

V Opportunity report

1 Legal basis

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

2 Management of opportunities

Based on the three areas of potential listed in chapter V.3, such as better economic conditions than those assumed in the planning scenario, the DZ BANK Group defines **opportunities** as situations in which potential income can be unlocked and/or potential cost savings can be achieved.

The management of opportunities is integrated into the **annual strategic planning process**. The potential for returns is identified and analyzed on the basis of various macroeconomic scenarios, trends, and changes in the market environment, and then included in strategic financial planning. Details about the strategic planning process are presented in chapter I.2.4 of the 2024 group management report.

Opportunity management is an integral component of **governance** and is therefore taken into account in the general management approach, in the management of subsidiaries via appointments to key posts, and in the DZ BANK Group's committees. Details about the governance of the DZ BANK Group can be found in chapter I.2.2 of the 2024 group management report.

3 Potential opportunities

3.1 Potential opportunities from macroeconomic developments

The statements made in the outlook on the expected business performance of the DZ BANK Group in 2025 are based on the macroeconomic scenario that DZ BANK considers to be the most likely. Opportunities may arise for the DZ BANK Group if economic conditions in the relevant markets prove to be better than in this scenario.

In a positive scenario such as that, the trade disputes between the United States and its most important trading partners would be settled through negotiations, returning tariff policy to normal and alleviating concerns in the global economy. This would stimulate more growth than anticipated in the eurozone. Germany's export-led economy would particularly benefit from this, but economic growth in China and the United States could also stabilize as a result.

An easing of tensions in geopolitical trouble spots would also provide positive impetus. These include an end to the war in Ukraine, de-escalation of the conflict in the Middle East, and an easing of tensions in the South China Sea. They would have a stabilizing effect on the global economic situation and counteract the elevated volatility in financial markets around the world. A more stable political and financial environment would also give less ground to growing nationalistic and right-wing populist trends in Europe and thereby strengthen investor and business confidence.

In light of improved growth prospects and with inflation hovering at just under the 2 percent mark, the European Central Bank could cut its deposit facility interest rate to below 2 percent before the end of 2025. Further reductions in key interest rates, in combination with a consistent and moderate rate of inflation, would

stimulate investment and improve consumer sentiment. Real estate prices, which have stabilized of late, would also continue to benefit, with positive knock-on effects on the DZ BANK Group's financial performance. This growth outlook and the associated increases in corporate profits would produce a robust uptrend in the European share indices too.

In a positive scenario, European politics would be more cohesive and less susceptible to abrupt political changes, which would also boost investor confidence and potentially improve market growth. A consistent economic approach in Europe, joint decision-making, and a gradual lowering of the key interest rate could stimulate growth in the eurozone despite high debt levels.

A sustained positive attitude to innovation and investment on the part of the new government in Germany would also have a positive impact. The strategic raising of debt levels to enable increased spending on defense and investment in infrastructure would be beneficial in this case as the capital spending would pay off in the medium term and generate growth in the long term. The stability of the two coalition parties and their willingness to make decisions play a crucial role in this regard. It means that Germany could take on a leading role in Europe and set the tone for fiscal and economic policy, bringing about a lasting upswing, particularly on the domestic front.

All of the positive factors outlined above are highly unlikely to materialize together. From the DZ BANK Group's perspective, however, even the occurrence of individual factors would create an environment that would probably benefit its business models and its financial position and financial performance. Stable conditions in the financial and capital markets would have a positive impact on the net interest income and net fee and commission income generated from customer business and on net income from insurance business. In particular, the economy recovering and crises not worsening could potentially limit the net expense recognized for loss allowances and thereby help to increase the Group's net profit.

3.2 Potential opportunities from regulatory initiatives

Regulatory changes and initiatives may provide banks and insurance companies with the opportunity to offer products or services that are better tailored to customers' needs. Further development of statutory requirements, such as the Sustainable Finance Disclosure Regulation (SFDR) as part of the EU Sustainable Finance Framework, may lead to customers and the markets participating in sustainable finance initiatives on a greater scale, which would provide banks and insurance companies with the opportunity to strengthen the unique selling points of their products and services and to unlock potential growth in sustainable finance. This would have a positive impact on, for example, net fee and commission income and net interest income.

3.3 Potential opportunities from strategic initiatives

The strategic focus of the DZ BANK Group (see chapter I.1 of the 2024 group management report) follows the guiding principle of fulfilling the role of a **network-oriented central institution and financial services group**. Business activities are centered on the local cooperative banks and their customers. The objective of this strategic approach is to consolidate the positioning of the Cooperative Financial Network as one of the leading financial services providers in Germany on a long-term basis. The partnership between the cooperative banks and the entities in the DZ BANK Group is built on the principles of subsidiarity, decentralization, and regional market responsibility.

The DZ BANK Group develops and implements **strategic initiatives and programs** at three levels:

Firstly, the entities in the DZ BANK Group work on strategic projects and initiatives in collaboration with the cooperative banks and Atruvia AG, Frankfurt am Main, with the leading role taken by the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e.V., Berlin (BVR) [National Association of German Cooperative Banks]. By implementing the strategy agenda, the central service providers in the Cooperative Financial Network assist the cooperative banks with their individual strategic processes and help them to assume responsibility for their own profitability. Based on the strategy agenda, the 'Germany-wide strategic portfolio bringing together

strategic initiatives of the Cooperative Financial Network' has been established with the aim of improving the transparency of these initiatives for the cooperative banks.

