

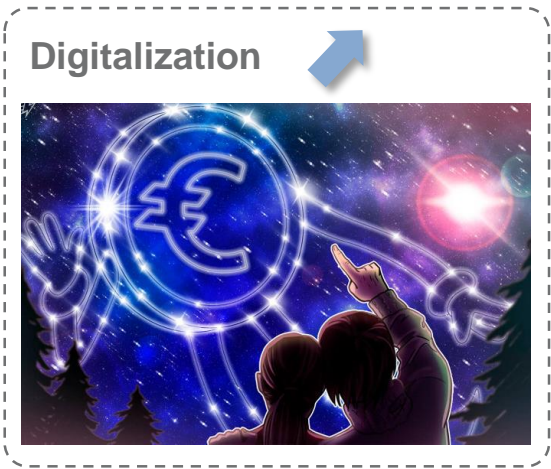
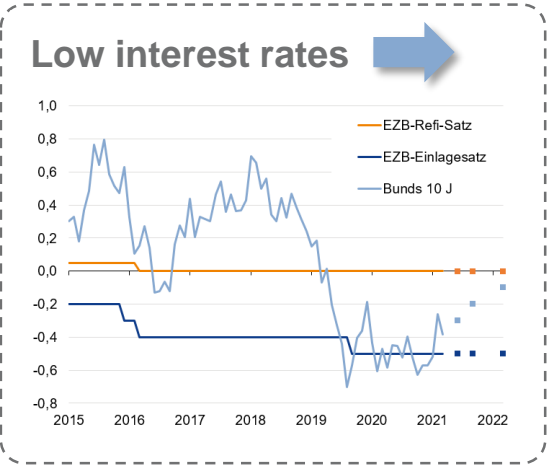
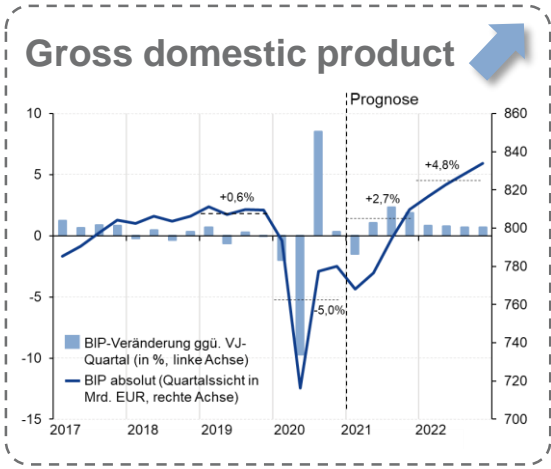


Financial reporting for the first half of 2021

Frankfurt am Main, August 30, 2021

 **DZ BANK** Gruppe

Fast-changing environment from a political, macroeconomic, and financial sector perspective



DZ BANK Group delivers an encouraging performance in a challenging environment

Very good financial performance

Very healthy customer business

Unremarkable risk situation

Costs under control

Solid capital base

€ **1.83** billion

Profit before taxes

€ **3.0** billion

↗ + 18.1%

Net interest income/net fee and commission income

€ **114** million

Reversals of loss allowances

€ **2.1** billion

↗ + 6.3%

Administrative expenses¹

15.4 percent

Common equity Tier 1 capital ratio

¹ Increase excluding bank levy, contribution to protection schemes, and first-time consolidation of ZBI at UMH: +0.7%

DZ BANK Group: Income statement by group company

€ million	Jan. 1.– Jun. 30 2021	Jan.1.– Jun. 30 2020	Change (%)
BSH	54	75	-28.0
R+V	482	102	>100.0
TeamBank	84	49	+71.4
UMH	825	264	>100.0
DZ BANK – central institution and corporate bank	218	285	-23.5
DZ HYP	287	106	>100.0
DZ PRIVATBANK	19	27	-29.6
VR Smart Finanz¹	0	-24	>100.0
DVB	70	-228	>100.0
DZ BANK – holding function	-139	-124	-12.1
Other/Consolidation	-68	25	>100.0
Profit before taxes	1,832	557	>100.0

