Genossenschaftliche FinanzGruppe
Volksbanken Raiffeisenbanken

LUXEMBOURG

# ANNUAL FINANCIAL STATEMENTS AND OPERATIONS REPORT 2024 DZ PRIVATBANK S.A.

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DZ PRIVATBANK

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The figures in this report are rounded in accordance with standard commercial practice. The totals shown in the tables and diagrams may thus deviate slightly from the calculated totals of the individual values shown.

# LIST OF ABBREVIATIONS

| Abbreviation | Designation |
|---|---|
| AC | Amortised cost |
| AI | Alternative investment funds |
| AIP | Annual improvement projects |
| ASSEP | l'association d'épargne-pension |
| GDP | Gross domestic product |
| BMR-compliant | Compliant with the Benchmarks Regulation |
| BVR | Bundesverband der Deutschen Volksbanken und Raiffeisenbanken e. V. |
| CF | Cash flow |
| CRR | Capital Requirements Regulation |
| CSSF | Commission de Surveillance du Secteur Financier |
| CSRD | Corporate Sustainability Reporting Directive |
| DIP | Debt issuance programme |
| DVA | Debt valuation adjustment |
| DZ PRIVATBANK | DZ PRIVATBANK Group |
| EGF | Revenue business segment |
| EWB | Individual value adjustment |
| ECB | European Central Bank |
| FGDL | Fonds de garantie des dépôts Luxembourg |
| FVO | Fair value option |
| FVOCI | Fair value through other comprehensive income |
| FVTPL | Financial assets measured at fair value through profit or loss |
| GAAP | Generally accepted accounting principles |
| IAS | International Accounting Standards |
| IASB | International Accounting Standards Board |
| IBOR | Interbank offered rates |
| ICAAP | Internal Capital Adequacy Assessment Process |
| IFRS | International Financial Reporting Standards |
| ILAAP | Internal Liquidity Adequacy Assessment Process |
| IRRBB | Interest risk in the banking book |
| ISDA | International Swaps and Derivatives Association |
| IT | Information technology |

| | |
|---|---|
| LCR | Liquidity coverage ratio |
| LIBOR | London Interbank Offered Rate |
| NAG | De minimis limit |
| NFM Team | Emergency management team |
| NII | Net interest income |
| ORC | Operational Risk Centre |
| OTC | Over the counter |
| p.a. | per annum |
| RCL policy | Risk, capital and liquidity policy |
| RCL strategy | Risk, capital and liquidity strategy |
| S.A. | Société Anonyme |
| SEPCAV | La société d'épargne-pension à capital variable |
| SIIL | Système d'indemnisation des investisseurs, Luxembourg |
| SNB | Swiss National Bank |
| TEUR | Thousand euros |
| VaR | Value-at-Risk |

# REPORT OF THE SUPERVISORY BOARD

In the 2024 financial year, the Supervisory Board, and Executive Committee appointed by it, advised and supervised the members of the Board of Management in accordance with legal requirements and the provisions of the Articles of Association. Decisions on the transactions presented for their approval were also made.

## COOPERATION WITH BOARD OF MANAGEMENT

The Board of Management reported regularly, promptly and extensively in verbal and written form to the Supervisory Board regarding the performance of the DZ PRIVATBANK. Furthermore, the Board of Management informed the Supervisory Board on a regular basis concerning the business policy including the strategic and organisational direction of DZ PRIVATBANK. The commercial position of the Company, the corporate planning and strategy, as well as key financial data and risk management, were highlighted in the statements.

Five meetings of the Supervisory Board were held in the 2024 financial year. During its meetings, the Supervisory Board dealt with the following key topics, among other things: monitoring the growth strategy in the revenue business segments of Private Banking, Fund Services, LuxCredit and Treasury / Brokerage, continuously enhancing its service, solution and product ranges, departure of a major customer in the Fund Services revenue business segment, developing the corporate brand and continuously improving its market and competitive position. In order to strengthen the growth path taken since 2019 in the longer term, the “DZ PRIVATBANK 2030” strategy project initiated in 2023 was continued. In addition, the Supervisory Board discussed the current risk and audit topics in all meetings.

