

# Overview of DZ BANK Group's financial situation as at December 31, 2023

Frankfurt am Main, February 29, 2024

# Results of the DZ BANK Group for 2023

Very good  
profit before taxes

€ **3.2** billion  
↗ + 41.6 %

Profit  
before taxes

Unremarkable  
risk situation

€ **362** million

Loss allowances –  
additions

Very healthy  
capital adequacy

**15.5**<sup>1)</sup> percent

Common equity Tier 1  
capital ratio

Focus on  
efficiency

**56.4** percent

Cost/income  
ratio

1) The common equity Tier 1 capital ratio of 15.5% was calculated using the supervisory authority's official method for recognizing profit and the supervisory authority's assumed dividend payout ratio; if the current dividend policy were to be applied, the common equity Tier 1 capital ratio would stand at 15.8%

# DZ BANK Group

## Income statement (IFRS)

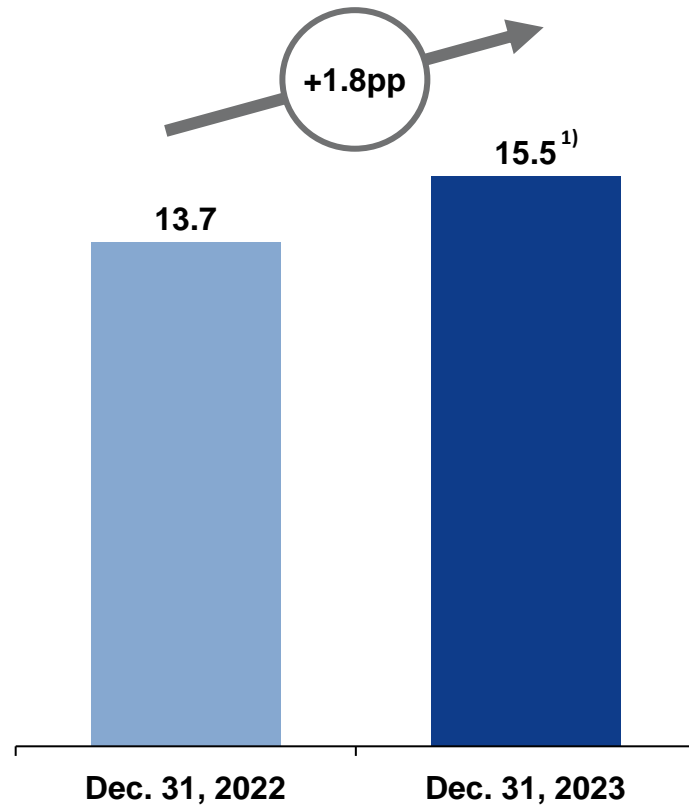
€ million	Jan. 1– Dec. 31, 2023	Jan. 1– Dec. 31, 2022	Change (%)
Net interest income	4,333	3,322	+30.4%
Net fee and commission income	2,807	2,749	+2.1%
Gains and losses on trading activities	-175	823	>100%
Gains and losses on investments	-72	-119	+39.5%
Other gains and losses on valuation of financial instruments	298	-286	>100%
Gains and losses from the derecognition of financial instruments measured at amortized cost	11	35	-68.6%
Net income from insurance business	891	276	>100%
Loss allowances	-362	-304	+19.1%
Administrative expenses	-4,597	-4,447	+3.4%
Other net operating income	56	204	-72.5%
<b>Profit before taxes</b>	<b>3,189</b>	<b>2,252</b>	<b>+41.6%</b>
Income taxes	-955	-912	+4.7%
<b>Net profit</b>	<b>2,234</b>	<b>1,341</b>	<b>+66.6%</b>