X = holding companies

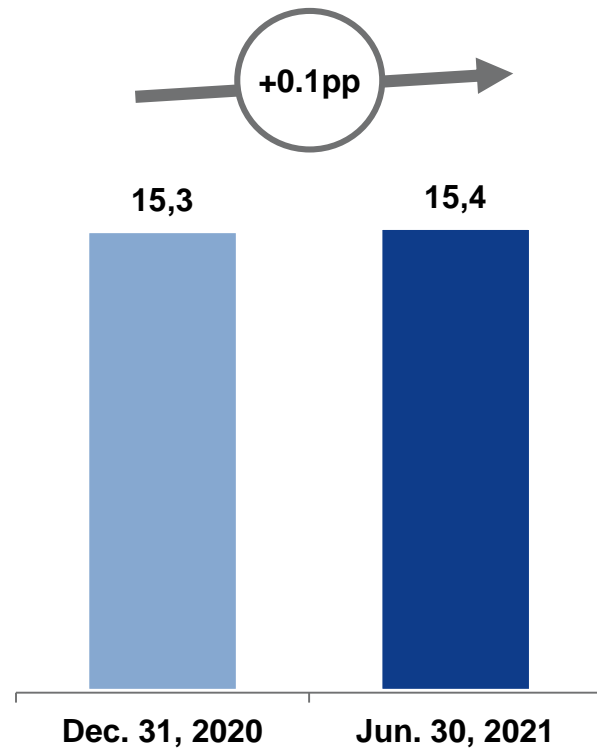
X = companies assigned to the central institution and corporate bank

¹ Result of VR Smart Finanz amounts to € 0.3 million

DZ BANK Group: Key capital ratios¹

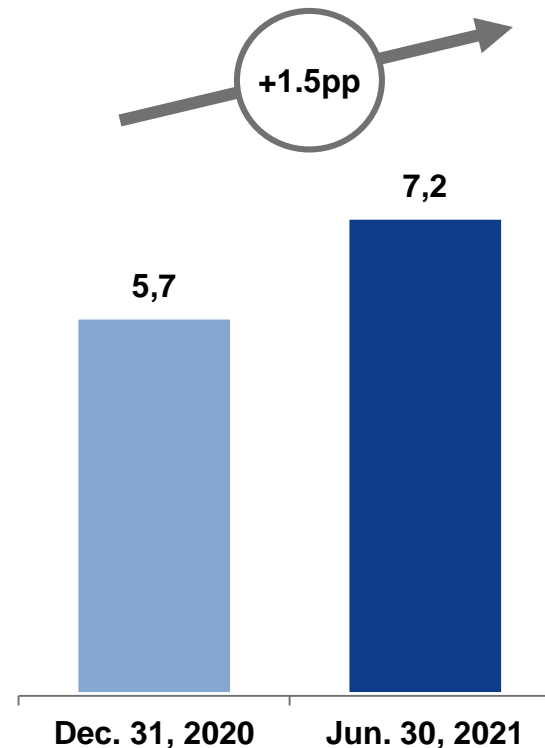
Common equity Tier 1 capital ratio

%



Leverage ratio

%



- Strengthening of capital adequacy, partly thanks to proactive management of risk-weighted assets
- Increase in the leverage ratio, primarily owing to CRR rules coming into force

¹ All values in accordance with CRR transitional arrangements

Segments: Home savings/consumer home finance, Insurance

Profit before taxes

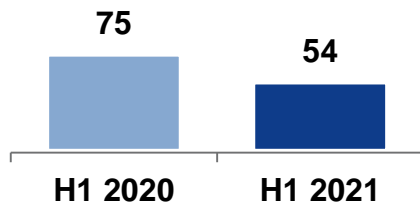
€ million



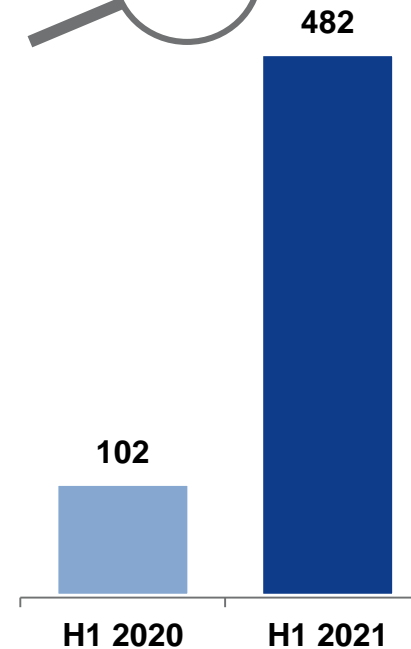
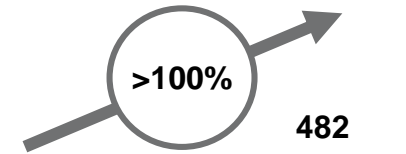
Schwäbisch Hall

