	–	–	–	–	–	–
7	NON-FINANCIAL UNDERTAKINGS	0.85	–	–	–	–	–	–	–	–	–	–	–	–
8	Loans and advances	0.85	–	–	–	–	–	–	–	–	–	–	–	–
9	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Equity instruments	–	–	–	–	–	–	–	–	–	–	–	–	–
11	HOUSEHOLDS	51.71	0.95	0.95	–	–	–	–	–	0.95	–	–	1.83	–
12	of which loans collateralised by residential immovable property	48.60	0.95	0.95	–	–	–	–	–	0.95	–	–	1.95	–
13	of which building renovation loans	0.79	–	–	–	–	–	–	–	–	–	–	–	–
14	of which motor vehicle loans	–	–	–	–	–	–	–	–	–	–	–	–	–
15	LOCAL GOVERNMENTS FINANCING	–	–	–	–	–	–	–	–	–	–	–	–	–
16	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–
17	Other local government financing	–	–	–	–	–	–	–	–	–	–	–	–	–
18	COLLATERAL OBTAINED BY TAKING POSSESSION: RESIDENTIAL AND COMMERCIAL IMMOVABLE PROPERTIES	–	–	–	–	–	–	–	–	–	–	–	–	–
19	EXPOSURES INCLUDED ON A VOLUNTARY BASIS ⁽²⁾	–	–	–	–	–	–	–	–	–	–	–	–	–
20	TOTAL GAR ASSETS	54.79	0.98	0.98	–	–	–	–	–	0.95	–	–	1.80	–

(1) In accordance with Article 7(8) of this Regulation

(2) In accordance with Article 7(3) of this Regulation

Explanatory notes:

1. Institutions shall disclose in this template the GAR KPIs on stock of exposures calculated based on the data disclosed in template 1, on covered assets.
2. Credit institutions shall duplicate this template for turnover-based and CapEx-based disclosures.

- I) Climate Change Mitigation (CCM)
- II) Climate Change Adaptation (CCA)
- III) Water and marine resources (WTR)
- IV) Circular economy (CE)
- V) Pollution (PPC)
- VI) Biodiversity and Ecosystems (BIO)

4. GAR KPI FLOW (TURNOVER)

		Disclosure reference date t												
		Breakdown per environmental objective												
%		Taxonomy-eligible	Taxonomy-aligned	I)	II)	III)	IV)	V)	VI)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy-aligned in Taxonomy-eligible	Non-assessed exposures ⁽¹⁾
(compared to corresponding total covered assets in the denominator)														
1	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR	56.65	1.89	1.89	–	–	–	–	–	1.82	–	–	3.33	–
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	56.65	1.89	1.89	–	–	–	–	–	1.82	–	–	3.33	–
3	FINANCIAL UNDERTAKINGS	4.46	0.07	0.07	–	–	–	–	–	–	–	–	1.59	–
4	Loans and advances	3.25	0.07	0.07	–	–	–	–	–	–	–	–	2.11	–
5	Debt securities, including UoP	1.21	–	–	–	–	–	–	–	–	–	–	0.17	–
6	Equity instruments	–	–	–	–	–	–	–	–	–	–	–	–	–
7	NON-FINANCIAL UNDERTAKINGS	0.05	–	–	–	–	–	–	–	–	–	–	–	–
8	Loans and advances	0.05	–	–	–	–	–	–	–	–	–	–	–	–
9	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Equity instruments	–	–	–	–	–	–	–	–	–	–	–	–	–
11	HOUSEHOLDS	52.14	1.82	1.82	–	–	–	–	–	1.82	–	–	3.48	–
12	of which loans collateralised by residential immovable property	48.22	1.82	1.82	–	–	–	–	–	1.82	–	–	3.77	–
13	of which building renovation loans	1.00	–	–	–	–	–	–	–	–	–	–	–	–
14	of which motor vehicle loans	–	–	–	–	–	–	–	–	–	–	–	–	–
15	LOCAL GOVERNMENTS FINANCING	–	–	–	–	–	–	–	–	–	–	–	–	–
16	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–
17	Other local government financing	–	–	–	–	–	–	–	–	–	–	–	–	–
18	COLLATERAL OBTAINED BY TAKING POSSESSION: RESIDENTIAL AND COMMERCIAL IMMOVABLE PROPERTIES	–	–	–	–	–	–	–	–	–	–	–	–	–
19	EXPOSURES INCLUDED ON A VOLUNTARY BASIS ⁽²⁾	–	–	–	–	–	–	–	–	–	–	–	–	–
20	TOTAL GAR ASSETS	56.65	1.89	1.89	–	–	–	–	–	1.82	–	–	3.33	–

(1) In accordance with Article 7(8) of this Regulation

(2) In accordance with Article 7(3) of this Regulation

Explanatory notes:

1. Institutions shall disclose in this template the GAR KPIs on flow of new loans and advances, debt securities, equity instruments, and repossessed collateral during the financial year prior to the disclosure reference date calculated based on the data disclosed in template 1, on covered assets.
2. Credit institutions shall duplicate this template for turnover-based and CapEx-based disclosures.

- I) Climate Change Mitigation (CCM)
- II) Climate Change Adaptation (CCA)
- III) Water and marine resources (WTR)
- IV) Circular economy (CE)
- V) Pollution (PPC)
- VI) Biodiversity and Ecosystems (BIO)

5. KPI OFF-BALANCE SHEET EXPOSURES (STOCK/TURNOVER)

%		Disclosure reference date/period t											
		Taxonomy-eligible	Taxonomy-aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures ⁽¹⁾
				I)	II)	III)	IV)	V)	VI)				
1	Financial guarantees (FinGuar KPI)	100.0	-	-	-	-	-	-	-	-	-	-	
2	Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-	-	-	

(1) In accordance with Article 7(8) of this Regulation

Explanatory notes:

1. Institutions shall disclose in this template the KPIs for off-balance sheet exposures (financial guarantees and AuM) calculated based on the data disclosed in template 1, on covered assets.
2. Institutions shall duplicate this template to disclose stock and flow KPIs for off-balance sheet exposures.
3. Credit institutions shall duplicate this template for turnover-based and CapEx-based disclosures.

- I) Climate Change Mitigation (CCM)
- II) Climate Change Adaptation (CCA)
- III) Water and marine resources (WTR)
- IV) Circular economy (CE)
- V) Pollution (PPC)
- VI) Biodiversity and Ecosystems (BIO)

5. KPI OFF-BALANCE SHEET EXPOSURES (FLOW/TURNOVER)

%		Disclosure reference date/period t											
		Taxonomy-eligible	Taxonomy-aligned	Breakdown per environmental objective						Of which Use of Proceeds	Of which transitional	Of which enabling	Non-assessed exposures ⁽¹⁾
				I)	II)	III)	IV)	V)	VI)				
(compared to corresponding total covered assets in the denominator)													
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	
2	Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-	-	-	

(1) In accordance with Article 7(8) of this Regulation

Explanatory notes:

1. Institutions shall disclose in this template the KPIs for off-balance sheet exposures (financial guarantees and AuM) calculated based on the data disclosed in template 1, on covered assets.
2. Institutions shall duplicate this template to disclose stock and flow KPIs for off-balance sheet exposures.
3. Credit institutions shall duplicate this template for turnover-based and CapEx-based disclosures.

- I) Climate Change Mitigation (CCM)
- II) Climate Change Adaptation (CCA)
- III) Water and marine resources (WTR)
- IV) Circular economy (CE)
- V) Pollution (PPC)
- VI) Biodiversity and Ecosystems (BIO)

TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

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FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31 DECEMBER 2025 ASSETS

	€ 000's	Note	€ 000's	31 Dec 2025 € 000's	31 Dec 2024 € 000's
CASH FUNDS				95	354
a) Cash on hand			2		1
b) Balances with central banks			93		353
of which: with Deutsche Bundesbank	(93)				(353)
LOANS AND ADVANCES TO BANKS		(4)		3,562,607	3,103,083
a) Mortgage loans			1,804		5,811
b) Loans to local authorities			592,979		396,223
c) Other loans and advances			2,967,824		2,701,049
of which: payable on demand	674,499				(559,940)
LOANS AND ADVANCES TO CUSTOMERS		(4)		67,639,489	67,939,282
a) Mortgage loans			54,513,554		54,604,348
b) Loans to local authorities			10,034,035		10,384,254
c) Other loans and advances			3,091,900		2,950,680
BONDS AND OTHER FIXED-INCOME SECURITIES		(6)		5,459,656	5,422,743
a) Bonds and debt securities			(5,457,458)		(5,418,664)
aa) Public-sector issuers			3,437,643		3,331,108
of which: securities eligible as collateral with Deutsche Bundesbank	3,241,810				(3,043,457)
ab) Other issuers			2,019,815		2,087,556
of which: securities eligible as collateral with Deutsche Bundesbank	1,842,225				(1,856,892)
b) Own bonds issued			2,198		4,079
Nominal amount	2,505				(4,402)
PARTICIPATIONS		(6)		413	413
SHARES IN AFFILIATED COMPANIES		(6)		1,566	1,566
TRUST ASSETS		(7)		4,645	5,325
of which: trustee loans	4,645				(5,325)
INTANGIBLE FIXED ASSETS		(6)		1,632	1,747
a) Concessions, industrial property rights and similar rights and assets, as well as licences in such rights and assets			1,632		1,702
b) Advance payments made			–		45
TANGIBLE FIXED ASSETS		(6)		217,233	219,165
OTHER ASSETS		(8)		95,152	74,960
PREPAID EXPENSES		(10)		380,457	444,818
a) From new issues and lending			377,471		442,780
b) Other			2,986		2,038
TOTAL ASSETS				77,362,945	77,213,456

BALANCE SHEET AS AT 31 DECEMBER 2025
LIABILITIES AND EQUITY

	€ 000's	Note	€ 000's	31 Dec 2025 € 000's	31 Dec 2024 € 000's
LIABILITIES TO BANKS		(12)		28,483,598	28,078,184
a) Outstanding Registered Mortgage Pfandbriefe			725,584		811,174
b) Outstanding Registered Public Pfandbriefe			693,312		794,053
c) Other liabilities			27,064,702		26,472,957
of which: payable on demand	28,102				(56,992)
LIABILITIES TO CUSTOMERS		(12)		10,717,564	11,280,066
a) Outstanding Registered Mortgage Pfandbriefe			4,200,123		4,291,648
b) Outstanding Registered Public Pfandbriefe			4,837,336		5,121,928
c) Other liabilities			1,680,105		1,866,490
of which: payable on demand	335,126				(469,528)
SECURITISED LIABILITIES		(12)		34,865,545	34,536,205
a) Bonds issued					
aa) Mortgage Pfandbriefe (Hypothekendarlehen)			30,493,118		29,391,982
ab) Public Pfandbriefe			3,502,348		4,094,238
ac) Other debt securities			870,079		1,049,985
TRUST LIABILITIES		(7)		4,645	5,325
of which: trustee loans	4,645				(5,325)
OTHER LIABILITIES		(13)		231,619	333,798
DEFERRED INCOME		(10)		383,851	442,008
a) From new issues and lending			383,851		442,008
PROVISIONS				314,792	286,539
a) Provisions for pensions and similar obligations			229,463		237,050
b) Provisions for taxes			32,086		4,198
c) Other provisions			53,243		45,291
FUND FOR GENERAL BANKING RISKS				1,234,000	1,124,000
EQUITY				1,127,331	1,127,331
a) Subscribed capital		(14)	(149,990)		(149,990)
aa) Share capital			149,990		149,990
b) Capital reserves			884,196		884,196
c) Retained earnings			(93,145)		(93,145)
ca) Legal reserves			945		945
cb) Other retained earnings			92,200		92,200
TOTAL EQUITY AND LIABILITIES				77,362,945	77,213,456
CONTINGENT LIABILITIES		(15)			
a) Liabilities from guarantees and indemnity agreements				286,895	229,210
OTHER COMMITMENTS		(15)			
a) Irrevocable loan commitments				6,787,171	6,067,291

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2025

	€ 000's	Note	€ 000's	2025 € 000's	2024 € 000's
INTEREST INCOME FROM					
a) Lending and money market-transactions			2,909,378		3,702,506
b) Fixed-income securities and debt register claims			147,702		156,238
				3,057,080	3,858,744
INTEREST EXPENSES				2,340,630	3,142,365
				716,450	716,379
CURRENT INCOME FROM					
a) Participations				9	217
INCOME FROM PROFIT-POOLING, PROFIT TRANSFER OR PARTIAL PROFIT TRANSFER AGREEMENTS				2,345	3,194
COMMISSION INCOME			36,428		34,199
COMMISSION EXPENSES			63,532		55,317
				-27,104	-21,118
OTHER OPERATING INCOME		(24)		20,549	25,921
GENERAL ADMINISTRATIVE EXPENSES					
a) Staff expenses					
aa) Wages and salaries			99,224		88,375
ab) Compulsory social security contributions and expenses for pensions and other employee benefits			18,714		21,873
			117,938		110,248
of which: pension expenses	2,661				8,081
b) Other administrative expenses			127,771		129,150
				245,709	239,398
AMORTISATION/DEPRECIATION AND WRITE-DOWNS OF INTANGIBLE AND TANGIBLE FIXED ASSETS				5,616	5,074
OTHER OPERATING EXPENSES		(25)		10,778	7,769
WRITE-DOWNS AND VALUATION ALLOWANCES OF LOANS AND ADVANCES AND SPECIFIC SECURITIES, AS WELL AS ADDITIONS TO LOAN LOSS PROVISIONS				103,380	90,551
INCOME FROM WRITE-UPS ON PARTICIPATIONS, SHARES IN AFFILIATED COMPANIES AND INVESTMENT SECURITIES				71	4,445
ALLOCATION TO THE FUND FOR GENERAL BANKING RISKS				110,000	146,000
RESULT FROM ORDINARY ACTIVITIES				236,837	240,246
INCOME TAXES		(26)	154,708		139,980
OTHER TAXES NOT REPORTED UNDER ITEM 12			129		266
				154,837	140,246
PROFITS TRANSFERRED ON THE BASIS OF PROFIT POOLS, PROFIT TRANSFER AGREEMENTS OR PARTIAL PROFIT TRANSFER AGREEMENTS				82,000	100,000
NET INCOME/LOSS				-	-