# DZ BANK Group

## Key capital ratios

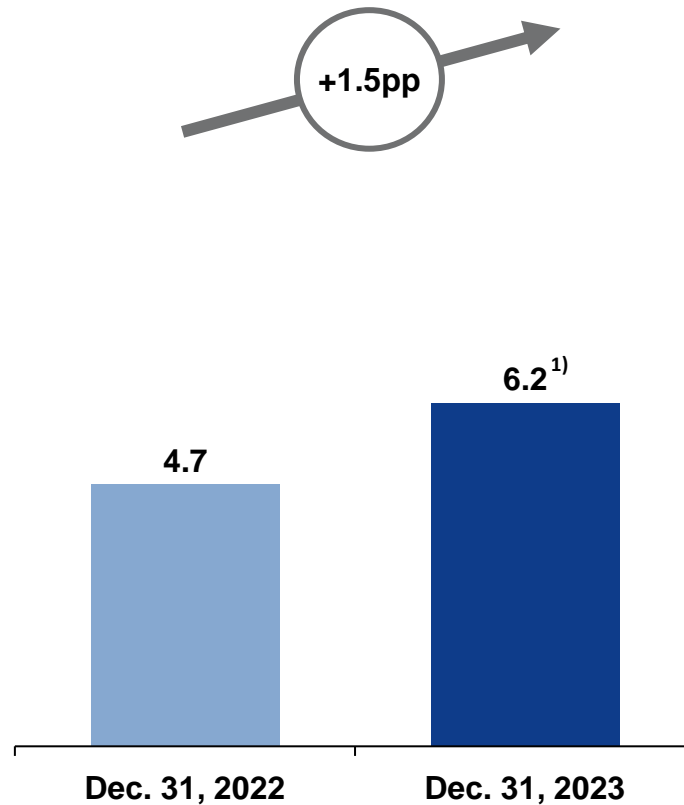
### Common equity Tier 1 capital ratio

%



### Leverage ratio

%

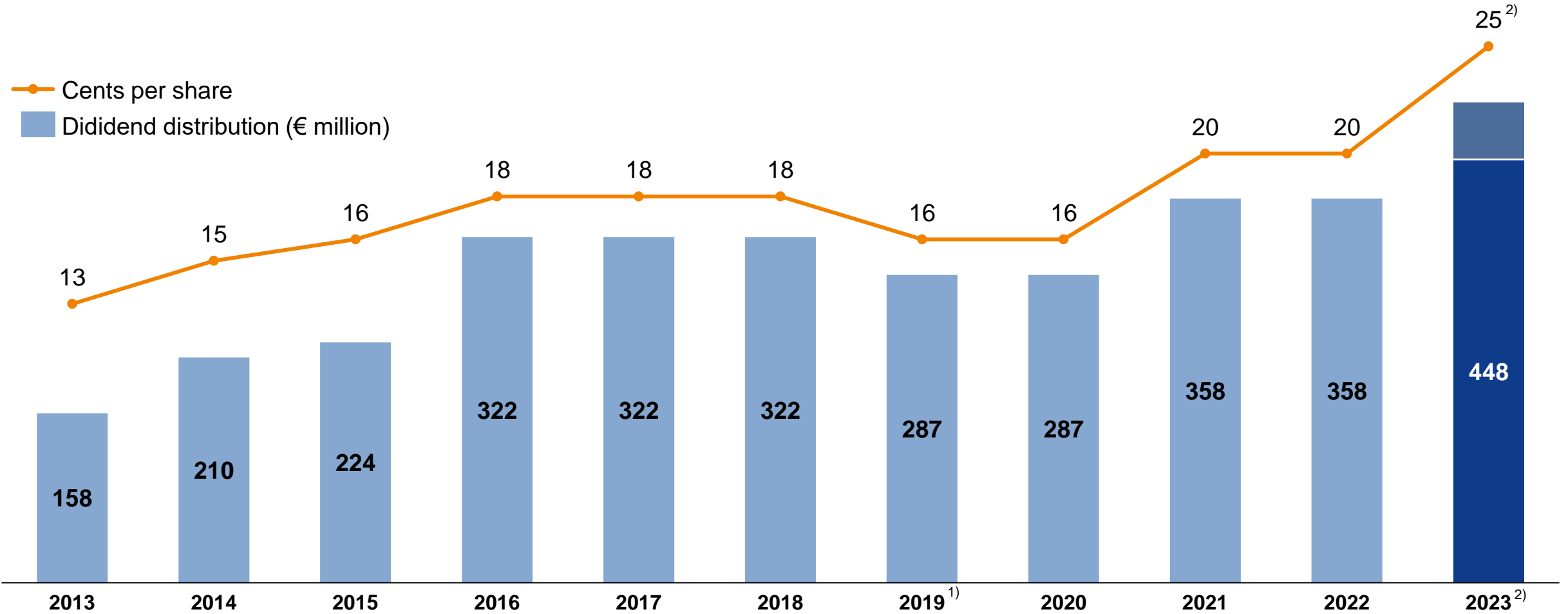


- Upward trend in capital adequacy, partly thanks to good operating performance
- Initial application of IFRS 17 at R+V
- New issue of AT1 in June 2023

1) The common equity Tier 1 capital ratio of 15.5% was calculated using the supervisory authority's official method for recognizing profit and the supervisory authority's assumed dividend payout ratio (leverage ratio on this basis: 6.2%); if the current dividend policy were to be applied, the common equity Tier 1 capital ratio would stand at 15.8% (leverage ratio: 6.3%)

# DZ BANK Group

## DZ BANK dividend payments



1) Paid a year later due to rules introduced as a result of the coronavirus pandemic

2) To be proposed to the Annual General Meeting; includes an additional 3 cents for the dividend depending on business performance



# DZ BANK Group

## Income statement, by group company

€ million	Jan. 1– Dec. 31, 2023	Jan. 1– Dec. 31, 2022	Change (%)
<b>BSH</b>	20	143	-86.0%
<b>R+V</b>	1,008	187	>100%
<b>TeamBank</b>	81	134	-39.6%
<b>UMH</b>	974	695	+40.1%
<b>DZ BANK – central institution and corporate bank</b>	1,035	904	+14.5%
<b>DZ HYP</b>	476	455	+4.6%
<b>DZ PRIVATBANK</b>	83	52	+59.6%
<b>VR Smart Finanz</b>	1	3	-66.7%
DZ BANK – holding function	-356	-279	-27.6%
Other/Consolidation	-133	-42	>100%
<b>Profit before taxes</b>	<b>3,189</b>	<b>2,252</b>	<b>+41.6%</b>

X = holding companies

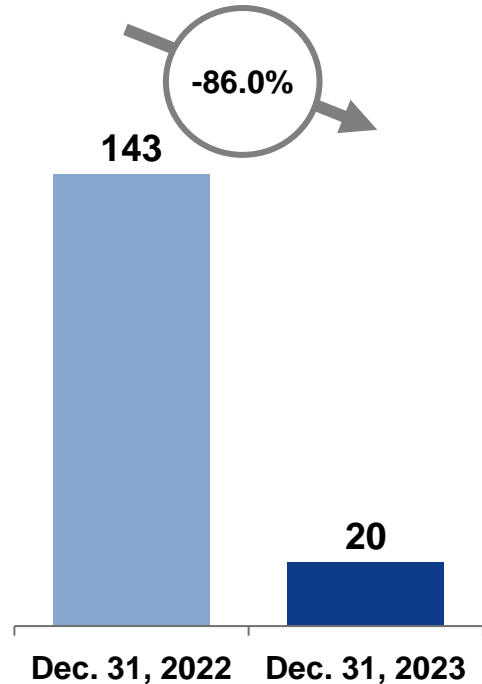
X = companies assigned to the central institution and corporate bank