At the meeting on 7 March 2024, the Supervisory Board dealt with the 2023 annual financial statements and operations report, including the appropriation of profit and with the preparations for the general meeting on 27 March 2024. Other topics included determining the “DZ PRIVATBANK 2030” strategy project and setting the objectives for the 2024 financial year.

At the meeting on 3 July 2024, the Supervisory Board discussed the overall development of the bank, the “DZ PRIVATBANK 2030” strategy project, the “Strategic Planning 2025 – 2028”, the expansion of the company brand, the 2024 employee survey and the impact of the upcoming departure of a major customer on the Fund Services revenue business segment. Furthermore, the annual evaluation of the Board of Management and the self-evaluation of the Supervisory Board was carried out.

At its meeting on 29 July 2024, the Supervisory Board addressed various resolutions on the “DZ PRIVATBANK 2030” strategy project and decided to implement the cross-border change of form on 2 January 2026.

On 20 September 2024, the Supervisory Board discussed the topics of business development, the “DZ PRIVATBANK 2030” strategy project, the adjustment of the business distribution plan and the status of the departure of a major client in the Fund Services revenue business segment.

At the meeting on 12 December 2024, the business strategy for 2025 was defined and the risk, capital and liquidity strategy were adopted along with the Bank's IT and DOR strategy. The agenda also included setting the risk limits for 2025 and adopting the operational planning for 2025.

The Private Banking revenue business segment continued the dynamic growth of the last few years during the reporting year. Net sales at EUR 1.0 billion, as in last few years, showed a positive development, while assets under management pleasingly rose to EUR 26.1 billion (previous year: EUR 23.4 billion). Net income continued to increase significantly due, inter alia, to the interest rate level and net new business.

As a result of the departure of a major customer, assets under custody in the Fund Services revenue business segment decreased from EUR 188.7 billion to EUR 161.8 billion at the end of the year. A significant part of the outflow was compensated for by new business during the year, so that net income was significantly above the projected level and above the previous year.

In the LuxCredit revenue business segment, net revenues amounted to EUR 4.7 billion (previous year: EUR 5.2 billion), despite interest rate-related declining volumes (primarily “variable loan portfolio”), remaining at the previous year's level due to margins and exceeding the budget. The new and innovative “VR ImmoFlex” solution portfolio performed increasingly well, with which DZ PRIVATBANK, together with Volksbanken Raiffeisenbanken, is mainly targeting the generation of “Best Agers”, whose assets are largely resting in the owner-occupied property and whose “VR ImmoFlex” is showing marked improvement and is facilitating access to financing.

Treasury / Brokerage also made an important contribution to the Bank’s overall result in 2024 with 371 thousand transactions (previous year: 331 thousand). The main driver were dividend income and interest income in the Fixed Income segment, which was mainly due to high interbank deposits and higher income from securities investments. At the same time, brokerage income remained – as projected – at the previous year's level.

The Supervisory Board participated in internal actions to boost qualifications on the topics “IT architecture” and “CSRD report and status”. As part of the training, the fundamentals of the existing IT architecture were explained and the strategic guidelines on IT architecture management of DZ PRIVATBANK and the interaction between business architecture and IT architecture were presented. In addition, the relationship between the architecture management process and the requirements management process was explained as key elements of the further development of IT construction and an insight into the current state of the major project on the release change of the OLYMPIC banking system. The training on sustainability reporting addressed the current legislation and the resulting bank-specific CSRD reporting requirements.

The Supervisory Board appreciates the very good operating result achieved by DZ PRIVATBANK in 2024. At EUR 111.7 million, earnings before taxes are well above the previous year’s figure (2023: EUR 83.1 million), making it the best result since 2010. In addition to the dynamic performance of commission income in all revenue business segments and subsidiaries, the higher net interest income of EUR 176.0 million (2023: EUR 146.8 million) is an important driver. Net commission income at EUR 235.2 million is significantly above the previous year’s level (2023: EUR 219.7 million). Value added for Volksbanken Raiffeisenbanken increases to EUR 129.0 million (2023: EUR 126.3 million).