Profit before taxes

€ million



- **Home savings:** Increase in new business to €14.7 billion (H1 2020: €11.9 billion)
- **Home finance:** New business rises to €10.3 billion (H1 2020: €9.4 billion), outstripping average market growth
- BSH has a robust market position (market share of 31.7% in Germany)
- Fall in profit before taxes in line with expectations, negative impact of low-interest-rate environment, profit before taxes likely to be above prior-year level at the end of the year

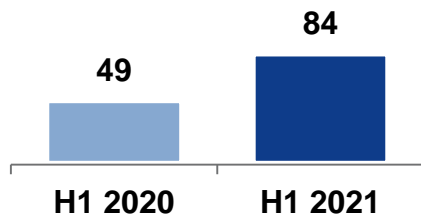


- **Gross premiums written** of €10.6 billion, higher than the figure for the prior-year period of €10.2 billion – increase in all segments
- **Profit before taxes** recovers significantly compared with prior-year period, which had been hit by deterioration in gains and losses on investments held by insurance companies owing to impact of COVID-19 pandemic
- Uncertainty with regard to claims rate trend in non-life insurance in the second half of the year

Segments: Consumer finance business, Asset management

Profit before taxes

€ million

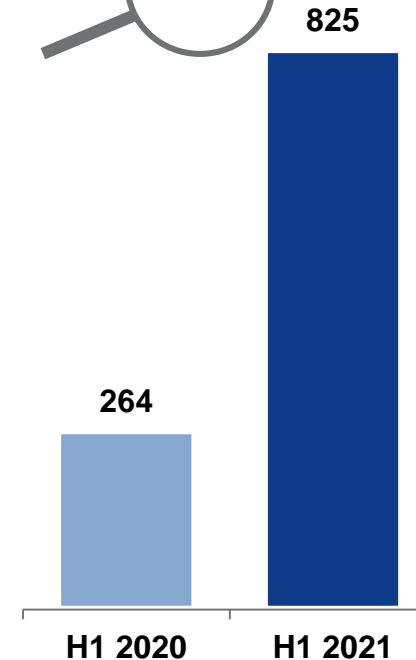
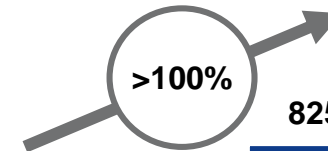


TeamBank

- **Volume of new business** holds steady at €1.5 billion in a difficult market environment
- At around €9 billion, **loans and advances to customers** also hold steady
- Further growth in the **number of customers** (up by 10,000) in a fiercely competitive market
- Year-on-year increase in **profit before taxes**, mainly due to positive effects in loss allowances

Profit before taxes

€ million



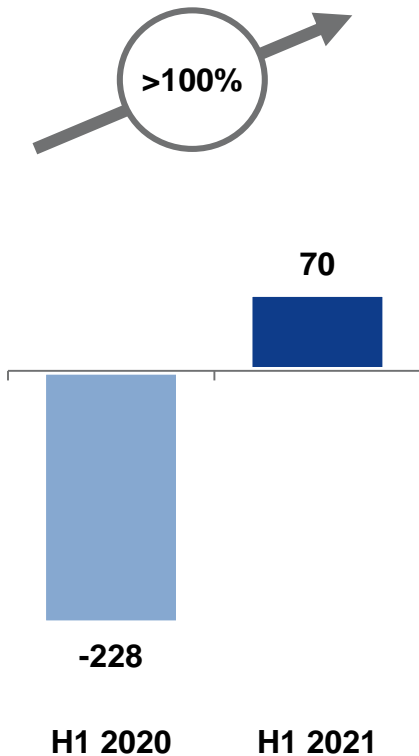
Union Investment

- Increase in **assets under management** to €427.2 billion (December 31, 2020: €385.9 billion)
- Significant year-on-year rise in **net inflows** both from institutional clients (€14.7 billion) and from retail customers (€9.7 billion)
- Very good **increase in profit before taxes** due to the encouraging operating performance (volume-related income and income from performance fees) and to positive effects from the valuation of guarantee commitments after negative effects in prior-year period