STATEMENT OF CHANGES IN EQUITY

	31 Dec 2024	Issue of shares	Dividends paid	Net income/ loss	Transfers to/ from retained earnings	Other changes	31 Dec 2025
	€ 000's	€ 000's	€ 000's	€ 000's	€ 000's	€ 000's	€ 000's
SUBSCRIBED CAPITAL	(149,990)	-	-	-	-	-	(149,990)
- Share capital	149,990	-	-	-	-	-	149,990
CAPITAL RESERVES	(884,196)	-	-	-	-	-	(884,196)
- Premium at issuance	408,590	-	-	-	-	-	408,590
- Other payments	475,606	-	-	-	-	-	475,606
RETAINED EARNINGS	(93,145)	-	-	-	-	-	(93,145)
- Legal reserves	945	-	-	-	-	-	945
- Other retained earnings	92,200	-	-	-	-	-	92,200
- Net retained profit	-	-	-	-	-	-	-
EQUITY	1,127,331	-	-	-	-	-	1,127,331

CASH FLOW STATEMENT

€ mn	2025	2024
RESULT FROM ORDINARY ACTIVITIES	237	240
- Other taxes not disclosed under "other operating expenses"	0 ^{*)}	0 ^{*)}
PROFIT OR LOSS FOR THE PERIOD (NET INCOME/LOSS BEFORE TAXES AND PROFIT TRANSFER)	237	240
+/- Amortisation/depreciation, write-downs and write-ups on loans and advances, and non-current assets	115	102
+/- Increase/decrease in provisions	28	1
+/- Other non-cash expenses/income	81	146
-/+ Profit/loss from the disposal of non-current assets	0 ^{*)}	-4
-/+ Other adjustments (net balance)	9	6
-/+ Increase/decrease in loans and advances to banks	-459	-88
-/+ Increase/decrease in loans and advances to customers	195	-374
-/+ Increase/decrease in securities (excluding financial assets)	2	4
-/+ Increase/decrease in other assets from operating activities	44	61
+/- Increase/decrease in liabilities to banks	390	-730
+/- Increase/decrease in liabilities to customers	-547	-234
+/- Increase/decrease in securitised liabilities	274	483
+/- Increase/decrease in other liabilities from operating activities	-132	-48
+/- Interest expenses/income	-719	-720
+ Interest and dividend payments received	3,052	3,856
- Interest paid	-2,284	-3,062
+/- Net cash inflow/outflow from income taxes (including Group tax overheads)	-138	-146
= CASH FLOW FROM OPERATING ACTIVITIES	148	-507
+ Receipts from the disposal of financial assets	333	951
- Payments for investments in financial assets	-378	-384
+ Receipts from the disposal of tangible fixed assets	0	0 ^{*)}
- Payments for investments in tangible fixed assets	-3	-4
- Payments for investments in intangible fixed assets	0 ^{*)}	-2
= CASH FLOW FROM INVESTING ACTIVITIES	-48	561
- Cash outflow from profit transfer to DZ BANK (as holder of the share capital)	-100	-55
= CASH FLOW FROM FINANCING ACTIVITIES	-100	-55
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	0^{*)}	1
+/- Cash flow from operating activities	148	-507
+/- Cash flow from investing activities	-48	561
+/- Cash flow from financing activities	-100	-55
= CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	0^{*)}	0^{*)}

*) Values less than € 0.5 million

Cash and cash equivalents correspond to the balance sheet item "Cash funds" and include cash on hand and balances with central banks.

NOTES TO THE FINANCIAL STATEMENTS

GENERAL NOTES

DZ HYP AG ("DZ HYP") has dual registered offices in Hamburg and Münster, Westphalia. DZ HYP is registered with the Commercial Register of the Hamburg Local Court (Amtsgericht Hamburg) under HRB 5604, and with the Commercial Register of the Münster Local Court (Amtsgericht Münster) under HRB 17424.

(1) General information on the preparation of financial statements

The financial statements of DZ HYP for the financial year 2025 have been prepared in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch* – "HGB"). Furthermore, the financial statements are prepared in accordance with the Regulation on the Accounting of Credit Institutions and Financial Services Institutions (*Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute* – "RechKredV") and the German Banking Act (*Kreditwesengesetz* – "KWG"); they fulfil the requirements of the German Stock Corporation Act (*Aktengesetz* – "AktG") and the German Pfandbrief Act (*Pfandbriefgesetz* – "PfandBG").

Given the non-materiality of all subsidiaries, even if considered in aggregate, in accordance with section 290 (5) in conjunction with section 296 (2) of the HGB, the Company has not prepared consolidated financial statements.

All amounts have been quoted in euros, in accordance with section 244 of the HGB.

(2) Accounting policies

These annual financial statements of DZ HYP as at 31 December 2025 are generally based on the same accounting policies as were applied in the annual

financial statements as at 31 December 2024; accordingly, there have been no material changes to accounting policies since then.

Loans and advances to banks/to customers

Loans and advances to banks and customers are recognised at nominal value, in accordance with section 340e (2) of the HGB. Where their stated value differs from the amount disbursed, or cost, the amount of the difference is reported under prepaid expenses or deferred income, and amortised in interest income over the term of the transaction.

Loans and advances, which are fully classified as current assets, are valued strictly at the lower of cost or market. Loss allowance is recognised to account for default risks in the lending business.

Even for reporting under German commercial law (HGB), loss allowance is calculated using the expected loss model in accordance with IFRS 9, which classifies loss allowance into three stages. When calculating expected credit losses, the probability of default, the loss given default and the expected exposure at default are all taken into account. Stages 1 and 2 are related to portfolio-based loss allowance and are recognised for potential default risks, equating to expected 12-month credit loss (stage 1) or the credit loss expected over the remaining term (stage 2). Current macroeconomic uncertainty is accounted for using an expert-based override of shift factors determined using statistical data. Another component is the staging assessment for stage 2, meaning that all non-impaired exposures of individual asset classes with a challenging market environment within commercial corporate lending are generally allocated to stage 2. These override components are reviewed both on a regular and an event-driven basis and updated whenever necessary.

Loss allowance for identifiable credit risks (incurred impairment) is allocated to stage 3, equating to the credit loss expected over the remaining term.

Specific allowance is recognised when the Bank has reason to doubt the performance of a receivable, due to the difficult financial circumstances of a borrower, or in the event of insufficient collateralisation; or if there are indications that the borrower will be unable to pay interest on a sustainable basis. The same applies to contingent receivables.

When determining specific loss allowance, existing receivables as at the valuation date (including any pro-rata interest and pending items) are compared to discounted and scenario-weighted cash flows from collateral – including realisation of collateral. The uncovered portion determined in this way is written down in full.

When recognising loss allowance, DZ HYP applies the option to cross-compensate all income and expense items in line with section 340f (3) as well as section 340c (2) of the HGB.

Bonds and other fixed-income securities

Bonds and debt securities held as fixed assets are measured at amortised cost; if impairments are expected to be permanent, DZ HYP recognises a write-down to the lower observable closing rate ("*gemildertes Niederstwertprinzip*"). Other bonds and debt securities are allocated to the liquidity reserve. These items are measured at the lower of cost and fair value ("*strenges Niederstwertprinzip*").

The vast majority of bonds and debt securities held as fixed assets are used in coverage calculations as ordinary or extended cover. The difference between cost and redemption amount is disclosed in net interest income during the remaining term.

The fair value of liquid debt securities and other fixed-income securities is generally determined on the basis of external market prices. If a valid market price for securities already held cannot be determined as at the reporting date, due to a lack of transaction volume, spread curves are used to determine the relevant price on the basis of the discounted cash flow method. Future cash flows from interest and principal were discounted to their present value as at the reporting date, using market interest rates in line with the risks and maturities concerned. If specific parameters needed for valuation purposes cannot be observed on the market, and cannot be derived from market data, DZ HYP applies parameters estimated within the DZ BANK Group.

The valuation of securities held as fixed assets, or included in the liquidity reserve, is generally based on an individual approach.

Participations and shares in affiliated companies

Participations and shares in affiliated companies are measured at amortised cost, or at the lower fair values in case of permanent impairments.

Intangible and tangible fixed assets

According to section 253 (1) and (3) of the HGB, intangible and tangible fixed assets are measured at cost less depreciation, amortisation and impairment losses. Depreciation and amortisation are recognised monthly on a straight-line basis, taking the expected useful life into account. Low-value assets disclosed under intangible and tangible fixed assets with cost of between € 250 and € 800 are recognised in the balance sheet in the year of acquisition, and amortised/depreciated immediately. Assets with cost of less than € 250 are recognised through profit or loss in the year of acquisition.

Deferred taxes

Deferred taxes are determined for temporary differences between the carrying amounts of assets, liabilities, prepaid expenses and deferred income in the HGB financial statements and their tax bases. DZ HYP is part of DZ BANK's consolidated tax group that also includes deferred taxes resulting from measurement differences at DZ HYP.

Liabilities

Liabilities are recognised at their settlement amount in accordance with section 253 (1) sentence 2 of the HGB. The difference between the nominal value and the initial carrying amount of liabilities is recognised under prepaid expenses or deferred income, and amortised over the term of the transaction.

Zero bonds are shown at their issue value, plus pro-rata interest in line with the yield at the time of issue.

Liabilities classified as structured products (as defined in Statement IDW RS HFA 22 issued by the Institute of Public Auditors in Germany) are accounted for as uniform liabilities, since such products at DZ HYP exclusively contain interest rate derivative components, which do not have to be accounted for separately.

Provisions

Provisions for pensions are recognised in accordance with actuarial principles and determined on the basis of the projected unit credit method, using Dr Klaus Heubeck's 2018 G actuarial tables (revised version dated 2 October 2018). The calculation of the provisions takes into account annual future salary increases of 3.0 per cent as well as annual pension increases of 2.1 per cent. DZ HYP uses the average market interest rate for the last ten years and a notional remaining term of 15 years as established by Deutsche Bundesbank in accordance with section 253 (2) of the HGB (2.06 per cent).

Due to amended legal requirements, the calculation of pension provisions was adapted in 2016. The assessment period of the applied average interest rate was extended from seven to ten years. The negative difference according to section 253 (6) sentence 1 of the HGB (i.e. the excess in pension provisions due to the change in the period used to determine average values to the last ten years) stood at € -4.8 million as at year-end 2025 (31 December 2024: € -2.0 million).

A part of pension provisions refers to pension commitments which are accessory to reinsurance. The amount of pension commitments is determined exclusively using the fair value of reinsurance cover.

Since the fair value of the reinsurance claim (capitalised value) exceeds the present value of the settlement amount of the guaranteed minimum benefits, the pension obligation has to be recognised at capitalised value of the reinsurance cover in analogous application of section 253 (1) sentence 3 of the HGB, and amounted to € 5.9 million as at 31 December 2025 (31 December 2024: € 5.3 million).

In accordance with section 246 (2) sentence 1 of the HGB, netting the obligation against the capitalised value of the reinsurance cover is not permissible. This applies analogously to the netting of interest expenses against interest income.

The projected unit credit method was used as the valuation method. The valuation is based on the accrual-based allocation of pension benefits during the employment relationship and the actuarial assumptions used to calculate the present value of these benefits. The addition to provisions for pensions due to interest rate effects is recognised in other operating expenses.

DZ HYP recognises tax provisions for current taxes in accordance with tax regulations.

Other provisions are recognised for contingent liabilities or for impending losses from executory contracts in the amount of the expected settlement amounts, exercising prudent commercial judgement.

In accordance with section 253 (2) of the HGB, provisions with a remaining term of more than one year are discounted using the average market interest rate of the last seven years, in line with maturities. Income or expenses from discounting or accumulating provision items are recognised in other operating income/expenses.

Provisions for contributions to the resolution fund for credit institutions under the CRR include provisions for irrevocable payment commitments (IPCs) with a nominal amount of € 54.3 million, as approved by the Single Resolution Board (SRB) based on applications for collateral backing partial repayments of the European bank levy. DZ HYP deposits cash collateral in the same amount for this purpose. The pledged collateral is included in the balance sheet item "Other assets".

In its judgment dated 13 November 2025, the European Court of Justice (ECJ) clarified that the IPCs do not expire when an institution falls outside the scope of the single resolution mechanism (in particular when the banking licence is surrendered). The institution must pay the irrevocably committed amount in order for the cash collateral provided by the institution to be returned.