The Supervisory Board welcomes the measures and initiatives consistently developed further in the 2024 financial year, which contribute to the appeal as an employer as well as the compatibility of work and family life. The Bank's location strategy is playing a key role in this regard. The use of the two new locations close to the border – Potaschberg and Wecker – has significantly reduced commuting times for employees and made public transfer a more accessible option for many. On a similar note, the opening of the attractive, new Swiss location directly on Lake Zurich should also be mentioned, which serves, among other things, to increase the company's attractiveness as an employer and further enhance the company's brand.

## SUPERVISORY BOARD COMMITTEES

The Supervisory Board of DZ PRIVATBANK S.A. has elected from among its members the Executive Committee, which performs the tasks of the Audit Committee, the Risk Committee and the Nomination and Remuneration Control Committee. During the 2024 financial year, the Executive Committee met three times, which performed the tasks of the Audit Committee, the Nomination Committee, the Remuneration Control Committee and the Risk Committee.

## PREPARATION OF THE ANNUAL FINANCIAL STATEMENTS

The Executive Committee and the Supervisory Board had detailed discussions on the annual financial statements and the operations report for the 2024 financial year. The auditor issued an unqualified audit opinion. The Supervisory Board has confirmed the annual financial statements for the 2024 financial year prepared by the Board of Management. It is planned to distribute an ordinary dividend to shareholders at the previous year’s level of EUR 0.50 per share and, on the occasion of the 50th anniversary of the founding of DZ PRIVATBANK (Schweiz) AG, a one-off extraordinary special dividend of EUR 0.50 per share.

## CHANGES IN THE SUPERVISORY BOARD AND THE BOARD OF MANAGEMENT

With effect from 1 January 2024, Mr Arasch Charifi joined the Board of Management of DZ PRIVATBANK S.A. as a new member and assumed responsibility for the Private Banking & LuxCredit business segment.

With effect from 9 April 2024, Uwe Fröhlich resigned from the Supervisory Board. Johannes Koch succeeded him as Chairman of the Supervisory Board on 9 April 2024. Furthermore, Stephan Heinisch has been a member of the Supervisory Board since 9April 2024.

The Supervisory Board would like to thank Uwe Fröhlich for his many years of valuable support in the strategic development of the Bank. It also expresses a special thanks to the Board of Management and the employees of DZ PRIVATBANK for their very successful work in 2024.

Luxembourg, 13 March 2025

DZ PRIVATBANK S.A.

Johannes Koch

Chairman of the Supervisory Board

# OPERATIONS REPORT

## GENERAL PERFORMANCE

DZ PRIVATBANK S.A. is publishing its financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted in the EU.

Within the framework of the integrated business model, the earnings before tax of DZ PRIVATBANK increased to EUR 111.7 million (2023: EUR 83.1 million) in the financial year with the integration of subsidiaries and corresponding consolidation measures After tax, the earnings amounted to EUR 92.8 million (2023: EUR 59.8 million).

DZ PRIVATBANK S.A. reported earnings after tax of EUR 87.6 million for the 2024 financial year (2023: EUR 86.9 million) The total assets of DZ PRIVATBANK S.A. decreased by EUR 4.6 billion to EUR 21.1 billion in the financial year, partly as a result of the departure of a major customer.

The main balance sheet items of DZ PRIVATBANK S.A. are as follows:

### ASSETS

The cash reserves, which consists of cash on hand and balances with central banks, decreased by EUR 5.4 billion to EUR 8.5 billion.

Amounts due from banks totalled EUR 1.6 billion (2023: EUR 1.5 billion), with EUR 0.3 billion (2023: EUR 0.3 billion) originating from currency loans to cooperative banks.

Loans and advances to clients decreased to EUR 4.9 billion (2023: EUR 5.6 billion). EUR 4.5 billion (2023: EUR 5.2 billion) of these loans are to clients in Germany.