# Segment: Home savings / consumer home finance



## Profit before taxes

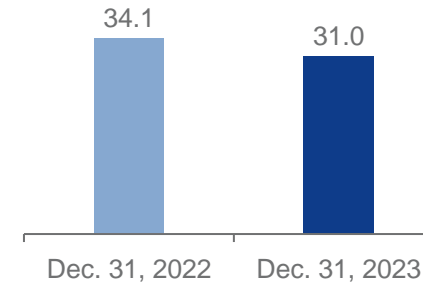
€ million



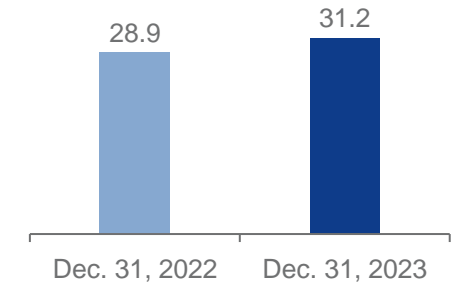
- Good level of **new home savings business** at €31.0 billion (2022: €34.1 billion)
- Strengthening of BSH's market position (market share of 31.2% in Germany)
- **Home finance:** Decline in new home finance business, on a par with the wider market; volume of home finance held steady at €64.2 billion (Dec. 31, 2022: €61.3 billion)
- **Profit before taxes:** Good operating performance; profit before taxes continues to be affected by shift in interest-rate policy but as budgeted; prior-year figure boosted by one-off reversal of provisions relating to building society operations

## Operating performance

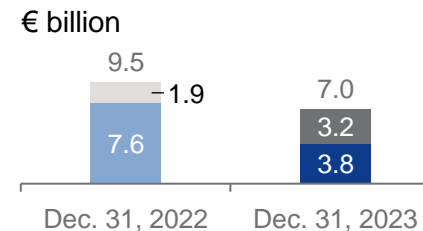
### New home savings business € billion



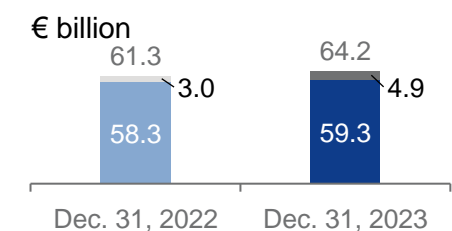
### Market share in Germany %



### New home finance (on BSH's books)<sup>1)</sup> New home savings loans



### Vol. of home finance (on BSH's books) Vol. of home savings loans



1) Additional new business (on other banks' books): €14.2 billion, Dec. 31, 2022: €19.9 billion (of which with local cooperative banks: €13.1 billion, Dec. 31, 2022: €18.4 billion)

# Segment: Home savings/consumer home finance

## Income statement (IFRS)



€ million	Jan. 1– Dec. 31, 2023	Jan. 1– Dec. 31, 2022	Change (absolute)	Change (%)
Net interest income	550	744	-194	-26.1%
Net fee and commission income	-13	11	-24	>100%
Gains and losses on trading activities	0	0	0	n/a
Gains and losses on investments	0	-90	90	>100%
Other gains and losses on valuation of financial instruments	1	4	-3	-75.0%
Gains and losses from the derecognition of financial instruments measured at amortized cost	-2	3	-5	>100%
Loss allowances	-18	-16	-2	+12.5%
Administrative expenses	-536	-528	-8	+1.5%
Other net operating income	38	16	22	>100%
<b>Profit before taxes</b>	<b>20</b>	<b>143</b>	<b>-123</b>	<b>-86.0%</b>

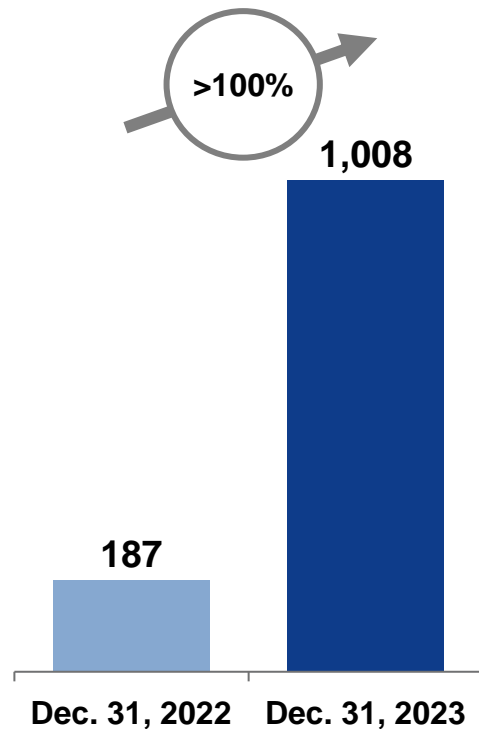


# Segment: Insurance



## Profit before taxes

€ million

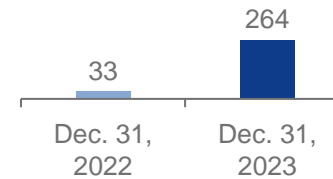


- Good **operating performance**
- **Gross premiums written** on a par with the prior year at €19.8 billion (2022: €19.6 billion)
- **Profit before taxes** influenced by significant improvement in gains and losses on investments held by insurance companies thanks to the favorable situation in the capital markets and only a small number of major claim events