Regardless of the judgment, no relevant condition for the occurrence of a payment obligation has materialised at present and DZ HYP does not intend to surrender its banking licence in the foreseeable future. The provisions for contributions to the resolution fund for credit institutions under the CRR are measured at a low present value because payment conditions are not expected to materialise for a very long time.

Contingent liabilities

Guarantees are recognised at their nominal amount. Contingent liabilities from credit collateral pledged for clients' interest rate swap hedges are recognised at their regulatory credit equivalent amount.

Derivative financial instruments and fair value measurement of the banking book

Financial derivatives are accounted for separately in auxiliary ledgers. These instruments are used to hedge against the interest rate and currency risk exposure of on-balance sheet transactions. All derivative transactions therefore form part of the overall management of the banking book. Segregated sub-portfolios (valuation units) are not managed on an individual basis. Accordingly, section 254 of the HGB is not applicable.

Current interest payments are amortised and recorded in net interest income.

In connection with the early redemption of hedged items recognised on the balance sheet, we also generally terminate derivative financial instruments early. Any resulting gains are usually recognised in net interest income. Only where interest rate swaps can be allocated to individual securities, income realised upon closing out swaps is recognised in line with the recognition of income of the underlying transaction, in the net financial result, or in the net risk provisioning balance, respectively.

In accordance with Statement IDW RS BFA 3, the fair value measurement (*"verlustfreie Bewertung"*) of the interest-related banking book ("interest rate book") is based on the present value. The interest rate book comprises both the interest-related underlying transaction as well as the interest-related derivative.

As at 31 December 2025, the provision test resolved that no provisions pursuant to section 249 (1) sentence 1 alternative 2 of the HGB have to be recognised for the interest rate book, since the present value of the interest rate book was higher than the carrying amount of the interest rate book, less general administrative and risk costs.

Profit and loss account

Interest rate option premiums paid and received are disclosed under other liabilities, or other assets, and recognised through profit or loss in net interest income at maturity.

Damages charged for loan repayments or extensions during the fixed-interest term of a loan are fully recognised in interest income.

Income and expenses from the valuation of the lending business and securities held in the liquidity reserve are recognised on an offset basis in accordance with section 32 of the RechKredV in conjunction with section 340f (3) of the HGB. Expenses from financial investments are offset against the corresponding income items in accordance with section 33 of the RechKredV in conjunction with section 340c (2) of the HGB.

(3) Currency translation

Assets and liabilities from foreign exchange transactions are translated in line with section 340h in conjunction with section 256a of the HGB and the Statement IDW RS BFA 4 issued by the Banking Committee of the Institute of Public Auditors in Germany (IDW). Book receivables, securities, liabilities and unsettled spot transactions as well as foreign exchange forwards and cross-currency swaps denominated in foreign currencies entered into for FX hedging purposes are translated into euro, using the ECB reference rate on the reporting date. Regarding foreign exchange forwards entered into in order to hedge interest-bearing balance sheet items, currency translations are made by splitting the forward rate into the spot rate and the swap rate in line with IDW RS BFA 4. Due to the specific coverage of all existing foreign currency items, all currency translation effects have been recognised in income. Currency translation effects (as well as any realised FX effects) are recognised in other operating income.

NOTES TO THE BALANCE SHEET

(4) Lending business

MORTGAGE LOANS	Principal € mn	Carrying amount € mn
to banks	2	2
to customers	54,635	54,514
Total	54,637	54,516
	€ mn	€ mn
PORTFOLIO DEVELOPMENT (NOMINAL VALUE)		
Balance at 31 Dec 2024		54,712
ADDITIONS DURING THE FINANCIAL YEAR 2025		8,055
through Disbursements	8,055	
Transfers	–	
Other additions	–	
DISPOSALS DURING THE FINANCIAL YEAR 2025		8,130
through Scheduled and unscheduled redemptions / repayments	7,356	
Transfers	760	
Other disposals	14	
BALANCE AT 31 DEC 2025		54,637

LOANS TO LOCAL AUTHORITIES	Principal € mn	Carrying amount € mn
to banks	1	593
to customers	9,978	10,034
Total	9,979	10,627
	€ mn	€ mn
PORTFOLIO DEVELOPMENT (NOMINAL VALUE)		
Balance at 31 Dec 2024		10,327
ADDITIONS DURING THE FINANCIAL YEAR 2025		806
through Disbursements	804	
Transfers	–	
Other additions	2	
DISPOSALS DURING THE FINANCIAL YEAR 2025		1,154
through Scheduled and unscheduled redemptions / repayments	1,154	
Transfers	–	
Other disposals	–	
BALANCE AT 31 DEC 2025		9,979

(5) Negotiable securities

Balance sheet item	Listed		Unlisted		Carrying amount of negotiable securities not valued at the lower of cost or market	
	31 Dec 2025 € 000's	31 Dec 2024 € 000's	31 Dec 2025 € 000's	31 Dec 2024 € 000's	31 Dec 2025 € 000's	31 Dec 2024 € 000's
Bonds and other fixed-income securities	5,284,638	5,214,486	175,018	208,257	3,253,924	2,706,302

As at 31 December 2025, the Bank did not recognise an extraordinary write-down in the aggregate amount of € 149.7 million (31 December 2024: € 165.8 million) for negotiable securities held as fixed assets with a carrying amount of € 3,253.9 million (31 December 2024: € 2,706.3 million) and a fair value of € 3,104.2 million (31 December 2024: € 2,540.5 million) not measured at the lower of cost or market, due to the generally expected temporary nature of the impairment. This assessment is based on the observation that the euro area has become more resilient to stress due to the crisis mechanisms established in the recent past, and that the effects of individual stabilisation measures are becoming (or have become) increasingly evident.

(7) Trust business

	31 Dec 2025 € 000's	31 Dec 2024 € 000's
Assets held in trust comprise:		
- Loans and advances to customers	4,645	5,325
	4,645	5,325
Trust liabilities are carried vis-à-vis:		
- Banks	4,645	5,325
	4,645	5,325

(8) Other assets

Other assets of € 95.2 million (31 December 2024: € 75.0 million) mainly include the cash collateral for the restructuring fund and the associated interest claim totalling € 55.4 million (31 December 2024: € 56.2 million), receivables under currency swaps of € 28.7 million (31 December 2024: € 8.7 million), reinsurance coverage claims of € 5.9 million (31 December 2024: € 5.3 million), as well as claims against VR WERT Gesellschaft für Immobilienbewertungen mbH, Hamburg (profit transfer 2025) of € 2.3 million (31 December 2024: € 3.2 million).

(9) List of investments pursuant to sections 285 no. 11 and 340a of the HGB

Minimum stake of 20 % Name/registered office	Equity interest %	Equity € 000's	Result 2025 € 000's
VR WERT Gesellschaft für Immobilienbewertungen mbH, Hamburg	100.0	50	2,345 ^{*)}
VR HYP GmbH, Hamburg	100.0	25	-1 ^{**)}
VR REAL ESTATE GmbH, Hamburg	100.0	25	-1 ^{**)}

*) Control and profit transfer agreement with DZ HYP

***) Result for the financial year 2024

(10) Prepaid expenses and deferred income

	31 Dec 2025 € 000's	31 Dec 2024 € 000's
ASSETS		
Sub-item a) From new issues and lending comprises:		
Difference between the nominal amount and the higher disbursement amount of receivables	7,342	12,254
Difference between the nominal amount and the lower issuing amount of liabilities	64,192	65,689
LIABILITIES AND EQUITY		
Sub-item a) From new issues and lending comprises:		
Difference between the nominal amount and the lower disbursement amount of receivables	5,748	7,202

(11) Securities repurchase agreements

	31 Dec 2025 € 000's	31 Dec 2024 € 000's
Carrying amount of securities pledged under repo agreements Securities	864,831	604,329
Repurchase amount	873,740	612,850

(12) Breakdown of, and statement of changes in debt securities and borrowed funds

	Principal € mn	Carrying amount € mn
REGISTERED MORTGAGE PFANDBRIEFE		
to banks	716	726
to customers	4,159	4,200
MORTGAGE PFANDBRIEFE	30,261	30,493
	35,136	35,419
REGISTERED PUBLIC PFANDBRIEFE		
to banks	678	693
to customers	4,730	4,837
PUBLIC PFANDBRIEFE	3,476	3,502
	8,884	9,032
OTHER DEBT SECURITIES	866	870
BORROWED FUNDS		
from banks	21,525	21,712
from customers	1,320	1,340
	22,845	23,052
TOTAL	67,731	68,373

DEVELOPMENT (PRINCIPAL)

	Balance on 31 Dec 2024	Additions	Disposals	Reclassifications and other adjustments	Balance on 31 Dec 2025
	€ mn	€ mn	€ mn	€ mn	€ mn
Mortgage Pfandbriefe and Registered Mortgage Pfandbriefe	34,261	4,890	4,017	2	35,136
Public Pfandbriefe and Registered Public Pfandbriefe	9,854	300	1,254	-16	8,884
Other debt securities	1,045	-	179	-	866
Borrowed funds	23,372	3,489	4,019	3	22,845
Total	68,532	8,679	9,469	-11	67,731

(13) Other liabilities

This item amounts to € 231.6 million (31 December 2024: € 333.8 million) and mainly comprises liabilities from tax allocations of € 126.0 million (31 December 2024: € 137.8 million), liabilities from profit transfers of € 82.0 million (31 December 2024: € 100.0 million) and € 6.3 million (31 December 2024: € 79.4 million) in liabilities under currency swaps.

(14) Equity

DZ HYP reported equity of € 1,127.3 million as at 31 December 2025 (31 December 2024: € 1,127.3 million).

The share capital amounts to € 149,989,937.14 and is divided into 5,832,942 notional no-par value shares ("unit shares"). The notional interest in the share capital therefore amounts to approximately € 25.71 per share.

By virtue of a resolution adopted by the Annual General Meeting on 8 May 2024, the Management Board is authorised to increase, on one or more occasions, the Company's share capital by issuance of up to 1,300,000 new registered no-par value shares for contribution in cash, not exceeding a maximum aggregate amount of € 33,428,571.43, subject to the approval of the Supervisory Board; this authority will expire on 31 May 2029 ("Authorised Capital"). In the financial year, the Management Board did not make use of these authorisations with a view to the authorised capital.

DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt/Main, has given notice pursuant to section 20 (4) of the AktG that it holds a majority shareholding.

With effect from 31 December 2012, DZ BANK issued an unrestricted letter of comfort for DG HYP (DZ HYP after change of company name). According to the still-valid unrestricted letter of comfort, except in the event of political risk, DZ BANK has undertaken to ensure (in total for the consolidated entity DZ HYP) that DZ HYP is able to meet its contractual obligations.

Return on assets as defined in section 26a (1) sentence 4 of the KWG is 0.45 per cent (previous year: 0.50 per cent), calculated as the ratio of net profit to total assets.

(15) Contingent liabilities and other commitments

Contingent liabilities of € 286.9 million (31 December 2024: € 229.2 million) comprise almost exclusively guarantees for commercial real estate loans, € 67.5 million (31 December 2024: € 77.6 million) of which are extended to DZ BANK from credit collateral pledged.

Irrevocable loan commitments of € 6,787.2 million (31 December 2024: € 6,067.3 million) mainly relate to mortgage loans.

DZ HYP's credit risk management is responsible for monitoring contingent liabilities. Prior to entering into a binding obligation, the Bank assesses the risk of losses which it might occur from a contingent liability or irrevocable loan commitment being drawn upon within the framework of a credit check of the client; if applicable, it relies on an assessment of the client's expected fulfilment of the underlying obligation.

In addition, during the term of its obligations, the Bank regularly examines whether any drawdowns are to be expected from contingent liabilities or irrevocable loan commitments. In accordance with IFRS 9, the Bank has recognised loss allowance of € 22.1 million (31 December 2024: € 17.2 million) for expected credit losses; this was deducted from contingent liabilities and irrevocable loan commitments.

The contingent liabilities from contributions to the resolution fund for credit institutions under the CRR contained irrevocable payment commitments (IPCs) of € 54.3 million prior to the ECJ judgment (31 December 2024: € 54.3 million). In its judgment on 13 November 2025, the ECJ decided that the institution must pay the irrevocably committed amount in order for the cash collateral provided by the institution to be returned. DZ HYP cannot withdraw from mandatory contribution by surrendering its banking licence. As payment conditions are not expected to materialise for a very long time, DZ BANK has recognised provisions at a low present value for the liabilities from cash collateral pledged.

(16) Other financial commitments

DZ HYP is a member of the BVR Institutssicherung GmbH (BVR-ISG) and the deposit insurance scheme of the National Association of German Cooperative Banks (BVR).

According to the articles of association of the deposit insurance scheme of the BVR, DZ HYP has issued a letter of indemnity to BVR. As a result, DZ HYP is liable to contingent liabilities in the amount of € 62.4 million.

According to BVR-ISG's articles of association, DZ HYP has undertaken to make special contributions and payments to BVR-ISG in proportion to the volume of the covered deposits. Pursuant to section 27 (4) of the German Deposit Guarantee Act (*Einlagensicherungsgesetz – "EinSiG"*), BVR-ISG may generally raise, as a statutory deposit guarantee scheme, special contributions and payments of a maximum amount of up to 0.5 per cent of the covered deposits of the credit institutions allocated to it within a given settlement year.