Financial assets increased by EUR 1.2 billion to EUR 5.5 billion (2023: EUR 4.3 billion).

### LIABILITIES

Securitised liabilities rose by EUR 0.5 billion to EUR 4.3 billion (2023: EUR 3.8 billion). Amounts due to banks fell by EUR 0.6 billion to EUR 5.7 billion (2023: EUR 6.3 billion). Liabilities to clients decreased by EUR 4.3 billion to EUR 9.3 billion (2023: EUR 13.6 billion).

Due to the accumulation of the previous year's result taking into account the dividend distribution to shareholders (EUR -11.4 million), the servicing of the AT 1 issue (EUR -23.2 million) and other comprehensive income (EUR +4.6 million), the balance sheet equity rose by EUR 57.6 million compared to the previous year to EUR 1,288.1 million (2023: EUR 1,230.5 million).

## STATEMENT OF COMPREHENSIVE INCOME

Interest income of DZ PRIVATBANK S.A., including income from subsidiaries, increased by EUR 28.2 million to EUR 182.7 million in the 2024 financial year (2023: EUR 154.5 million). This interest increase could be attributed in particular to the higher average purchase yield of the securities portfolio as well as the increased interest income associated with deposit business in fund services business and private banking. Income from the collection of dividends from holdings fell from EUR 18.1 million to EUR 17.3 million. Net interest income of DZ PRIVATBANK climbed by EUR 29.2 million from EUR 146.8 million to EUR 176.0 million.

Commission income amounted to EUR 168.1 million (2023: EUR 154.5 million). The main drivers of commission income are income contributions in the fund services business and private banking. At the level of DZ PRIVATBANK, the commission income amounted to EUR 235.2 million (2023: EUR 219.7 million).

The trading result increased by EUR 5.9 million to EUR 15.9 million (2023: EUR 10.0 million). At the level of DZ PRIVATBANK, the trading result reached EUR 22.7 million (2023: EUR 16.1 million).

The result from financial investments was EUR 28.4 million in the previous year (2024: EUR 0.0 million) as a result of the write-up of the carrying amount of the investment in DZ PRIVATBANK (Schweiz) AG.

The Other valuation result from financial instruments was reduced by EUR -40.2 million to EUR -22.7 million (2023: EUR +17.6 million) mainly due to the liquidity spread-induced valuation effects of own issues in the fair value option.

Due to the step transfer of the sanctioned exposures associated with the settlement of securities and dividend payments in Russian roubles as part of the depositary function to risk level 3 (“default”) accompanied by a complete provisioning, the risk provision increased by EUR -15.9 million to EUR -16.7 million (2023: EUR -0.8 million). Accordingly, the corresponding liabilities have been revalued so that the transaction is largely non-performing (cf. other operating income).

Administrative expenses amounted to EUR 237.3 million (2023: EUR 238.1 million). At EUR 144.3 million, personnel expenses were higher than the previous year’s level of EUR 136.1 million due, among other reasons, to the increased number of employees as a result of the business expansion. Other administrative expenses were reduced to EUR 93.1 million (2023: EUR 102.0 million), in particular as a result of the abolition of the bank levy.

Other operating income improved to EUR 12.1 million (2023: EUR -15.3 million) mainly due to the revaluation of liabilities to investment funds related to the sanctioned exposures to Russian roubles. The previous year's figure was mainly characterised by the formation of a restructuring provision of EUR -18 million.

Earnings before tax of DZ PRIVATBANK S.A. amounted to EUR 99.2 million (2023: EUR 103.8 million).

After taking into account actual taxes of EUR -15.5 million (2023: EUR -6.4 million) and deferred taxes of EUR +3.9 million (2023: EUR -10.5 million), DZ PRIVATBANK S.A. reported earnings after tax of EUR 87.6 million (2023: EUR 86.9 million).