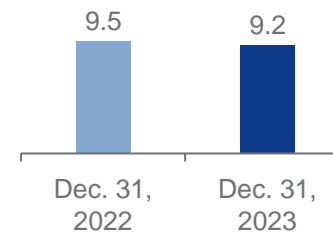
## Operating performance

### Life/health

**Profit before taxes**  
€ million

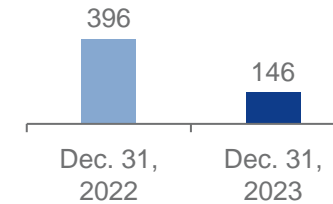


**Gross premiums written**  
€ billion

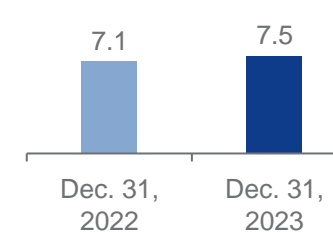


### Non-life

**Profit before taxes**  
€ million

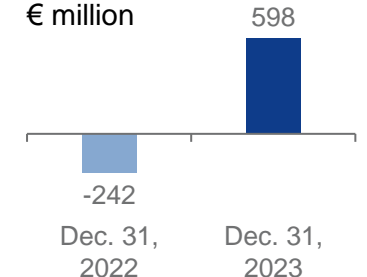


**Gross premiums written**  
€ billion

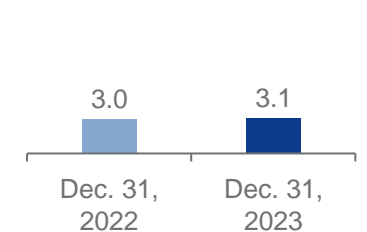


### Inward reinsurance

**Profit/loss before taxes**  
€ million



**Gross premiums written**  
€ billion



# Segment: Insurance

## Income statement (IFRS)



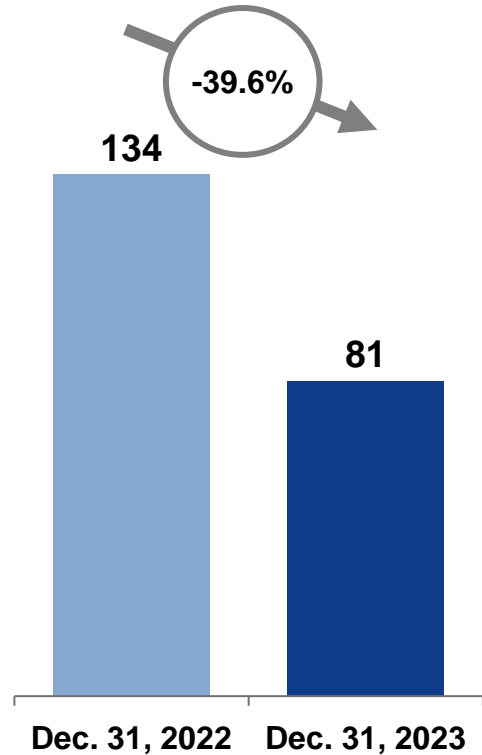
€ million	Jan. 1– Dec. 31, 2023	Jan. 1– Dec. 31, 2022	Change (absolute)	Change (%)
Insurance service result	1,972	1,980	-8	-0.4%
Gains/losses on inv. held by ins. comp. & other ins. comp. gains/losses	3,136	-3,748	6,884	>100%
Insurance finance income or expenses	-4,107	1,951	-6,058	>100%
Gains and losses from derecognition of FI measured at AC	6	8	-2	-25.0%
Other net operating income	0	-5	5	>100%
<b>Profit before taxes</b>	<b>1,008</b>	<b>187</b>	<b>821</b>	<b>&gt;100%</b>

# Segment: Consumer finance business



## Profit before taxes

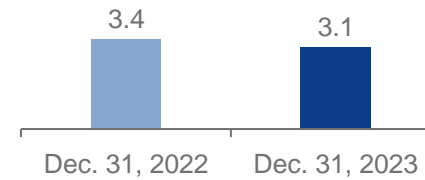
€ million



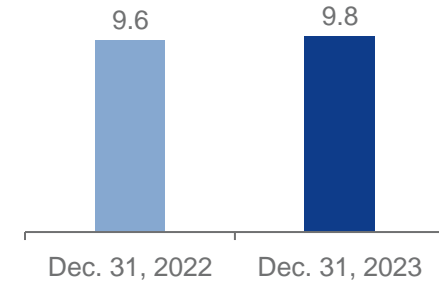
- **Volume of new business** at €3.1 billion (2022: €3.4 billion), with TeamBank outperforming the market
- Slight rise in **loans and advances to customers** to €9.8 billion (Dec. 31, 2022: €9.6 billion)
- Further increase in the **number of customers** (up by 29,000)
- Decrease in **profit before taxes**, mainly due to higher loss allowances

## Operating performance

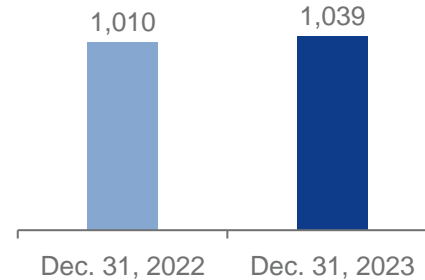
**Volume of new business**  
€ billion



**Loans and advances to customers**  
€ billion



**Number of customers**  
Thousands



# Segment: Consumer finance business

## Income statement (IFRS)



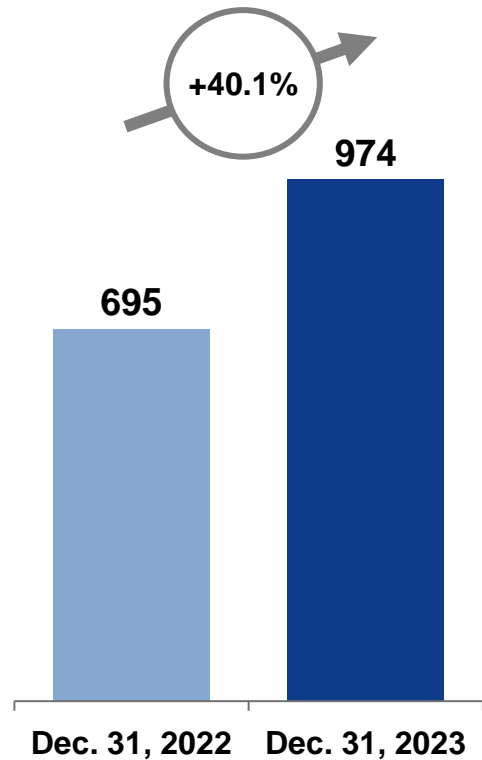
€ million	Jan. 1– Dec. 31, 2023	Jan. 1– Dec. 31, 2022	Change (absolute)	Change (%)
Net interest income	530	511	19	+3.7%
Net fee and commission income	-39	-13	-26	>100%
Gains and losses on trading activities	0	0	0	n/a
Gains and losses on investments	0	0	0	n/a
Other gains and losses on valuation of financial instruments	-2	6	-8	>100%
Gains and losses from the derecognition of financial instruments measured at amortized cost	0	0	0	n/a
Loss allowances	-133	-100	-33	+33.0%
Administrative expenses	-285	-286	1	-0.3%
Other net operating income	10	15	-5	-33.3%
<b>Profit before taxes</b>	<b>81</b>	<b>134</b>	<b>-53</b>	<b>-39.6%</b>