(17) Relationships with affiliated enterprises and subsidiaries

AFFILIATED COMPANIES

	31 Dec 2025 € 000's	31 Dec 2024 € 000's
Loans and advances to		
- banks	2,931,447	2,594,672
- customers	48,497	52,902
Other assets	25,205	9,240
Liabilities to		
- banks	25,311,042	24,602,614
- customers	227,777	228,123
Other liabilities	210,095	307,617
Other provisions	293	688

Subsidiaries

As at the reporting date, liabilities to subsidiaries amounted to € 1,000 (31 December 2024: € 11,000), loans and advances to € 2,000 (31 December 2024: € 2,000) and provisions to € 7,000 (31 December 2024: € nil).

(18) Related-party transactions

There were no related-party transactions entered into – at terms not in line with prevailing market terms – which would give rise to a disclosure duty pursuant to section 285 no. 21 of the HGB.

(19) Breakdown of maturities for loans and advances, and liabilities

	31 Dec 2025 € 000's	31 Dec 2024 € 000's
ASSETS		
Loans and advances to banks		
Remaining term - payable on demand	674,499	559,940
- up to three months	1,011,288	1,025,828
- between three months and one year	48,836	349,374
- between one year and five years	1,603,878	990,195
- more than five years	224,106	177,746
	3,562,607	3,103,083
Loans and advances to customers		
Remaining term - payable on demand	306,327	430,345
- up to three months	1,802,198	1,680,085
- between three months and one year	7,689,565	7,220,991
- between one year and five years	27,713,030	27,856,584
- more than five years	30,128,369	30,751,277
	67,639,489	67,939,282
Bonds and other fixed-income securities maturing in the following year	333,935	279,095
LIABILITIES AND EQUITY		
Liabilities to banks		
Remaining term - payable on demand	28,102	56,992
- up to three months	3,246,991	3,609,454
- between three months and one year	6,030,687	4,426,920
- between one year and five years	11,756,220	11,800,203
- more than five years	7,421,598	8,184,615
	28,483,598	28,078,184
Liabilities to customers		
Remaining term - payable on demand	335,126	469,528
- up to three months	505,188	538,701
- between three months and one year	751,789	823,363
- between one year and five years	2,172,296	2,296,967
- more than five years	6,953,165	7,151,507
	10,717,564	11,280,066
Certificated liabilities maturing in the following year	4,931,535	4,712,310

(20) Assets and liabilities in foreign currencies

	31 Dec 2025 € 000's	31 Dec 2024 € 000's
Assets include		
foreign-currency receivables in the total amount of	1,430,239	1,711,930
Liabilities and equity include		
foreign-currency liabilities in the total amount of	4,436	410,109

(21) Forward contracts not reflected in the balance sheet

The following types of forward transactions based on foreign currencies, interest rates or other underlying instruments were outstanding as at the reporting date:

€ mn	Nominal amounts by residual term			Total		Fair value			
	≤ 1 year	> 1 – 5 yrs	> 5 yrs	31 Dec 2025	31 Dec 2024	31 Dec 2025		31 Dec 2024	
						positive	negative	positive	negative
Interest rate instruments^{*)}	19,499	58,635	68,962	147,096	149,568	5,358	5,047	5,535	5,368
Currency-related instruments	481	584	360	1,425	1,571	68	35	45	88
Total	19,980	59,219	69,322	148,521	151,139	5,426	5,082	5,580	5,456

*) Including interest rate swaps with identical foreign currency

The breakdown of the carrying amounts of forward contracts not reflected on the balance sheet by balance sheet items pursuant to section 285 no. 19 of the HGB is as follows:

	Carrying amount 31 Dec 2025 € mn	Carrying amount 31 Dec 2024 € mn	Balance sheet item Assets	Carrying amount 31 Dec 2025 € mn	Carrying amount 31 Dec 2024 € mn	Balance sheet item Liabilities and equity
Interest-based instruments	851	880	Loans and advances to banks, loans and advances to customers, prepaid expenses, other assets	595	643	Liabilities to banks, liabilities to customers, deferred income, other liabilities
Currency-based instruments	29	9	Loans and advances to banks, loans and advances to customers, prepaid expenses, other assets	10	84	Liabilities to banks, liabilities to customers, deferred income, other liabilities

The forward transactions identified above are used to manage interest rate, currency and counterparty credit risk exposure. As a rule, counterparties are OECD banks, OECD financial services institutions or OECD central governments. In addition, borrowers as well as a public-sector institution formerly licensed as a bank also appear as counterparties (market value of € 5.7 million) in connection with loan agreements.

Interest rate and currency swaps are valued using present values, based on individual yield curves prevailing on the reporting date. For this purpose, future cash flows are discounted to their present value as at the reporting date, using market interest rates in line with the risks and maturities concerned. Furthermore, credit adjustments are applied in the valuation of such trades, to reflect default risks and closing costs. Structured products are divided into components for valuation purposes.

Options are valued using option pricing models. These are applied on the basis of generally recognised assumptions regarding valuation parameters; in particular, the value and volatility of the underlying instrument, the agreed exercise price (interest rate), the remaining lifetime of the contract, as well as the risk-free interest rate for that lifetime.

Market values are determined without consideration of netting agreements. The market values of derivatives are offset by compensating market values of the related hedged balance sheet items at overall Bank level.

Cash collateral was provided for derivatives, as part of the Bank's collateral management, in the amount of € 424.9 million (31 December 2024: € 465.1 million).

NOTES TO THE PROFIT AND LOSS ACCOUNT

(22) Breakdown of income by geographic markets within the meaning of section 34 (2) no. 1 of the RechKredV

The breakdown of interest income, current income from equities and other non-fixed income securities, commission income and other operating income is as follows:

in %	2025	2024
GERMANY	88.1	87.0
INTERNATIONAL	11.9	13.0

(23) Interest expenses and income

Net interest income/expense for derivatives is determined at the level of individual transactions and is reported either in interest expense or interest income, respectively.

In individual exceptional cases, derivative transactions may be terminated early; the resulting compensation payments are recognised in interest expense or interest income, respectively.

Interest income includes income from impaired receivables (unwinding effects) in the amount of € 12.6 million (previous year: € 10.0 million).

In the reporting period, no positive interest income was recorded in interest expense, and no negative interest income was reported in interest income.

(24) Other operating income

Other operating income of € 20.6 million (previous year: € 25.9 million) primarily consists of rental income of € 12.5 million (previous year: € 12.8 million), service income of € 1.5 million (previous year: € 6.9 million) as well as € 1.2 million (previous year: € 1.8 million) in income from the reversal of provisions.

(25) Other operating expenses

Other operating expenses totalling € 10.8 million (previous year: € 7.8 million) largely include expenses of € 6.4 million (previous year: € 3.8 million) for buildings not directly used for the Bank's operations and interest expenses of € 2.3 million (previous year: € nil) for deferred tax risks.

(26) Income taxes

Income tax expenses predominantly relate to the result from ordinary activities and are transferred to the controlling company, DZ BANK AG, Deutsche Zentral-Genossenschaftsbank, Frankfurt/Main, as a tax levy in the amount of € 126.1 million (previous year: € 143.7 million).

DZ HYP is part of the DZ BANK Group. The DZ BANK Group falls within the scope of the issued or substantively implemented legislation regarding global minimum tax (Global Anti-Base Erosion Rules (Pillar Two)). In Germany, the rules were implemented as part of the Act to Guarantee Minimum Taxation for Corporate Groups (*Gesetz zur Gewährleistung einer globalen Mindestbesteuerung für Unternehmensgruppen – “MinStG”*) to implement Council Directive (EU) 2022/2523 on ensuring a global minimum level of taxation. The Act became effective on 28 December 2023 for the financial years beginning after 30 December 2023.

DZ HYP belongs to the minimum tax group under section 3 (1) of the Minimum Tax Act, with DZ BANK AG as its parent company and group responsible entity (“*Gruppenträger*”). It is the group responsible entity that is the taxpayer under the MinStG, required to submit the minimum tax report and file the corresponding tax return on a national level.

DZ HYP did not recognise any current tax expense or tax income under the Minimum Tax Act, including foreign minimum tax laws, for the 2025 financial year.

COVERAGE

(27) Coverage by balance sheet item

	Mortgage Pfandbriefe 31 Dec 2025 € mn	Mortgage Pfandbriefe 31 Dec 2024 € mn	Public Pfandbriefe 31 Dec 2025 € mn	Public Pfandbriefe 31 Dec 2024 € mn
ORDINARY COVER	39,193	39,677	11,253	11,453
LOANS AND ADVANCES TO CUSTOMERS	39,053	39,533	9,710	10,043
Loans secured by property mortgages	39,053	39,533	1 ^{*)}	5 ^{*)}
Loans to local authorities	–	–	9,709	10,038
LOANS AND ADVANCES TO BANKS	46	50	751	578
Loans secured by property mortgages	46	50	–	–
Loans to local authorities	–	–	751	578
BONDS	–	–	792	832
BANK BUILDINGS	94	94	–	–
EXTENDED COVER	1,634	1,416	–	–
LOANS AND ADVANCES TO BANKS	–	–	–	–
Monetary claims	200	–	–	–
BONDS	1,434	1,416	–	–
Total	40,827	41,093	11,253	11,453

*) Under a municipal guarantee

(28) Details pursuant to section 28 of the German Pfandbrief Act Outstanding Pfandbriefe and related cover assets

	Nominal amount		Present value		Risk-adjusted present value ^{*)}	
	31 Dec 2025 € mn	31 Dec 2024 € mn	31 Dec 2025 € mn	31 Dec 2024 € mn	31 Dec 2025 € mn	31 Dec 2024 € mn
a) Total amount of outstanding						
Mortgage Pfandbriefe	35,143	34,261	34,133	33,308	32,654	31,834
Cover assets pool	40,827	41,093	40,256	40,873	38,505	38,952
of which: derivatives	–	–	–	–	–	–
Excess cover	5,684	6,832	6,123	7,565	5,851	7,118
Excess cover in %	16.2	19.9	17.9	22.7	17.9	22.4
Statutory excess cover^{**)}	1,406	1,377	683	666		
Contractual excess cover	–	–	–	–		
Voluntary excess cover	4,278	5,455	5,440	6,899		
Excess cover with due regard to the vdp credit quality differentiation model ("vdp-Bonitäts-differenzierungsmodell")	5,684	6,832	6,123	7,565		
Excess cover in %	16.2	19.9	17.9	22.7		

*) When calculating the risk-adjusted present value, the dynamic method pursuant to section 5 (1) no. 2 of the Present Value Cover Regulation (*Verordnung über die Sicherstellung der jederzeitigen Deckung von Hypothekendarlehen, Öffentlichen Pfandbriefen, Schiffspfandbriefen und Flugzeugpfandbriefen nach dem Barwert und dessen Berechnung bei Pfandbriefbanken – "PfandBarwertV"*) was used.

***) The requirement as regards statutory excess cover comprises the present value of statutory over-collateralisation in accordance with section 4 (1) of the PfandBG, including interest and currency stress scenarios, and the nominal value of statutory collateralisation in accordance with section 4 (2) of the PfandBG.

ad a) Maturity structure and related cover assets	Mortgage Pfandbriefe		Cover assets pool		Extension of maturity ^{*)}	
	31 Dec 2025 € mn	31 Dec 2024 € mn	31 Dec 2025 € mn	31 Dec 2024 € mn	31 Dec 2025 € mn	31 Dec 2024 € mn
<= 6 months	2,472	1,646	2,981	2,322	–	–
> 6 months and <= 12 months	2,059	352,371	2,577	2,807	–	–
> 12 months and <= 18 months	2,493	2,472	2,611	2,524	2,472	1,647
> 18 months and <= 2 years	1,785	2,080	2,512	2,208	2,060	2,370
> 2 years and <= 3 years	4,131	4,278	4,622	4,612	4,278	4,551
> 3 years and <= 4 years	4,377	4,147	4,390	4,204	4,130	4,278
> 4 years and <= 5 years	3,634	3,965	3,703	4,211	4,377	4,147
> 5 years and <= 10 years	10,948	9,851	11,246	11,160	12,333	12,250
> 10 years	3,244	3,451	6,185	7,045	5,493	5,018
Total	35,143	34,261	40,827	41,093	35,143	34,261