Segments: Transport finance, DZ BANK – holding function

Profit/loss before taxes

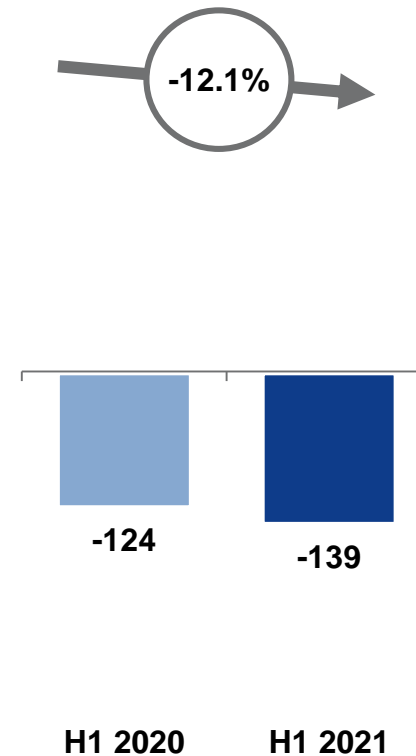
€ million



- 
- Improvement in **market situation** in maritime sectors thanks to economic growth in China and the US
 - Managed **scaling back** of the ship and offshore business accelerated
 - Current **volume of customer loans** stands at €2.5 billion (was €3.9 billion at end of 2020 and €19.4 billion at end of 2017)
 - Completion of the two remaining disposals
 - **Profit before taxes** boosted by net reversals of loss allowances and by positive valuation effects

Loss before taxes

€ million

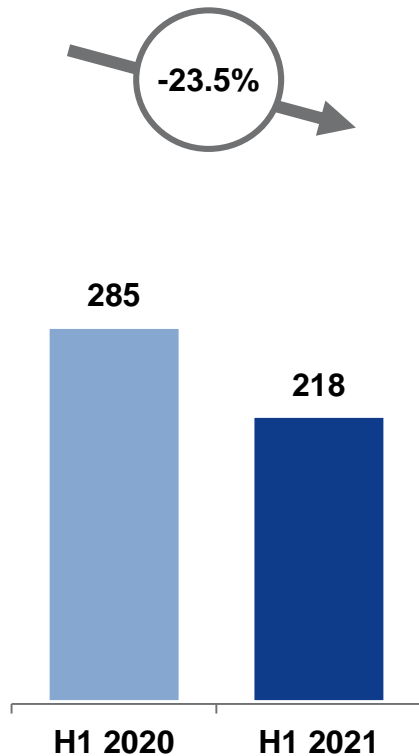


- This segment is a cost center for expenses in connection with the holding function
- **Interest expense** for the provision of funding and subordinated capital
- **Administrative expenses** include, in particular:
 - Expense (based on total assets) for the bank levy/BVR protection scheme
 - Group management function/regulatory requirements
 - IT and project costs
- **Loss before taxes** reflects rise in general and administrative expenses (mainly bank levy)

Segments: Central institution and corporate bank, Commercial real estate finance

Profit before taxes

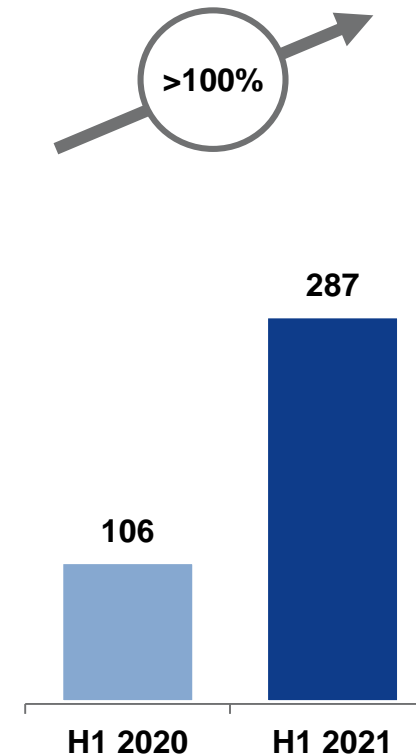
€ million



- Good **operating performance** in all divisions
- Corporate customer lending volume holds steady at €65.4 billion despite fierce competition (December 31, 2020: €65.0 billion)
- Strong increases in depositary services and in sales of investment certificates
- **Net interest income and net fee and commission income** rise by €115 million
- **Profit before taxes significantly above plan** in an unremarkable risk situation; IFRS-related negative impact on gains and losses on trading activities in connection with valuation of own issues