# Segment: Asset management



## Profit before taxes

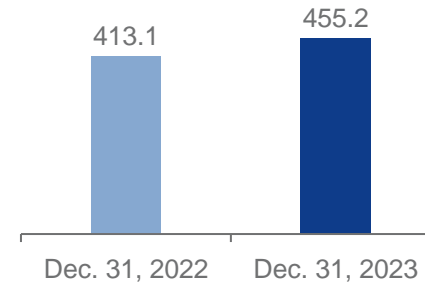
€ million



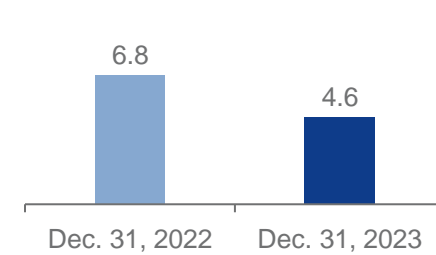
- Increase in **assets under management** to €455.2 billion (Dec. 31, 2022: €413.1 billion)
- Rise in **net inflows** from retail clients (€12.2 billion), but a fall in **net inflows** from institutional clients (€4.6 billion)
- No. 1 for mutual funds
- Very encouraging rise in **profit before taxes**

## Operating performance

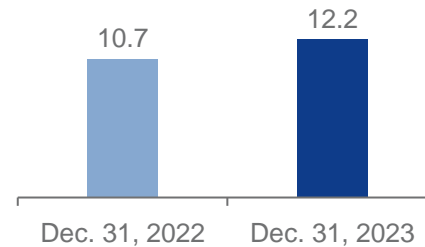
### Assets under management € billion



### Net inflows from institutional clients € billion



### Net inflows from retail clients € billion



# Segment: Asset management

## Income statement (IFRS)



€ million	Jan. 1– Dec. 31, 2023	Jan. 1– Dec. 31, 2022	Change (absolute)	Change (%)
Net interest income	71	12	59	>100%
Net fee and commission income	2,018	2,036	-18	-0.9%
Gains and losses on trading activities	0	0	0	n/a
Gains and losses on investments	-31	-58	27	+46.6%
Other gains and losses on valuation of financial instruments	197	-155	352	>100%
Gains and losses from the derecognition of financial instruments measured at amortized cost	0	0	0	n/a
Loss allowances	-1	0	-1	n/a
Administrative expenses	-1,231	-1,194	-37	+3.1%
Other net operating income	-50	54	-104	>100%
<b>Profit before taxes</b>	<b>974</b>	<b>695</b>	<b>279</b>	<b>+40.1%</b>



# Segment: DZ BANK – central institution and corporate bank



A very successful  
year

€ **1.0** billion  
↗ + 14.5 %

Profit  
before taxes

Encouraging  
financial performance

€ **2.0** billion  
↗ + 26.5 %

Net interest income/  
net fee and commission  
income

Unremarkable  
risk situation

€ **82** million

Loss allowances –  
additions

Costs  
under control

**56.6** percent

Cost/income  
ratio

# Segment: DZ BANK – central institution and corporate bank

## Corporate Banking

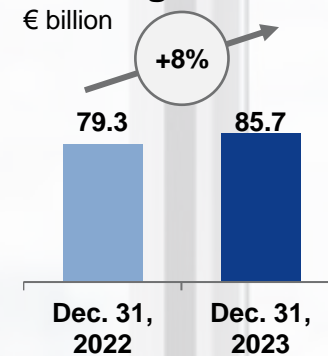


### Positioning and strategic development

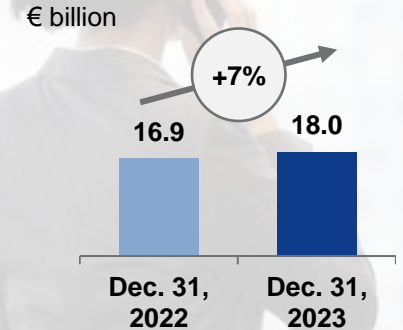
- » In the **top 5** banks for corporate banking<sup>1)</sup>
- » Rise in income from cross selling<sup>2)</sup> of **33%**
- » Consistently **strong market position for development loans**; volume focused on the switch to renewable energy, the environment, and sustainability of **€36.8 billion**
- » Another **excellent performance in German renewable energy business** (no. 1 for European onshore wind power business<sup>3)</sup>)
- » Continued growth of **trade and export finance business**

### Selected metrics

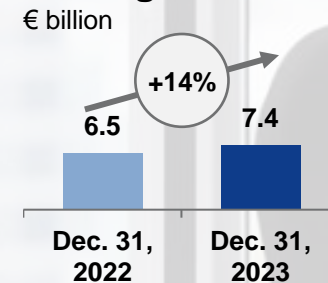
#### Lending volume<sup>4)</sup>



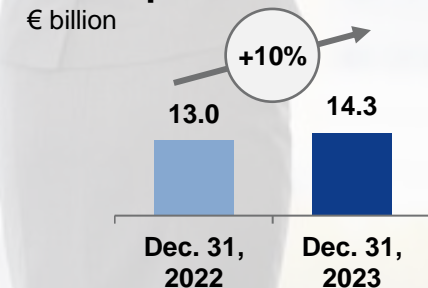
#### Volume of joint credit business



#### Renewable energies lending volume<sup>5)</sup>



#### Volume of international trade and export finance



1) Findings of the 2023 FINANCE bank survey  
4) Corporate banking in Germany & Structured Finance