Information on the extension of the maturity of the Pfandbriefe

	Q4 2025	Q4 2024
REQUIREMENTS FOR EXTENDING THE MATURITY OF THE PFANDBRIEFE	<p>The extension of the maturity is necessary in order to avoid the imminent insolvency of the Pfandbrief bank with limited business activity (avoidance of insolvency), the Pfandbrief bank with limited business activity is not overindebted (no existing overindebtedness) and there is reason to believe that the Pfandbrief bank with limited business activity will be able to meet its liabilities then due after the expiry of the maximum possible extension date, taking into account further possibilities for extension (positive forecast in relation to meeting its liabilities). For further information, also see section 30 (2b) of the PfandBG.</p>	<p>The extension of the maturity is necessary in order to avoid the imminent insolvency of the Pfandbrief bank with limited business activity (avoidance of insolvency), the Pfandbrief bank with limited business activity is not overindebted (no existing overindebtedness) and there is reason to believe that the Pfandbrief bank with limited business activity will be able to meet its liabilities then due after the expiry of the maximum possible extension date, taking into account further possibilities for extension (positive forecast in relation to meeting its liabilities). For further information, also see section 30 (2b) of the PfandBG.</p>
AUTHORISATIONS OF THE COVER POOL ADMINISTRATOR AS REGARDS THE EXTENSION OF THE PFANDBRIEFE'S MATURITY	<p>The cover pool administrator may extend the maturity date of principal payments when the relevant prerequisites in accordance with section 30 (2b) of the PfandBG are met. The period of extension, which may not exceed a period of twelve months, is determined by the cover pool administrator as required.</p> <p>The cover pool administrator may extend the maturity dates of interest payments falling due within one month after the appointment of the cover pool administrator to the end of that monthly period. If the cover pool administrator decides to implement such an extension, the existence of the prerequisites set out in section 30 (2b) of the PfandBG shall be irrefutably presumed. Any such extension has to be taken into account in the maximum period of extension of twelve months.</p> <p>The cover pool administrator may only exercise their authority uniformly for all Pfandbriefe of an issuance. In this case, maturity dates may be extended either in full or pro rata. The cover pool administrator has to extend the maturity date of a particular Pfandbrief issue such that the original order of servicing Pfandbriefe which could be bypassed as a result of such extension is not changed (prohibition of bypassing). This may lead to the requirement to extend the maturities of issues with later maturity dates in order to comply with the prohibition of bypassing. For further information, also see section 30 (2a) and (2b) of the PfandBG.</p>	<p>The cover pool administrator may extend the maturity date of principal payments when the relevant prerequisites in accordance with section 30 (2b) of the PfandBG are met. The period of extension, which may not exceed a period of twelve months, is determined by the cover pool administrator as required.</p> <p>The cover pool administrator may extend the maturity dates of interest payments falling due within one month after the appointment of the cover pool administrator to the end of that monthly period. If the cover pool administrator decides to implement such an extension, the existence of the prerequisites set out in section 30 (2b) of the PfandBG shall be irrefutably presumed. Any such extension has to be taken into account in the maximum period of extension of twelve months.</p> <p>The cover pool administrator may only exercise their authority uniformly for all Pfandbriefe of an issuance. In this case, maturity dates may be extended either in full or pro rata. The cover pool administrator has to extend the maturity date of a particular Pfandbrief issue such that the original order of servicing Pfandbriefe which could be bypassed as a result of such extension is not changed (prohibition of bypassing). This may lead to the requirement to extend the maturities of issues with later maturity dates in order to comply with the prohibition of bypassing. For further information, also see section 30 (2a) and (2b) of the PfandBG.</p>

*) Effects of an extension of maturity on the maturity structure of the Pfandbriefe/extension scenario: 12 months. This represents a very unlikely scenario which could only materialise once a cover pool administrator is appointed.

ad a) Disclosure pursuant to section 6 of the PfandBarwertV	Net present value in €	
	31 Dec 2025 mn	31 Dec 2024 mn
Currency		
GBP	192.7	183.3
SEK	40.9	37.9

		31 Dec 2025	31 Dec 2024
ad a) Additional indicators on Mortgage Pfandbriefe outstanding			
Share of fixed-interest assets in total cover assets pool (section 28 (1) no. 13 of the PfandBG)	in %	89.3	90.0
of which: the sum of assets pursuant to section 12 (1) of the PfandBG that exceed the limits pursuant to section 13 (1) sentence 2, second half-sentence of the PfandBG, and the sum of values pursuant to section 19 (1) of the PfandBG that exceed the limits pursuant to section 19 (1) sentence 7 of the PfandBG (section 28 (1) sentence 1 no. 11 of the PfandBG)	€ mn	–	–
Share of fixed-interest Pfandbriefe (section 28 (1) no. 13 of the PfandBG, weighted average)	in %	99.6	98.8
Volume-weighted average maturity of the assets (section 28 (2) no. 4 of the PfandBG)	in years	5.8	5.7
Average weighted loan-to-value ratio (section 28 (2) no. 3 of the PfandBG)	in %	53.8	53.9
Assets breaching the limits as set out in section 19 (1) no. 2 of the PfandBG	€ mn	–	–
Assets breaching the limits as set out in section 19 (1) no. 3 of the PfandBG	€ mn	–	–
Assets breaching the limits as set out in section 19 (1) no. 4 of the PfandBG	€ mn	–	–
Share of cover assets in total cover assets pool for which or for whose obligors a default is considered to have occurred in accordance with Article 178 (1) of the CRR (section 28 (1) sentence 1 no. 7 of the PfandBG)	€ mn	–	–

		31 Dec 2025	31 Dec 2024
ad a) Liquidity indicators pursuant to section 28 (1) sentence 1 no. 6 of the PfandBG			
Greatest calculated negative total in the next 180 days within the meaning of section 4 (1a) sentence 3 of the PfandBG for Mortgage Pfandbriefe (liquidity requirements)	€ mn	1,099.3	226.1
Day on which the greatest negative total is calculated	Day (1-180)	49	176
Total of cover assets that meet the requirements of section 4 (1a) sentence 3 of the PfandBG (liquidity coverage)	€ mn	1,462.9	1,236.8

b) Total amount of outstanding	Nominal amount		Present value		Risk-adjusted present value ^{*)}	
	31 Dec 2025 € mn	31 Dec 2024 € mn	31 Dec 2025 € mn	31 Dec 2024 € mn	31 Dec 2025 € mn	31 Dec 2024 € mn
Public Pfandbriefe	8,984	9,854	9,073	10,335	8,625	9,868
Cover assets pool	11,253	11,453	11,468	12,013	10,811	11,316
of which: derivatives	–	–	–	–	–	–
Excess cover	2,269	1,599	2,395	1,678	2,186	1,448
Excess cover in %	25.3	16.2	26.4	16.2	25.3	14.7
Statutory excess cover	356	383	181	207		
Contractual excess cover	–	–	–	–		
Voluntary excess cover	1,913	1,216	2,214	1,471		
Excess cover with due regard to the vdp credit quality differentiation model ("vdp-Bonitäts-differenzierungsmodell")	2,269	1,599	2,395	1,678		
Excess cover in %	25.3	16.2	26.4	16.2		

*) When calculating the risk-adjusted present value, the dynamic method pursuant to section 5 (1) no. 2 of the Present Value Cover Regulation (Verordnung über die Sicherstellung der jederzeitigen Deckung von Hypothekendarlehen, Öffentlichen Pfandbriefen, Schiffspfandbriefen und Flugzeugpfandbriefen nach dem Barwert und dessen Berechnung bei Pfandbriefbanken – "PfandBarwertV") was used

ad b) Maturity structure	Public Pfandbriefe		Cover assets pool		Extension of maturity ^{*)}	
	31 Dec 2025 € mn	31 Dec 2024 € mn	31 Dec 2025 € mn	31 Dec 2024 € mn	31 Dec 2025 € mn	31 Dec 2024 € mn
<= 6 months	498	801	653	541	–	–
> 6 months and <= 12 months	192	442	655	648	–	–
> 12 months and <= 18 months	386	528	444	595	498	801
> 18 months and <= 2 years	728	172	570	573	192	442
> 2 years and <= 3 years	486	1,071	976	951	1,113	700
> 3 years and <= 4 years	1,011	540	876	891	486	1,071
> 4 years and <= 5 years	765	1,011	812	811	1,011	540
> 5 years and <= 10 years	2,816	2,971	3,171	2,767	3,283	2,945
> 10 years	2,102	2,318	3,096	3,676	2,401	3,355
Total	8,984	9,854	11,253	11,453	8,984	9,854

The same information on the extension of Pfandbrief maturity as stated above applies.

*) Effects of an extension of maturity on the maturity structure of the Pfandbriefe/extension scenario: 12 months. This represents a very unlikely scenario which could only materialise once a cover pool administrator is appointed.

ad b) Disclosure pursuant to section 6 of the PfandBarwertV	Net present value in €	
	31 Dec 2025 mn	31 Dec 2024 mn
Currency		
CAD	15.8	19.2
CHF	–	0.1
GBP	21.8	22.3
JPY	18.3	20.7
USD	72.8	-224.5

		31 Dec 2025	31 Dec 2024
ad b) Additional indicators on outstanding Public Pfandbriefe			
Share of fixed-interest assets in total cover assets pool	in %	93.3	95.1
Share of fixed-interest Pfandbriefe in liabilities to be covered	in %	88.6	88.4
Total amount of assets as set out in section 20 (1) and (2) of the PfandBG that exceed the limits as set out in section 20 (3) of the PfandBG (section 28 (1) sentence 1 no. 11)	€ mn	–	–
Assets breaching the limits as set out in section 20 (X) no. 2 of the PfandBG	€ mn	–	–
Assets breaching the limits as set out in section 20 (X) no. 3 of the PfandBG	€ mn	–	–
Share of cover assets in total cover assets pool for which or for whose obligors a default is considered to have occurred in accordance with Article 178 (1) of the CRR (section 28 (1) sentence 1 no. 15 of the PfandBG)	in %	–	–

		31 Dec 2025	31 Dec 2024
ad b) Liquidity indicators pursuant to section 28 (1) sentence 1 no. 6 of the PfandBG			
Greatest calculated negative total in the next 180 days within the meaning of section 4 (1a) sentence 3 of the PfandBG for Public Pfandbriefe (liquidity requirements)	€ mn	151.1	581.2
Day on which the greatest negative total is calculated	Day (1-180)	173	174
Total of cover assets that meet the requirements of section 4 (1a) sentence 3 of the PfandBG (liquidity coverage)	€ mn	757.4	805.7

Assets included in cover for Mortgage Pfandbriefe

	31 Dec 2025 € mn	31 Dec 2024 € mn
by loan amount		
<= € 300,000 €	10,784	10,534
> € 300,000 <= € 1 mn	3,427	3,395
> € 1 mn / <= € 10 mn	8,681	9,351
> € 10 mn	16,301	16,397
Total	39,193	39,677

	31 Dec 2025 € mn	31 Dec 2024 € mn
by type of property		
Housing properties	23,020	23,181
Commercial properties	16,173	16,496
Total	39,193	39,677

Assets included in cover for Mortgage Pfandbriefe, by country where real property collateral is located, and by type of property

	Fiscal Year	Federal Republic of Germany	France	United Kingdom	Netherlands	Austria	Poland	Sweden	Total
€ mn									
RESIDENTIAL PROPERTIES	31 Dec 2025	2,956	–	–	–	–	–	–	2,956
	31 Dec 2024	2,829	*)–	–	–	–	–	–	2,829
SINGLE AND DOUBLE FAMILY HOMES	31 Dec 2025	8,406	*)–	–	*)–	–	–	–	8,406
	31 Dec 2024	8,206	*)–	–	*)–	–	–	–	8,206
MULTI-FAMILY HOMES	31 Dec 2025	11,378	8	–	–	–	–	–	11,386
	31 Dec 2024	11,942	8	–	–	–	–	–	11,950
OFFICE BUILDINGS	31 Dec 2025	7,111	218	209	555	4	–	–	8,097
	31 Dec 2024	6,920	235	206	556	4	–	–	7,921
COMMERCIAL BUILDINGS	31 Dec 2025	4,596	132	7	95	–	72	44	4,946
	31 Dec 2024	4,893	141	7	110	–	43	42	5,236
INDUSTRIAL BUILDINGS	31 Dec 2025	1,009	89	–	85	10	–	–	1,193
	31 Dec 2024	1,106	88	–	77	10	–	–	1,281
OTHER COMMERCIAL PROPERTIES	31 Dec 2025	1,676	–	–	62	–	–	1	1,739
	31 Dec 2024	1,785	–	–	62	–	–	1	1,848
UNFINISHED NEW BUILDINGS NOT YET YIELDING RETURNS	31 Dec 2025	260	–	–	–	–	–	–	260
	31 Dec 2024	163	–	–	–	–	–	–	163
BUILDING PLOTS	31 Dec 2025	210	–	–	–	–	–	–	210
	31 Dec 2024	243	–	–	–	–	–	–	243
Total	31 Dec 2025	37,602	447	216	797	14	72	45	39,193
	31 Dec 2024	38,087	472	213	805	14	43	43	39,677

*) Values < € 0.5 mn

Additional cover assets for Mortgage Pfandbriefe pursuant to section 19 (1) sentence 1 nos. 2a) and 2b), section 19 (1) sentence 1 nos. 3a) to c), section 19 (1) sentence 1 no. 4 of the PfandBG

	Assets pursuant to section 19 (1) sentence 1 no. 4 of the PfandBG		Assets pursuant to section 19 (1) sentence 1 nos. 3a) to c) of the PfandBG		Total	
	31 Dec 2025 € mn	31 Dec 2024 € mn	31 Dec 2025 € mn	31 Dec 2024 € mn	31 Dec 2025 € mn	31 Dec 2024 € mn
Sovereign borrowers						
Federal Republic of Germany	1,434	1,416	200	–	1,634	1,416
Total	1,434	1,416	200	–	1,634	1,416

There are no assets pursuant to section 19 (1) sentence 1 nos. 2a) and b).

In the financial year and in the previous year there were no payments in arrears by at least 90 days on cover assets for Mortgage Pfandbriefe and Public Pfandbriefe.

As at the current reporting date and as at the reporting date of the previous year, there were no pending or executed forced sales or forced sales proceedings on cover assets for Mortgage Pfandbriefe.

There were no purchases of plots to prevent losses on mortgages (previous year: € nil). There were no interest arrears as at the current reporting date or as at the reporting date of the previous year.

In the financial year and in the previous year, there were no payments in arrears by at least 90 days on cover assets for Public Pfandbriefe.