Profit before taxes

€ million

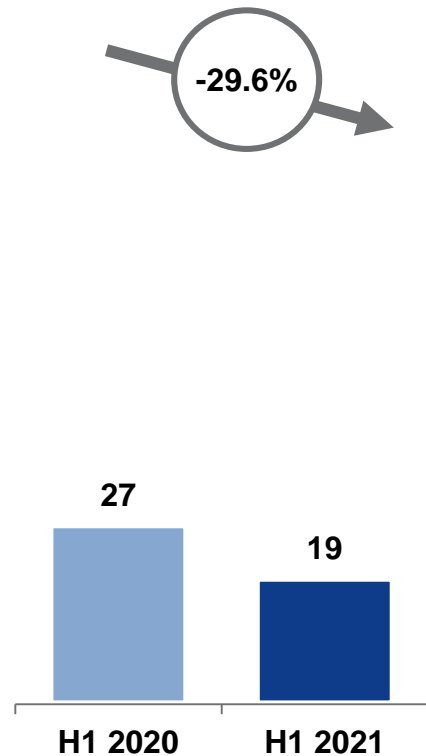


- **New business with corporate customers** rises from €3.0 billion to €3.7 billion
- **New business with retail customers** also grows (€1.4 billion compared with €0.8 billion in H1 2020)
- **Overall volume of real estate finance** up from €53.3 billion to €54.1 billion
- **Profit before taxes influenced by very stable operating performance** and also by volatility arising from fair value gains and losses in the government bond portfolio

Segments: Private banking, Finance solutions for the self-employed and small businesses

Profit before taxes

€ million

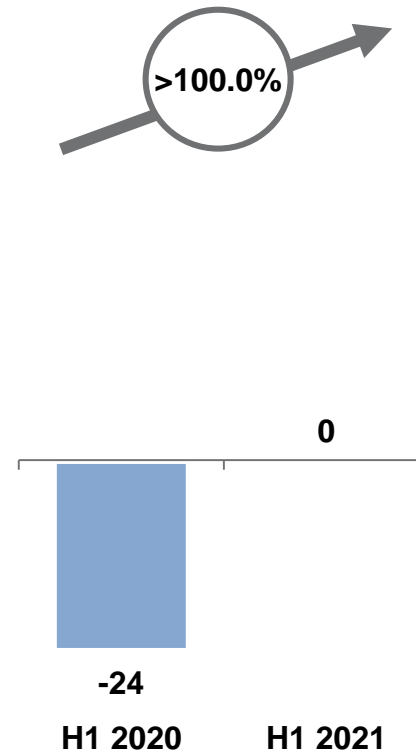


DZ PRIVATBANK

- Good operating performance with assets under management in **private banking up from €20.0 billion** (December 31, 2020) **to €21.8 billion** (increase of 9%) and **assets under custody up from €139.5 billion to €169.5 billion** (increase of 21.5%) compared with December 31, 2020
- **Market conditions** remained difficult, with fierce competition and low interest rates
- Profit before taxes **better than expected**, one-off items in prior-year period (H1 2020), profit trend for 2021 as a whole expected to be close to prior year

Profit before taxes¹

€ million



VR Smart Finanz

- Decline in **volume of new business** to €432 million (H1 2020: €738 million) attributable to COVID-19 pandemic, relaunch of the 'VR Smart flexibel' product, and weakening demand for support loans
- Increase in the **number of customers** (up by 18,000)
- Mitigating effects of restructuring and lower loss allowances help to eliminate **loss before taxes**

¹ Result of VR Smart Finanz amounts to € 0.3 million

Outlook

- » Continuation of growth strategy in all operating segments
- » Continuation of collaborative relationship with the cooperative banks
- » According to current assessments, credit risk is likely to remain fairly unremarkable in the coming months
- » Stable capital base provides strong foundations for further investment
- » Key areas of investment: Sustainability, digitalization of the customer interface, platforms, modernization of process and IT structures, payments processing and blockchain, modern and mobile ways of working
- » Forecast for profit before taxes of comfortably above €2 billion, depending on the level of loss allowances, the situation in the capital markets, and the volume of claims in non-life insurance

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