2) Corporate banking in Germany  
5) Total for DZ BANK AG

3) Information from Infra database as at Jan. 17, 2024

# Segment: DZ BANK – central institution and corporate bank

## Capital Markets



### Positioning and strategic development

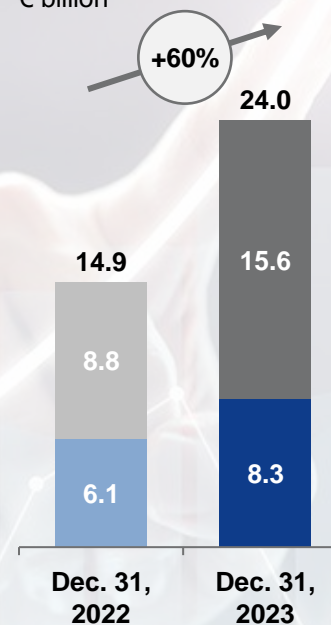
- » **Ranked 5th** for bank bonds, **8th** for covered bonds, and **6th** for sovereign, supranational, and agency (SSA) bonds<sup>1)</sup>
- » **Very strong capital markets business**; muted foreign-exchange/derivatives business and primary market business
- » **A leading bank** when it comes to supporting **sustainable promissory notes** from Germany (market share of approx. 17%<sup>2)</sup>); no. 1 for euro-denominated benchmark green covered bonds (market share of approx. 8%<sup>2)</sup>)
- » **Strong sales of investment certificates and interest-rate products** and high number of **retail brokerage transactions** (7.1 million orders)
- » **Establishment of a cryptocurrency trading offering** for retail customers

### Selected metrics and transactions

Sales volume:

- Investment certificates
- Interest-rate products

€ billion



SSA bonds, covered bonds, and bank bonds



1) Electronic secondary market trading in euro bonds globally, according to Bloomberg 2) Source: Bloomberg



# Segment: DZ BANK – central institution and corporate bank

## Transaction Banking

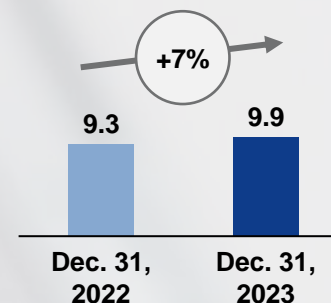


### Positioning and strategic development

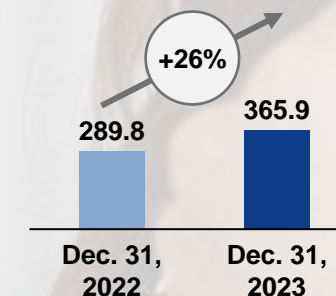
- **Systematic consolidation** of the market position, becoming the **third-largest depository bank in Germany**
- **Piloting of the Request-to-Pay system** and launch of the **digital depository platform for cryptosecurities**
- **Significant growth in the number of credit card transactions, in sales of credit cards, and in the number of terminals in operation across the network**
- **Centralization of payments processing activities on one powerful platform**
- **Activities to equip the business line for the future, e.g. active involvement in implementation of the European Payments Initiative (EPI)**

### Selected metrics

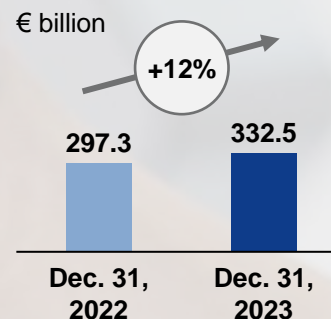
**No. of transactions in payments processing**  
Billions



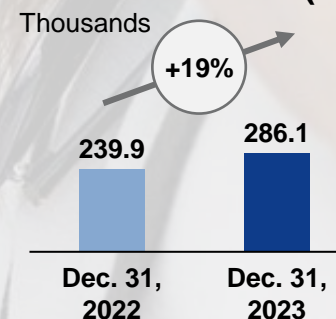
**No. of credit card transactions**  
Millions



**AuD<sup>1)</sup> in depository business**  
€ billion



**No. of terminals in operation across network (VR Payment)**  
Thousands



1) Assets under depository

# Segment: DZ BANK – central institution and corporate bank

## Income statement (IFRS)



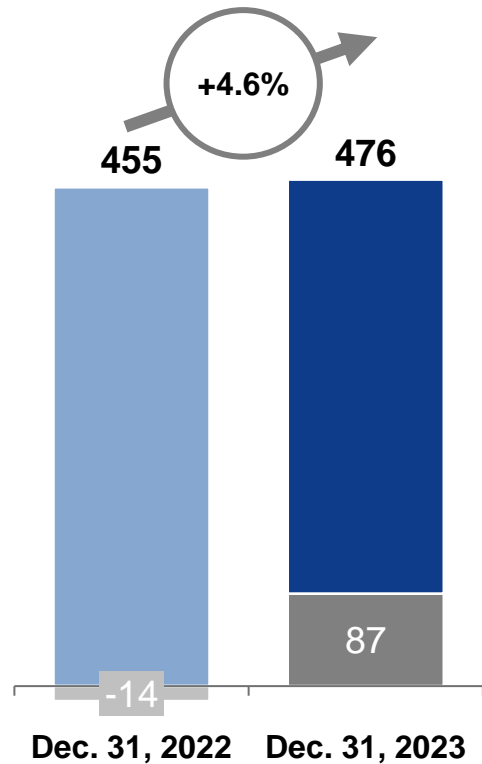
€ million	Jan. 1– Dec. 31, 2023	Jan. 1– Dec. 31, 2022	Change (absolute)	Change (%)
Net interest income	1,483	1,113	370	+33.2%
Net fee and commission income	544	489	55	+11.2%
Gains and losses on trading activities	674	871	-197	-22.6%
Gains and losses on investments	-42	-13	-29	>100%
Other gains and losses on valuation of financial instruments	-93	-91	-2	-2.2%
Gains and losses from the derecognition of financial instruments measured at amortized cost	-35	32	-67	>100%
Loss allowances	-82	-172	90	-52.3%
Administrative expenses	-1,455	-1,350	-105	+7.8%
Other net operating income	41	26	15	+57.7%
<b>Profit before taxes</b>	<b>1,035</b>	<b>904</b>	<b>131</b>	<b>+14.5%</b>