Assets included in cover for Public Pfandbriefe
Share in total amount of Pfandbriefe outstanding (nominal)

	31 Dec 2025 € mn	31 Dec 2024 € mn	31 Dec 2025 %	31 Dec 2024 %
Total cover assets pool	11,253	11,453	125.25	116.22
of which: ordinary cover	11,253	11,453	125.25	116.22
of which: additional cover	–	–	–	–

Assets included in cover for Public Pfandbriefe

	31 Dec 2025 € mn	31 Dec 2024 € mn
by loan amount		
<= € 10 mn	4,942	5,214
> € 10 mn / <= € 100 mn	3,880	3,778
> € 100 mn	2,431	2,461
Total	11,253	11,453

Assets included in cover for Public Pfandbriefe, by country of domicile of the borrower and, in the case of full guarantee, of the guarantor

a) of which: due from	Sovereign states		Regional public-sector entities		Local public-sector entities		Other		Total a)	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
€ mn										
Belgium	45	45	23	23	–	–	–	–	68	68
Federal Republic of Germany	26	26	1,200	1,205	7,580	7,853	558	513	9,364	9,597
Finland	–	–	–	–	–	–	–	–	–	–
France	40	40	–	–	–	–	–	–	40	40
Italy	10	10	80	81	5	5	–	–	95	96
Canada	–	–	61	70	1	2	–	–	62	72
Luxembourg	7	7	–	–	–	–	–	–	7	7
Netherlands	–	–	–	–	–	–	–	–	–	–
Austria	415	417	25	25	–	–	–	–	440	442
Switzerland	–	–	–	106	–	–	–	–	–	106
Spain	50	50	204	204	30	30	–	–	284	284
EU institutions	–	–	–	–	–	–	58	59	58	59
Total	593	595	1,593	1,714	7,616	7,890	616	572	10,418	10,771

b) of which: guaranteed by	Sovereign states		Regional public-sector entities		Local public-sector entities		Other		Total b)		Total a) and b)	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
€ mn												
Belgium	–	–	–	–	–	–	–	–	–	–	68	68
Federal Republic of Germany	573	415	139	144	40	54	– ^{*)}	– ^{*)}	752	613	10,116	10,210
Finland	6	–	–	–	–	–	–	–	–	–	6	–
France	–	–	–	–	–	–	–	–	–	–	40	40
Italy	–	–	–	–	–	–	–	–	–	–	95	96
Canada	–	–	21	45	–	–	–	–	21	45	83	117
Luxembourg	–	–	–	–	–	–	–	–	–	–	7	7
Netherlands	32	–	–	–	–	–	–	–	–	–	32	–
Austria	–	–	–	–	–	–	–	–	–	–	440	442
Switzerland	–	–	–	–	–	–	–	–	–	–	–	106
Spain	–	–	24	24	–	–	–	–	24	24	308	308
EU institutions	–	–	–	–	–	–	–	–	–	–	58	59
Total	611	415	184	213	40	54	–^{*)}	–^{*)}	835^{**)}	682^{**)}	11,253	11,453

^{*)} Values < € 0.5 million

^{**)} Totals do not include any guarantees due to promotion of export activities

List of International Securities Identification Numbers (ISIN) of the International Organisation for Standardisation by types of Pfandbriefe

Mortgage Pfandbriefe

	Q4 2025	Q4 2024
ISIN	DE000A1REY59, DE000A13SR38, DE000A14J5J4, DE000A14KKM9, DE000A14KK24, DE000A161ZQ3, DE000A2AAW53, DE000A2AAX03, DE000A2AAX11, DE000A2AAX45, DE000A2AAX60, DE000A2BPJ78, DE000A2BPJ86, DE000A2E4UX0, DE000A2GSMH3, DE000A2GSMJ9, DE000A2GSMK7, DE000A2GSP31, DE000A2GSP49, DE000A2GSP56, DE000A2GSP64, DE000A2GSP80, DE000A2GSP98, DE000A2G9HD6, DE000A2G9HF1, DE000A2G9HG9, DE000A2G9HJ3, DE000A2G9HK1, DE000A2G9HL9, DE000A2G9HM7, DE000A2G9HN5, DE000A2G9HQ8, DE000A2NB841, DE000A2TSDV6, DE000A2TSDW4, DE000A2TSDY0, DE000A2TSD06, DE000A288367, DE000A289PA7, DE000A289PB5, DE000A289PD1, DE000A289PE9, DE000A289PG4, DE000A289PH2, DE000A3E5UT4, DE000A3E5UU2, DE000A3E5UY4, DE000A3E5U22, DE000A3H2TK9, DE000A3H2TQ6, DE000A3H2TR4, DE000A3MP601, DE000A3MP619, DE000A3MP684, DE000A3MP692, DE000A3MQUX3, DE000A3MQUY1, DE000A3MQUZ8, DE000A3MQU03, DE000A3MQU37, DE000A3MQU45, DE000A351XK8, DE000A351XS1, DE000A351XT9, DE000A351XU7, DE000A351XV5, DE000A351XW3, DE000A351XX1, DE000A351XY9, DE000A3825L1, DE000A3825N7, DE000A3825P2, DE000A3825Q0, DE000A3825R8, DE000A3825S6, DE000A3825T4, DE000A3825V0, DE000A3825W8, DE000A3825X6, DE000A3825Y4, DE000A3825Z1, DE000A4DFKPO	DE000A1REY59, DE000A13SR38, DE000A14J5J4, DE000A14KKK3, DE000A14KKM9, DE000A14KK24, DE000A161ZQ3, DE000A2AASB4, DE000A2AAW53, DE000A2AAX03, DE000A2AAX11, DE000A2AAX45, DE000A2AAX60, DE000A2BPJ78, DE000A2BPJ86, DE000A2E4UX0, DE000A2GSMH3, DE000A2GSMJ9, DE000A2GSMK7, DE000A2GSP31, DE000A2GSP49, DE000A2GSP56, DE000A2GSP64, DE000A2GSP80, DE000A2GSP98, DE000A2G9HD6, DE000A2G9HE4, DE000A2G9HF1, DE000A2G9HG9, DE000A2G9HJ3, DE000A2G9HK1, DE000A2G9HL9, DE000A2G9HM7, DE000A2G9HN5, DE000A2G9HQ8, DE000A2NB841, DE000A2TSDV6, DE000A2TSDW4, DE000A2TSDY0, DE000A2TSD06, DE000A288367, DE000A289PA7, DE000A289PB5, DE000A289PC3, DE000A289PD1, DE000A289PE9, DE000A289PG4, DE000A289PH2, DE000A3E5UT4, DE000A3E5U22, DE000A3E5UY4, DE000A3H2TK9, DE000A3H2TQ6, DE000A3H2TR4, DE000A3MP601, DE000A3MP619, DE000A3MP619, DE000A3MP635, DE000A3MP643, DE000A3MP650, DE000A3MP684, DE000A3MP692, DE000A3MQUX3, DE000A3MQUY1, DE000A3MQUZ8, DE000A3MQU03, DE000A3MQU37, DE000A3MQU45, DE000A3MQU52, DE000A3MQU86, DE000A351XK8, DE000A351XM4, DE000A351XS1, DE000A351XT9, DE000A351XU7, DE000A351XV5, DE000A351XW3, DE000A351XX1, DE000A351XY9, DE000A3825L1, DE000A3825N7

Public Pfandbriefe

	Q4 2025	Q4 2024
ISIN	DE000A1TM6A4, DE000A12TYS2, DE000A161ZP5, DE000A2BPJ11, DE000A2BPJ29, DE000A2BPJ52, DE000A2BPJ60, DE000A2GSMC4, DE000A2TSDZ7, DE000A3MQU11, DE000A351XN2, DE000A351XP7, DE000A351XQ5, DE000A351XR3, DE000A351XZ6, DE000A3825K3, DE000A3825M9, DE000A3825U2, DE000A4DFKN5	DE000A0DLV76, DE000A0EUMF2, DE000A0EUMR7, DE000A0EUM42, DE000A0EUPJ7, DE000A1TM6A4, DE000A12TYS2, DE000A14J5C9, DE000A161ZP5, DE000A2BPJ11, DE000A2BPJ29, DE000A2BPJ52, DE000A2BPJ60, DE000A2GSMC4, DE000A2TSDZ7, DE000A3MQU11, DE000A351XN2, DE000A351XP7, DE000A351XQ5, DE000A351XR3, DE000A351XZ6, DE000A3825K3, DE000A3825M9

OTHER INFORMATION ON THE ANNUAL FINANCIAL STATEMENTS

(29) Audit and consulting fees within the meaning of section 285 no. 17 of the HGB

Fees for the auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, for the 2025 financial year are as follows:

	2025 € 000's	2024 € 000's
Auditing fees	1,556	1,405
Other assurance services	397	500
Tax advisory services	–	–
Other services	38	111
Total	1,991	2,016

Auditing fees comprise expenses for the audit of DZ HYP's financial statements and management report, and for the review of the half-yearly financial report. Other assurance services contain fees billed for the audit of the non-financial statement pursuant to sections 289b et seqq. of the HGB in line with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) and for certifications of commercial audits, while other services mainly relate to fees for quality assurance and training measures.

(30) Executive bodies of DZ HYP

Supervisory Board

Johannes Koch

Member of the Board of Managing Directors, DZ BANK AG Deutsche Zentral-Genossenschaftsbank AG, Frankfurt/Main
– Chairman –

Petra Kalbhenn

Member of the Management Board, VR Bank Main-Kinzig-Büdingen eG
– Deputy Chairwoman (since 12 May 2025) –

Anja Niehues

Bank employee, DZ HYP AG,
– Deputy Chairwoman (since 12 May 2025) –

Stefan Beismann

Member of the Board of Managing Directors, DZ BANK AG Deutsche Zentral-Genossenschaftsbank AG, Frankfurt/Main
(since 1 August 2025)

Uwe Berghaus

Member of the Board of Managing Directors, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt/Main
(until 31 July 2025)

Hubertus Beringmeier

Chairman of the Board of Directors, Stiftung Westfälische Landschaft

Dr Michael Düpmann

Chairman of the Management Board, VR Bank Rhein-Neckar eG

Karin Fleischer

Member of the Management Board, Volksbank Franken eG

Ralph Gruber

Bank employee, DZ HYP AG

Harald Herkströter

Chairman of the Management Board, Volksbank Halle/Westf. eG

Olaf Johnert

Bank employee, DZ HYP AG
(until 12 May 2025)

Carsten Jung

Chairman of the Management Board, Berliner Volksbank eG

Christoph Kothe

Member of the Board of Managing Directors, Leipziger Volksbank eG
(since 12 May 2025)

Michael Kuehn

Bank employee, DZ HYP AG

Katja Lewalter-Düssel

Member of the Management Board, Genoverband e.V.

Marcus Lühder

Bank employee, DZ HYP AG

Martin Merkel

Bank employee, DZ HYP AG
(since 12 May 2025)

Dagmar Mines

Bank employee, DZ HYP AG
– Deputy Chairwoman (until 12 May 2025) –

Thomas Müller

Spokesman of the Management Board, Volksbank Dresden-Bautzen eG
– Deputy Chairman – (until 12 May 2025)

Michael Speth

Member of the Board of Managing Directors, DZ BANK AG Deutsche Zentral-Genossenschaftsbank AG, Frankfurt/Main

Management Board

Sabine Barthauer

– Chief Executive Officer –

Jörg Hermes

Stefan Schrader

(31) Remuneration of the executive bodies

	2025 € 000's	2024 € 000's
Member of the Supervisory Board	276	276
Management Board	2,347	2,159
Advisory Council	100	133
Former members of the Management Board or their surviving dependants	3,387	3,317
Provisions for current pensions and pension commitments for former members of the Management Board or their surviving dependants	45,365	46,913

(32) Loans to members of the executive bodies

	2025 € 000's	2024 € 000's
Supervisory Board	53	66

(33) Offices held by members of the Management Board or members of staff in supervisory bodies of large limited companies

As at 31 December 2025, neither the members of the Management Board nor members of staff held any offices in supervisory bodies of large limited companies.

(34) Average number of employees

	Male	Female	2025 Total	Male	Female	2024 Total
TOTAL NUMBER OF EMPLOYEES	550	403	953	522	384	906
of which: full-time employees	511	224	735	489	220	709
part-time employees						
number	39	179	218	33	164	197
weighted	(30)	(123)	(153)	(25)	(111)	(136)

(35) Information about the parent company pursuant to section 285 no. 14 of the HGB

DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt/Main, prepares consolidated financial statements which incorporate the financial statements of DZ HYP. The consolidated financial statements of DZ BANK are published in the German Federal Gazette (*Bundesanzeiger*).

Report on material events after the reporting date

No events of particular importance materialised during the period from 1 January to 26 February 2026 which would have required a materially different presentation of DZ HYP's net assets, financial position and financial performance, had they occurred earlier.

Hamburg and Münster, 26 February 2026

DZ HYP AG



Sabine Barthauer
– Chief Executive Officer –



Jörg Hermes



Stefan Schrader

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the management report of the Company includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Hamburg, 26 February 2026

DZ HYP AG



Sabine Barthauer
– Chief Executive Officer –



Jörg Hermes



Stefan Schrader

INDEPENDENT AUDITOR'S REPORT

The following copy of the auditor's report also includes a "Report on the audit of the electronic renderings of the financial statements and the management report prepared for disclosure purposes in accordance with § 317 Abs. 3b HGB" ("Separate report on ESEF conformity"). The subject matter (ESEF documents to be audited) to which the separate report on ESEF conformity relates is not attached. The audited ESEF documents can be inspected in or retrieved from the Federal Gazette.