Secondly, the entities in the DZ BANK Group have jointly identified key areas of potential (such as operating models and sustainability) in order to reinforce their future viability and profitability. The aim is to continue to develop and take action in these areas over the coming years. Two new areas of potential related to the EU's Financial Data Access Regulation (Open Finance / FIDA) and merchant customers have been established this year.

Thirdly, each individual entity in the DZ BANK Group pursues its own strategic initiatives. One example is the 'Verbund First 4.0' strategic program at **DZ BANK**, which is designed to ensure the organization's resilience for the future. The program is aimed at improvements in three key areas: market presence (network-focused, customer-oriented, and digital), control and production processes (efficient, effective, and focused), and corporate culture (performance-driven and integrative). The 'Verbund First 4.0' strategic program is updated continually in line with requirements. Topics that are related to 'Verbund First 4.0', such as sustainability, digitalization (e.g. generative artificial intelligence), and employer branding, are key elements of the transformation of the economy.

Under its '#Fokus100' strategy, **BSH** describes its long-term objective through its vision of being a reliable partner that helps its customers to achieve their dreams when it comes to their home. The building society works with the cooperative banks to develop all-round solutions in the homes and housebuilding ecosystem, thereby strengthening the Cooperative Financial Network. It intends to remain the market leader in the home savings market and, together with the cooperative banks, aims to be no. 1 in the home finance market. In addition, it is striving to make inroads into new areas of growth for homes and housebuilding by maintaining a firm focus on customers and facilitating close collaboration between the cooperative banks and BSH's field staff on marketing. BSH is the cooperative center of excellence (provider of products and solutions) for homes and housebuilding, and it wishes to play an important part in strengthening the Cooperative Financial Network's market position.

DZ HYP is forging ahead with digitalization in many areas of its business. In consumer home finance, it is further expanding its role as a decentralized product supplier for the banks in the Cooperative Financial Network. It is focusing on forward-looking solutions that are designed to simplify the application processes for new business and make the processing of inquiries from existing customers significantly more straightforward. Through its connection to the Atruvia AG omnichannel platform, DZ HYP is creating new ways of collaborating with local cooperative banks. Digital self-service is being combined with face-to-face support. DZ HYP is championing digital services for looking after existing customers too. It makes relevant information about the finance already taken out by a customer on the Meine Baufinanzierung [my home finance] portal, thereby reducing the local cooperative banks' workload in terms of handling customer inquiries. The main aspects of DZ HYP's FK Digital project in its corporate customer business are deploying data optimally within processes, improving interfaces, and unlocking the associated potential for greater efficiency while, at the same time, catering to the current and future requirements of market players and supervisory authorities alike. The initial implementation phase of FK Digital began in 2023 and is expected to be completed in the second half of 2025. This should also help to further optimize the bank's streamlined, profitable approach incorporating intensive customer relationship management. Furthermore, the bank has drawn up a strategy for implementing the DZ HYP cloud infrastructure. The fundamental cloud infrastructure, which had been established in 2024, was migrated into the IT landscape as the future operating model as at the reporting date. In this context, DZ HYP sees the use of artificial intelligence as a key issue for the future. As part of a preliminary study initiated in the third quarter of 2024, preparations were made for an implementation project in 2025. Based on use cases, the added value from the strategic use of artificial intelligence will be tested in the handling of a number of processes. The real estate sector has the potential to play a key role in combating climate change. DZ HYP sees its own role as supporting the green transformation of the economy in order to channel cash flows toward more sustainable business, for example by financing more energy-efficient real estate.

Our vision 'We are a go-to partner for our customers. We are driving a new era of security, healthcare, and provision for the future – simple, personal, inspirational. In fast-moving times, our Cooperative Financial Network

makes the difference.’ provides the framework for **R+V’s** new internal strategy. In terms of content, three areas of strategic focus lie at the heart of the NextLevel strategy. By focusing on cooperative customers, the strategy is aimed at better unlocking the Cooperative Financial Network’s potential and winning more market share, all while remaining customer centric. Through a combination of initiatives to enhance its operational, technological, and insurance excellence, R+V intends to become more efficient and profitable, thereby enhancing its competitiveness and viability going forward. R+V also aims to foster a culture of individual responsibility, encouraging employees to use their initiative. At the same time, the centralized and strict management of capital and resources is intended to ensure that these are used efficiently within the company.

Union Investment has created the internal FitForFuture program, which establishes a financial basis for strategic areas of investment going forward. This basis allows strategic investments for the future, while the business model can be refined more rapidly. A key area of action for attracting the next generation of customers to the fund business and retaining them within the Cooperative Financial Network is digitalizing the interfaces throughout the entire marketing process. Union Investment’s positioning as an active asset manager remains crucial for it to stand out in the market, target new customer groups, and, in the high-net-worth segment in particular, ensure its product offering meets expectations. Refining the business model also requires internal processes to be quicker, coupled with a high degree of willingness to learn on the part of all employees. The supporting internal programs have got under way and the first effects are being seen. Taking account of FitForFuture, all this investment in the future will be cost-neutral and should thus secure the viability and profitable growth of the Union Investment Group going forward.

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