# Segment: Commercial real estate finance



## Profit before taxes

€ million

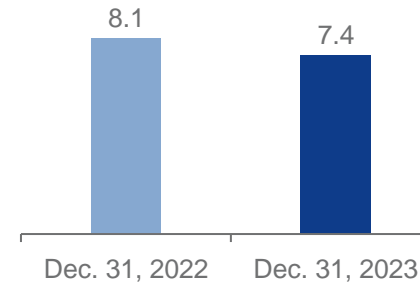


- A robust total volume of real estate finance, but a decline in new business amid challenging conditions for real estate; new business with corporate clients held steady
- Unremarkable risk situation in the portfolio, with loss allowances at budgeted level
- Very good profit before taxes, influenced by stable operating performance

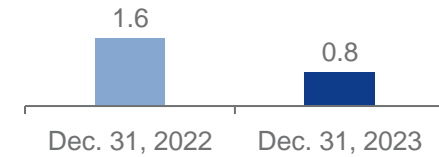
■ Of which gains and losses on valuation

## Operating performance

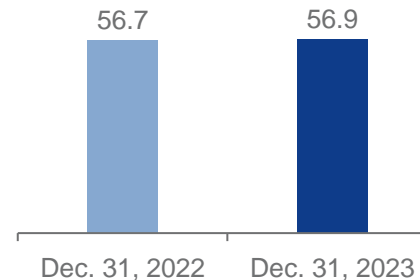
**New business with corporate clients**  
€ billion



**New business with retail customers**  
€ billion



**Total volume of real estate finance**  
€ billion





# Segment: Commercial real estate finance

## Income statement (IFRS)

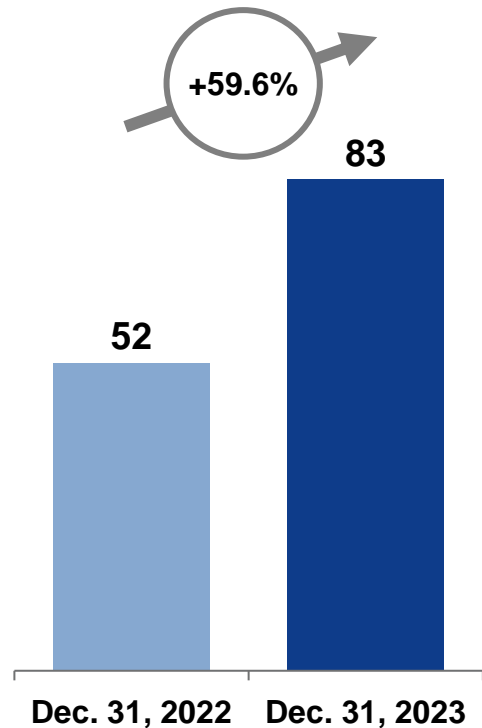


€ million	Jan. 1– Dec. 31, 2023	Jan. 1– Dec. 31, 2022	Change (absolute)	Change (%)
Net interest income	721	732	-11	-1.5%
Net fee and commission income	9	18	-9	-50.0%
Gains and losses on trading activities	-1	-1	0	+0.0%
Gains and losses on investments	0	31	-31	>100%
Other gains and losses on valuation of financial instruments	87	-14	101	>100%
Gains and losses from the derecognition of financial instruments measured at amortized cost	0	0	0	n/a
Loss allowances	-111	-78	-33	+42.3%
Administrative expenses	-247	-256	9	-3.5%
Other net operating income	19	24	-5	-20.8%
<b>Profit before taxes</b>	<b>476</b>	<b>455</b>	<b>21</b>	<b>+4.6%</b>

# Segment: Private banking

## Profit before taxes

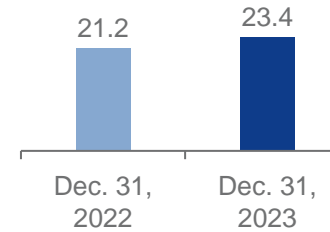
€ million



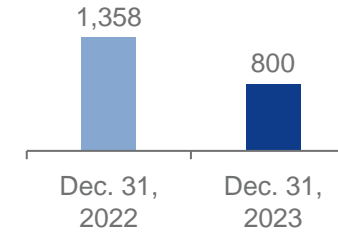
- Good operating performance; higher inflows in private banking and fund services
- Increase in **assets under management** to €23.4 billion (Dec. 31, 2022: €21.2 billion)
- Another healthy **profit before taxes**, with a sharp year-on-year rise thanks to positive effects of the shift in interest-rate policy

## Operating performance

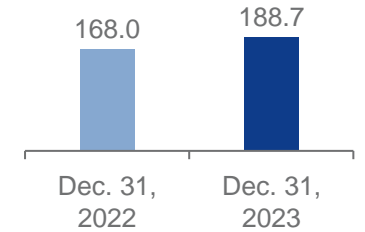
**Assets under management**  
€ billion



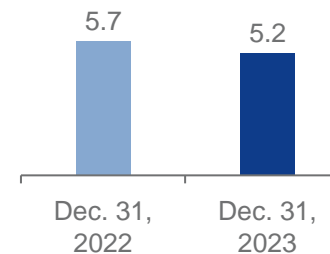
**Net inflows**  
€ million



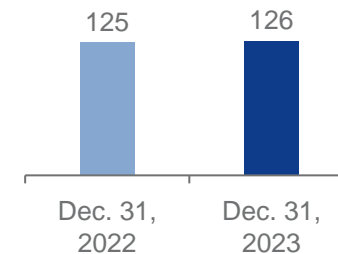
**Assets under custody**  
€ billion



**Lending volume**  
€ billion



**Value created in the cooperative financial network**  
€ million



# Segment: Private banking

## Income statement (IFRS)

 DZ PRIVATBANK

€ million	Jan. 1– Dec. 31, 2023	Jan. 1– Dec. 31, 2022	Change (absolute)	Change (%)
Net interest income	147	83	64	+77.1%
Net fee and commission income	220	220	0	+0.0%
Gains and losses on trading activities	16	21	-5	-23.8%
Gains and losses on investments	0	0	0	n/a
Other gains and losses on valuation of financial instruments	17	4	13	>100%
Gains and losses from the derecognition of financial instruments measured at amortized cost	-7	-1	-6	>100%
Loss allowances	-1	-2	1	-50.0%
Administrative expenses	-293	-277	-16	+5.8%
Other net operating income	-16	4	-20	>100%
<b>Profit before taxes</b>	<b>83</b>	<b>52</b>	<b>31</b>	<b>+59.6%</b>