To DZ HYP AG, Hamburg and Münster

Report on the audit of the annual financial statements and of the management report

Audit Opinions

We have audited the annual financial statements of DZ HYP AG, Hamburg and Münster, which comprise the balance sheet as at 31 December 2025, the statement of profit and loss, cash flow statement and statement of changes in equity for the financial year from 1 January to 31 December 2025 and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of DZ HYP AG for the financial year from 1 January to 31 December 2025. In accordance with the German legal requirements, we have not audited the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- » the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2025 and of its financial performance for the financial year from 1 January to 31 December 2025 in compliance with German Legally Required Accounting Principles and
- » the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2025. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

Allowance for credit losses in lending business

Our presentation of this key audit matter has been structured as follows:

- » Matter and issue
- » Audit approach and findings
- » Reference to further information

Hereinafter we present the key audit matter:

Allowance for credit losses in lending business

- » In the financial statements of DZ HYP AG, under the balance sheet item "Receivables from customers," loan receivables amounting to EUR 67.6 billion (87.4% of the total assets) are reported, which are predominantly related to real estate financing. Additionally, there are contingent liabilities and other obligations amounting to EUR 7.1 billion. As of December 31, 2025, there is a risk provision on the balance sheet for the loan portfolio, consisting of specific and general valuation allowances or provisions for the lending business. The measurement of the risk provisions in the lending business is particularly influenced by the structure and quality of the loan portfolios, macroeconomic factors, and the assessments of the legal representatives regarding future cash flows, including considerations of the potential effects of macroeconomic and geopolitical factors on the real estate lending business. The amount of specific valuation allowances on customer receivables corresponds to the difference between the outstanding loan amount and the lower value assigned to it as of the reporting date. Existing collateral is taken into account. General valuation allowances are formed for foreseeable but not yet individually identified credit default risks in the lending business of credit institutions. For loans without specific valuation allowances, a general valuation allowance is made for expected losses over a twelve-month observation period, unless the credit default risk has significantly increased since initial recognition. In cases of a significant increase in credit default risk since initial recognition, a general valuation allowance is made for the expected losses over the remaining term of the respective loans not covered by specific valuation allowances. The valuation allowances and provisions in the lending business are both of significant importance in terms of the company's financial position and results, and are associated with considerable discretion on the part of the legal representatives regarding the expected future cash flows from

a loan exposure as well as the macroeconomic forecasts used in the model for determining general valuation allowances. Moreover, the applied valuation parameters, which involve substantial uncertainties, have a significant impact on the formation and amount of any required valuation allowances. Against this background, this matter was of particular importance in the course of our audit.

- » As part of our audit, we first assessed the design of the company's relevant internal control system. In doing so, we took into account the business organization, IT systems, and the relevant valuation models. Furthermore, we evaluated the valuation of loan receivables, including the appropriateness of estimated values, based on samples of loan exposures. In this context, we reviewed, among other things, the company's documentation regarding the economic circumstances as well as the value sustainability of the corresponding collateral. For collateral in the form of real estate for which the company provided valuation reports, we gained an understanding of the underlying input data, the applied valuation parameters, and assumptions made. We critically assessed these and evaluated whether they fall within a reasonable range. Moreover, to assess the specific and general valuation allowances recognized, we examined the calculation methods applied by the company as well as the underlying assumptions and parameters. In particular, we evaluated the assessments made by the legal representatives regarding the potential impact of macroeconomic and geopolitical factors on the economic conditions of the borrowers and the value sustainability of the respective real estate collateral. We verified their consideration in the valuation of loan receivables and, with the involvement of our internal specialists from the financial mathematics department, assessed the determination of credit default risks not yet specifically identified on individual borrowers in the model used to determine general valuation allowances. Based on the audit procedures we performed, we were ultimately able to satisfy ourselves about the reasonableness of the assumptions made by the legal representatives in reviewing the value sustainability of the loan portfolio, as well as the adequacy and effectiveness of the company's implemented controls.

- » The company's disclosures regarding risk provisions in the lending business are included in the notes to the financial statements in Section 2 "Accounting and Valuation Policies" as well as in the management report in the section "Profit Situation" of the economic report.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the management report:

- » the statement on corporate governance pursuant to § 289f Abs. 4 HGB (disclosures on the quota for women on executive boards) included in section "Employee Report" of the management report
- » the non-financial statement to comply with §§ 289b to 289e HGB included in section "Sustainability Report"

The other information comprises further all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited annual financial statements, the audited management report and our auditor's report.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- » is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- » otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- » Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- » Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in or-

der to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control of the Company and these arrangements and measures (systems), respectively.

- » Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- » Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- » Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- » Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- » Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospec-

tive information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the electronic file DZ-Hyp_JA+LB_ESEF-2025-12-31-0-de.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB

for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from 1 January to 31 December 2025 contained in the "Report on the Audit of the Annual Financial Statements and on the Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible

for the preparation of the ESEF documents including the electronic rendering of the annual financial statements and the management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF-documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- » Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- » Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- » Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the annual financial statements on the technical specification for this electronic file.

- » Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on 12 May 2025. We were engaged by the supervisory board on 12 May 2025. We have been the auditor of the DZ HYP AG, Hamburg and Münster, without interruption since the financial year 2021.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to another matter-use of the auditor's report

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be filed in the company register

– are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Anne Witt.

Hamburg, 26 February 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Anne Witt	ppa. Uwe Gollum
Wirtschaftsprüferin	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

ASSURANCE REPORT

REPETITION OF ASSURANCE REPORT OF THE INDEPENDENT GERMAN PUBLIC AUDITOR ON A LIMITED ASSURANCE ENGAGEMENT IN RELATION TO THE SUSTAINABILITY REPORT

To DZ HYP AG, Hamburg and Münster

Assurance Conclusion

We have conducted a limited assurance engagement on the sustainability report of DZ HYP AG, Hamburg and Münster, (hereinafter the "Company") included in section "Sustainability Report" of the management report for the financial year from 1 January to 31 December 2025 (hereinafter the "Sustainability Report"). The Sustainability Report has been prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as §§ [Articles] 289b to 289e HGB [Handelsgesetzbuch: German Commercial Code] to prepare a non-financial statement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Sustainability Report is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, §§ 289c to 289e HGB to prepare a non-financial statement as well as

with the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that no matters have come to our attention that cause us to believe:

- » that the accompanying Sustainability Report does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information to be included in the Sustainability Report (hereinafter the "materiality assessment") is not, in all material respects, in accordance with the description set out in section "Allgemeine Angaben" of the Sustainability Report, or
- » that the disclosures set out in section "Angaben nach Artikel 8 der Verordnung (EU) 2020/852 (Taxonomie-Verordnung)" of the Sustainability Report do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

Basis for the Assurance Conclusion

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB). The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the "German Public Auditor's Responsibilities for the Assurance Engagement on the Sustainability Report" section.

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has complied with the quality management system requirements of the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibility of the Executive Directors and the Supervisory Board for the Sustainability Report

The executive directors are responsible for the preparation of the Sustainability Report in accordance with the requirements of the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company. They are also responsible for the design, implementation and maintenance of such internal controls that they have considered necessary to enable the preparation of a Sustainability Report in

accordance with these regulations that is free from material misstatement, whether due to fraud (i.e., manipulation of the Sustainability Report) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Sustainability Report, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Sustainability Report.

Inherent Limitations in the Preparation of the Sustainability Report

The CSRD and the relevant German statutory and other European regulations contain wording and terms that are still subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Sustainability Report.

German Public Auditor's Responsibilities for the Assurance Engagement on the Sustainability Report

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Sustainability Report has not been prepared, in all material respects, in accordance with the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company, and to issue an assurance report that includes our assurance conclusion on the Sustainability Report.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism.

We also:

- » obtain an understanding of the process to prepare the Sustainability Report, including the materiality assessment process carried out by the Company to identify the information to be included in the Sustainability Report.
- » identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls. In addition, the risk of not detecting a material misstatement within value chain information from sources not under the control of the company (value chain information) is generally higher than the risk of not detecting a material misstatement of value chain information from sources under the control of the company, as both the executive directors of the Company and we, as assurance practitioners, are ordinarily subject to limitations on direct access to the sources of value chain information.
- » consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In conducting our limited assurance engagement, we have, amongst other things:

- » evaluated the suitability of the criteria as a whole presented by the executive directors in the Sustainability Report.
- » inquired of the executive directors and relevant employees involved in the preparation of the Sustainability Report about the preparation process, including the materiality assessment process carried out by the company to identify the information to be included in the Sustainability Report, and about the internal controls relating to this process.
- » evaluated the reporting policies used by the executive directors to prepare the Sustainability Report.
- » evaluated the reasonableness of the estimates and the related disclosures provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors have been unable to obtain.
- » performed analytical procedures and made inquiries in relation to selected information in the Sustainability Report.
- » considered the presentation of the information in the Sustainability Report.
- » considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Report.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is solely towards the Company. We do not accept any responsibility, duty of care or liability towards third parties.

Hamburg, 26 February 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Anne Witt	ppa. Uwe Gollum
Wirtschaftsprüferin	Wirtschaftsprüfer
(German public auditor)	(German public auditor)

REPORT OF THE SUPERVISORY BOARD



Johannes Koch
Chairman of the Supervisory Board

The 2025 financial year was a successful one for DZ HYP in spite of the still challenging macroeconomic and geopolitical environment. The sector continued to be affected by ongoing uncertainty on international markets, the stagnating German economy and a real estate market that was impacted by high interest rates and a selective investment appetite among investors. At the same time, planning visibility was improved by more clarity regarding the European Central Bank's monetary policy and by initial signs of economic stabilisation. In this environment, the Bank increased new business and cemented its position as a leading real estate bank and Pfandbrief issuer, once again making a positive contribution to the DZ BANK Group's earnings for the year under review.

Market activity was muted overall in the 2025 financial year, with transaction volumes remaining below prior-year levels. However, DZ HYP's Corporate Clients business in particular performed well compared with 2024, and the Retail Customers and Public Sector businesses also benefited from healthy, consistent demand. The real estate markets showed the first signs of stabilising over the course of the year. Particularly of note was the

residential segment, which benefited from rising rents, supply shortages and solid demand.

DZ HYP remained a strong and responsible partner to its clients and business associates in this heterogeneous market environment. In keeping with its proven conservative risk strategy, it responded prudently to economic and geopolitical developments and the uncertainty that this entailed, and also to the strong need for security among market participants resulting from this. DZ HYP's credit portfolio is characterised by long-term financing structures, high-quality collateral and a high proportion of residential properties. It once again demonstrated its resilience despite the valuation mark-downs that have been recorded since mid-2022. Both net interest income and the risk situation remained stable, confirming that the Bank's conservative and risk-averse business model can weather even volatile market phases.

Business with German cooperative banks continued to grow in the 2025 financial year and DZ HYP was able to reinforce its role as an efficient product supplier, notably in the Retail Customers business. The Bank also strengthened its ties with local partners and realised growth potential together with these by developing new competitive solutions designed to meet clients' needs and by continuing to digitalise its own processes.

During the year under review, the Supervisory Board dealt extensively with business developments in the segments Corporate Clients, Retail Customers and Public Sector. It also addressed the impact of the geopolitical situation, interest rate developments and market changes on DZ HYP's business performance. In this context, the Supervisory Board mainly discussed the Bank's risk situation, with a particular focus on the different impacts on individual asset classes, the risk management system, regulatory requirements (including compliance with these) and, where required, the performance of individual exposures. The main topics covered included the develop-

ment of collateral values in selected asset classes, the value and liquidity risks associated with open-ended property funds, the risks facing commercial and residential real estate developers, the analysis of loan-to-value ratios in the Retail Customers business, the market movements of the German office portfolio and the results of external audits (in particular, OSI-CRE, OSI-IT and IMI audits). In the year under review, the Supervisory Board also discussed the development of the project portfolio, the Bank's digital transformation, the structural renovation of DZ HYP's building in Hamburg, in-depth regulatory topics and selected aspects of internal development.

In addition, the Supervisory Board concerned itself with preparing the resolutions for the Annual General Meeting concerning the regular election of new Supervisory Board members and dealt with the replacement of vacant Supervisory Board and committee mandates as well as the suitability of new shareholder and employee representatives to be elected to the Supervisory Board and the committees. Following the election of the employee representatives and DZ HYP's ordinary Annual General Meeting, the Supervisory Board passed resolutions on the election of the Chairman of the Supervisory Board and its two Deputy Chairwomen and on the composition of the committees when it held its constituting meeting. The Supervisory Board also prepared recommendations regarding the nomination of the committee Chairpersons. In addition, the annual review of the work and qualifications of the Supervisory Board and Management Board members, the Bank's remuneration systems, the Remuneration Officer's report, the Management Board members' target agreement and target achievement plus their remuneration were the subject matter of resolutions. Diversity targets and the introduction and training programme for the Supervisory Board and the Management Board were reviewed and adjusted, and the report on compliance with the Bank's lending standards was discussed. The Supervisory Board also dealt with the extension of a Management Board member's term of office, the CSRD project report, the transfer of DZ HYP registered shares to DZ BANK, the adjustment of the Management Board's Schedule of Responsibilities and Rules of Procedure, the adjustment of the Supervisory Board's Rules of Procedure, and DZ HYP's decarbonisation pathway.

Supervisory Board and committees

During the year under review, the Supervisory Board of DZ HYP and its committees monitored the Management Board's management of the Bank in accordance with statutory regulations and those set out in the Bank's Articles of Incorporation, and also took decisions on those transactions required to be presented to the Supervisory Board for approval. To fulfil its tasks, the Supervisory Board has established a Nomination Committee, a Remuneration Control Committee, an Audit Committee and a Risk Committee.

The self-evaluation of the Supervisory Board and the evaluation of DZ HYP's Management Board carried out in the second quarter of 2025 led to the conclusion that the structure, size, composition and performance of the Supervisory Board and the Management Board as well as the knowledge, skills and expertise of the individual members of the Supervisory Board and of the Management Board, as well as of both bodies in their entirety, are in line with statutory requirements and those set out in the Articles of Incorporation. The Supervisory Board also has adequate human and financial resources at its disposal to assist members in taking up office and ensure they receive training to help them maintain the required expertise. For example, DZ HYP bears the costs for Supervisory Board-related continuous professional development (CPD) courses offered by external providers, while the Bank's internal introduction and training programme includes individual CPD courses and information briefings attended by Supervisory Board members, aimed at helping them perform their duties on DZ HYP's Supervisory Board. As well as this, DZ HYP's Management Board and Supervisory Board members attended an all-day, Bank-specific seminar held by the external auditors in June 2025. The next regular internal training course for members of the Supervisory Board will take place in June 2027. The next regular evaluation of DZ HYP's Supervisory Board and Management Board is scheduled for the first half of 2026.

Cooperation with the Management Board

The Management Board regularly reported to the Supervisory Board on DZ HYP's situation and performance, general business developments, profitability and risk exposure, in good time and comprehensively, both in writing and verbally. The impact of geopolitical and economic market changes was addressed in this context. Furthermore, the Supervisory Board was informed by the Management Board concerning the Bank's operative and strategic planning and orientation, and about material lending exposures and investments. The Supervisory Board discussed these issues, current developments and matters relating to the Bank's strategic focus with the Management Board; it advised the Management Board, and supervised the management of the Company. The Supervisory Board was involved in all decisions that were of fundamental importance to the Bank.

Meetings of the Supervisory Board

The Supervisory Board came together for four ordinary meetings during the 2025 financial year. The committees established by the Supervisory Board also convened on numerous occasions during 2025. The Chairpersons of the various committees regularly gave accounts of their work to the plenary meeting.

Between Supervisory Board meetings, the Management Board informed the Supervisory Board in writing about the Bank's business and risk development. During discussions with the Management Board outside the meetings, the Chairman of the Supervisory Board and the Chairpersons of the committees also discussed key decisions – especially key transactions and the development of the Bank's business and risk exposure – on a regular basis as well as when required. The members of the Supervisory Board and its committees regularly attended the meetings and participated in the written resolutions of the respective bodies during the 2025 financial year. To avoid conflicts of interest, any members affected by these did not participate in the resolutions in question. There were no other potential conflicts of interest during the year under review.

Cooperation with the external auditors

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, which submitted a declaration of independence to the Supervisory Board, audited the annual financial statements of DZ HYP, including the accounting records and management report of DZ HYP for the 2025 financial year, as well as the Sustainability Report 2025 that DZ HYP prepared voluntarily, as presented to it by the Management Board, and found these to be in line with statutory requirements. It has issued an unqualified audit opinion for the financial statements and an unqualified opinion for the Sustainability Report. The audit report and the assurance report were submitted to members of the Supervisory Board, and were discussed in detail during Supervisory Board meetings. The Supervisory Board accepted the results of the audit by the external auditors, in line with a recommendation by the Audit Committee.

Approval and confirmation of the financial statements

The Supervisory Board and the Audit Committee reviewed the annual financial statements and the management report of DZ HYP in detail at their meetings. The Chairwoman of the Audit Committee comprehensively informed the Supervisory Board about the detailed discussions of the Committee regarding the financial statements and the Bank's management report. The external auditor's representatives participated in the Supervisory Board meeting to adopt the annual financial statements, and in the preparatory meetings of the Audit Committee and the

Risk Committee, and reported in detail on the key findings of their audit. They were also available to answer questions put by Supervisory Board members. The Supervisory Board raised no objections with regard to the accounts. In its meeting on 23 March 2026, the Supervisory Board approved the financial statements of DZ HYP as at 31 December 2025, prepared by the Management Board. The annual financial statements have thus been adopted.

Personnel changes within the Supervisory Board and the Management Board

The scheduled term of office of DZ HYP's Supervisory Board ended at the close of the Annual General Meeting on 12 May 2025. A total of twelve shareholder representatives were newly elected by the ordinary Annual General Meeting. The six employee representatives were chosen by the DZ HYP employees prior to the Annual General Meeting. Thomas Müller stepped down from the Supervisory Board and was replaced by Christoph Kothe, who was newly elected to the Supervisory Board. Olaf Johnert did not run for re-election to the Supervisory Board as an employee representative and was replaced by Martin Merkel. All other shareholder and employee representatives were re-elected. As planned, Uwe Berghaus resigned from DZ HYP's Supervisory Board with effect from 31 July 2025. The Annual General Meeting elected Stefan Beismann in advance to replace Mr Berghaus on the Supervisory Board with effect from 1 August 2025.

At its constituting meeting, the Supervisory Board elected Johannes Koch as Chairman and Petra Kalbhenn and Anja Niehues as Deputy Chairwomen of the Supervisory Board for the duration of their terms of office as members of DZ HYP's Supervisory Board. Pursuant to the Bank's Articles of Incorporation, they are members of the Nomination Committee and of the Remuneration Control Committee. The Supervisory Board also elected Marcus Lühder to take Olaf Johnert's place on the Risk Committee and Dagmar Mines to replace Anja Niehues on the Audit Committee. Katja Lewalter-Düffel was newly elected as Chairwoman of the Audit Committee in the subsequent constituting committee meetings. All other committee members retained their previous functions.

There were no other changes to the members of the Supervisory Board and the Management Board during the 2025 financial year.

The Supervisory Board would like to thank the Management Board, and all of DZ HYP's staff, for their commitment and successful contribution during the 2025 financial year.

Hamburg and Münster, 23 March 2026

DZ HYP AG
The Supervisory Board



Johannes Koch
Chairman of the Supervisory Board

SERVICE

CORPORATE BODIES AND COMMITTEES, EXECUTIVES

Supervisory Board

Johannes Koch

Member of the Board of
Managing Directors,
DZ BANK AG Deutsche
Zentral-Genossenschaftsbank,
Frankfurt/Main
– Chairman –

Petra Kalbhenn

Member of the
Management Board,
VR Bank Main-Kinzig-
Büdingen eG,
Linsengericht
– Deputy Chairwoman –

Anja Niehues

DZ HYP AG,
Münster
– Deputy Chairwoman –

Stefan Beismann

Member of the Board of
Managing Directors,
DZ BANK AG Deutsche
Zentral-Genossenschaftsbank,
Frankfurt/Main

Hubertus Beringmeier

Chairman of the
Board of Directors,
Stiftung Westfälische Landschaft,
Münster

Dr Michael Düpmann

Chairman of the
Management Board,
VR Bank Rhein-Neckar eG,
Mannheim

Karin Fleischer

Member of the
Management Board,
Volksbank Franken eG,
Buchen

Ralph Gruber

DZ HYP AG,
Hamburg

Harald Herkströter

Chairman of the
Management Board,
Volksbank Halle/Westf. eG,
Halle (Westphalia)

Carsten Jung

Chairman of the
Management Board,
Berliner Volksbank eG,
Berlin

Christoph Kothe

Member of the
Management Board,
Leipziger Volksbank eG,
Leipzig

Michael Kuehn

DZ HYP AG,
Münster

Katja Lewalter-Düssel

Member of the
Management Board,
Genoverband e.V.,
Düsseldorf

Marcus Lühder

DZ HYP AG,
Münster

Martin Merkel

DZ HYP AG,
Stuttgart

Dagmar Mines

DZ HYP AG,
Hamburg

Michael Speth

Member of the Board
of Managing Directors,
DZ BANK AG Deutsche
Zentral-Genossenschaftsbank,
Frankfurt/Main

Heinrich Stumpf

Deputy Spokesman of the
Management Board,
VR Bank Augsburg-Ostallgäu eG,
Augsburg

Advisory Board – Banks

Johannes Hofmann

Deputy Chairman of the Management Board, VR-Bank Metropolregion Nürnberg eG, Nuremberg
– Chairman –

Rita Herbers

Member of the Management Board, Hamburger Volksbank eG, Hamburg
– Deputy Chairwoman –

Daniel Mohr

Member of the Management Board, VR Bank Heilbronn Schwäbisch Hall eG, Schwäbisch Hall
– Deputy Chairman –

Frank Baer

Chairman of the Management Board, Volksbank Spree-Neiße eG, Spremberg

Thomas Büscher

Chairman of the Management Board, VR Bank eG Bergisch Gladbach-Leverkusen, Bergisch Gladbach

Joachim Erhard

Spokesman of the Management Board, Volksbank Raiffeisenbank Würzburg eG, Würzburg

Christian Forstner

Deputy Spokesman of the Management Board, VR-Bank Rottal-Inn eG, Pfarrkirchen

Mirko Gruber

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Wolfgang Hillemeier

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Andreas Jeske

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Ina Kreimer

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Gregor Mersmann

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Volker Schmelzle

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Tobias Schmitz

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Mathias Semmelmann

Member of the Management Board, Volksbank Raiffeisenbank Regensburg-Schwandorf eG, Schwandorf

Advisory Board – Banks

Volker Spietenborg

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Volksbank Freiburg eG,
Freiburg

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Spokesman of the
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Volksbank eG,
Wolfenbüttel

Stefan Terveer

Member of the
Management Board,
Volksbank Westerstede eG,
Westerstede

Advisory Board – Public Sector and Housing Sector

Christian Schuchardt

Managing Director,
Association of German Cities,
Berlin
– Chairman –

Franz-Bernd Große-Wilde

Member of the
Management Board,
Aachener Siedlungs- und
Wohnungsgesellschaft mbH,
Cologne

Rüdiger Maier

Chairman of the
Management Board,
Neues Heim –
Die Baugenossenschaft eG,
Stuttgart

Claus Hamacher

Councillor for Finance
and Municipal Economy,
Association of Cities and Muni-
cipalities in North-Rhine Westphalia,
Düsseldorf
– Deputy Chairman –

Peter Kay

Member of the
Management Board,
BGFG – Baugenossenschaft freier
Gewerkschafter eG,
Hamburg

Dr Frank Nagel

Head of the Credit Department,
Ministry of Finance of the
State of Rhineland-Palatinate,
Mainz

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Managing Director,
ProPotsdam GmbH,
Potsdam
– Deputy Chairman –

Markus Kreuz

Treasurer of the
City of Hamm,
Hamm

Andreas Otto

Chairman of the
Management Board,
GWG Gifhorner
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Konrad Beugel

Finance and Economics Officer
of the City of Erlangen,
Erlangen

Franziska Lehner

Member of the
Management Board,
Stadibau GmbH,
Munich

Ute Schäfer

Member of the
Management Board,
Wohnungsgenossenschaft
UNITAS eG,
Leipzig

Michael Esken

President,
Municipal Audit Authority
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GEWOBA Nord Baugenossenschaft eG,
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Sybille Wegerich

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Management Board,
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Dr Stefan Funke

Treasurer/Director of the
District of Warendorf,
Warendorf

Dr Georg Lunemann

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Westfalen-Lippe,
Münster

Christine Zeller

Treasurer of the City,
Finance, Investments and
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City of Münster,
Münster

Management Board and distribution of responsibilities

Sabine Barthauer

– Chief Executive Officer –

- » Segment Corporate Clients
- » Segment Retail Customers
- » Segment Public Sector
- » Treasury
- » Communications, Marketing & Events
- » Corporate Strategy and Development

Jörg Hermes

- » Compliance
- » Finance
- » Internal Audit
- » IT
- » Human Resources
- » Security and Organisation

Stefan Schrader

- » Back Office Corporate Clients
- » Back Office Treasury & Public Sector
- » Risk Controlling
- » Legal, Restructuring, Recovery

Department Heads

Patrick Ernst

Treasury

Anja Klarmann

Security and Organisation

Frank Schneider

Compliance

Norbert Grahl

Back Office Corporate Clients

Markus Krampe

Segment Public Sector,
Segment Retail Customers

Jürg Schönherr

Segment Corporate Clients
– Housing Sector

Steffen Günther

Segment Corporate Clients,
Front Office Commercial
Real Estate Investors

Dr Stefan Krohnsnest

Risk Controlling

Peter Vögelein

Internal Audit

Nicole John

Corporate Strategy and
Development

Maik Michaelis

Finance

Carsten Hendrik Vollberg

Legal, Restructuring, Recovery

Kirsten Jucknat

Back Office Treasury &
Public Sector

Peter Ringbeck

IT

Anke Wolff

Communications, Marketing &
Events

Arne Schneider

Human Resources

Trustees

Dr Michael Labe

Judge (retired),
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Björn Reher

Deputy Trustee,
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