# Segment: Finance solutions for the self-employed and small businesses

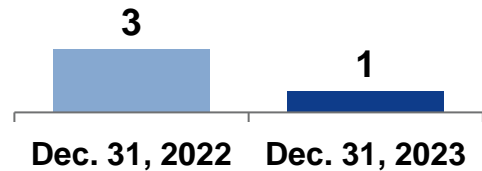


## Profit before taxes

€ million

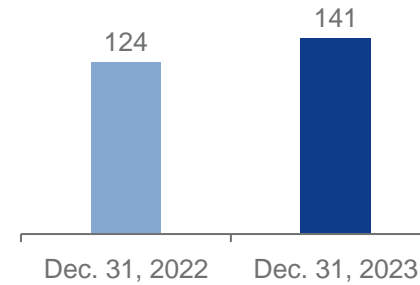


- **Volume of new business** rose to €1.21 billion (2022: €1.03 billion)
- Further increase in the **number of customers** (up by 17,000)
- Good operating performance, but a fall in **profit before taxes** to €1 million (2022: €3 million) owing to higher loss allowances

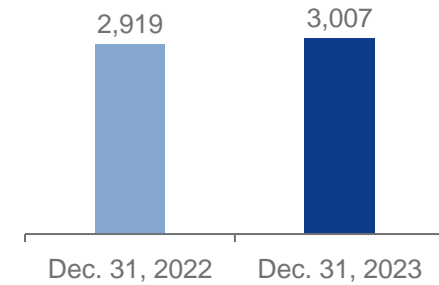


## Operating performance

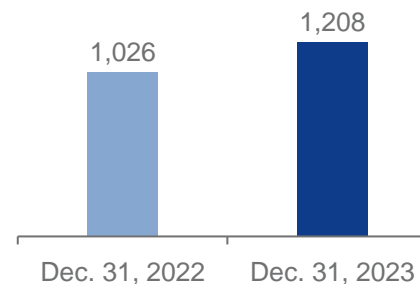
**Number of customers**  
Thousands



**Volume of business**  
€ million



**Volume of new business**  
€ million



# Segment: Finance solutions for the self-employed and small businesses

## Income statement (IFRS)

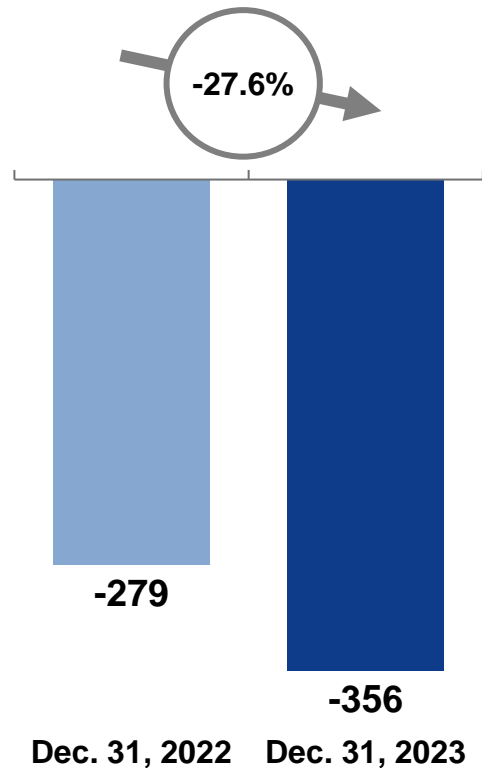


€ million	Jan. 1– Dec. 31, 2023	Jan. 1– Dec. 31, 2022	Change (absolute)	Change (%)
Net interest income	123	116	7	+6.0%
Net fee and commission income	-29	-29	0	+0.0%
Gains and losses on trading activities	0	0	0	n/a
Gains and losses on investments	0	0	0	n/a
Other gains and losses on valuation of financial instruments	0	1	-1	>100%
Gains and losses from the derecognition of financial instruments measured at amortized cost	0	0	0	n/a
Loss allowances	-18	-9	-9	+100.0%
Administrative expenses	-73	-76	3	-3.9%
Other net operating income	-2	0	-2	n/a
<b>Profit before taxes</b>	<b>1</b>	<b>3</b>	<b>-2</b>	<b>-66.7%</b>

# Segment: DZ BANK – holding function

## Loss before taxes

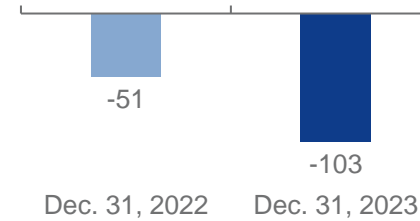
€ million



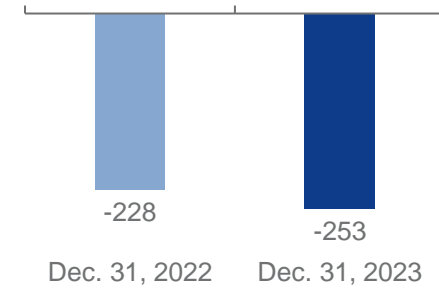
- This segment is a cost center for expenses in connection with the holding function
- Increase in **loss before taxes**, primarily due to higher interest expense as a result of obtaining liquidity from the excess of non-interest-bearing assets (long-term equity investments) over liabilities (equity)

## Operating performance

Net interest income  
€ million



Administrative expenses  
€ million





# DZ BANK – holding function

## Income statement (IFRS)



€ million	Jan. 1– Dec. 31, 2023	Jan. 1– Dec. 31, 2022	Change (absolute)	Change (%)
Net interest income	-103	-51	-52	>100%
Administrative expenses	-253	-228	-25	+11.0%
<b>Loss before taxes</b>	<b>-356</b>	<b>-279</b>	<b>-77</b>	<b>-27.6%</b>

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