The results of the subsidiaries of DZ PRIVATBANK S.A. in 2024 were as follows: the IFRS pre-tax result of IPConcept (Luxemburg) S.A. is EUR 15.4 million (2023: EUR 15.4 million). DZ PRIVATBANK (Schweiz) AG managed to achieve earnings before taxes of EUR 10.9 million according to IFRS (2023: EUR 6.3 million). The IFRS input tax result of IPConcept (Schweiz) AG was TEUR 470 (2023: TEUR 623).

## ADOPTION OF THE ANNUAL FINANCIAL STATEMENTS AND APPROPRIATION OF PROFIT

The Board of Management proposes to the ordinary general meeting that the annual financial statements be adopted and that an ordinary dividend of EUR 0.50 per share and a one-off, extraordinary special dividend of EUR 0.50 per share (totalling EUR 22.8 million) be paid to shareholders from the annual profit.

## EMPLOYEES

On the balance sheet date DZ PRIVATBANK S.A. had 1,162 employees (2023: 1,110 employees). This figure corresponds to an FTE figure of 1,068 (2023: FTE figure of 1,025). The employees remain spread across the Bank's head office in Luxembourg and eight branches in Germany.

## SUSTAINABILITY

Sustainability has been an integral part of DZ PRIVATBANK’s strategy and mission statement for many years. As part of the “Sustainability Market Initiative” initiated by the DZ BANK Group, DZ PRIVATBANK has been integrating sustainable aspects into its corporate activities since 2012. Since 2013, it has recognised the ten principles of the UN Global Compact, and in 2021 it signed the United Nations Principles for Responsible Investment (UNPRI).

DZ PRIVATBANK S.A. is included in the group management report and the non-financial group statement of DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, (DZ BANK AG) contained therein and is therefore exempt from issuing a non-financial statement in accordance with Luxembourg law. The group management report of DZ BANK AG is disclosed in accordance with Section 325 of the German Commercial Code (placement in the companies register) (https://www.dzbank.de/berichte).

## RISK MANAGEMENT SYSTEM

A key feature of DZ PRIVATBANK's bank management is the established, cross-location risk management system for quantifying and managing all risks, in particular market price, liquidity, counterparty default and operational risks, and for exploiting business opportunities. Risk management should be regarded in particular against the backdrop of overall operations, sophisticated products and multi-layered risk factors.

The methods and procedures used within the risk management system and the stages of the process for identifying, quantifying, analysing, controlling and monitoring risks are regularly updated and validated each year. The Bank has an integrated risk-monitoring and control system to accomplish these tasks. All risk limits and the Bank's risk-bearing capacity are reviewed daily and, if necessary, adjusted in accordance with the risk, capital and liquidity strategy adopted by the Supervisory Board and the implementation measures of the risk, capital and liquidity policy enacted by the Board of Management.

Functioning independently, the Risk Control Department continuously ensures that all the measured risks remain within the limits approved by the Supervisory Board. All forms of risk are monitored and aggregated daily throughout the entire Bank and at Group level. All relevant committees and departments are kept up to date regarding the Bank's risk situation.

In addition to the balance sheet assets and liabilities, the Bank also uses derivative financial instruments to control risk. These essentially comprise currency and interest rate transactions. All these instruments are taken into account in full when controlling and monitoring market price, default and liquidity risks.

Over the past year, the Bank complied, without exception, with the supervisory regulations relating to equity cover, liquidity and credit limits.

In this context, reference is made to the Annex Section E “Quantitative and qualitative analysis of the various banking risks”.

## OUTLOOK

No events of particular significance occurred after the balance sheet date.

Global economy

2024 was characterised by a weakening economic environment, falling inflation figures and the start of a cycle of key interest rates. The US economy continued to grow solidly, driven by a robust labour market and correspondingly high levels of private consumption. In Europe, economic growth was significantly lower and China’s economy was also weak. The Chinese government responded with stimulus measures starting in the end of September. Initially quite high, the inflation rates in Europe and the US fell sharply at the beginning of the year, before then decreasing more slowly throughout the year. Geopolitical risks such as the war in Ukraine or the Middle East conflict remained unchanged, but had limited impact on capital markets. However, all eyes were on the US election, from which Donald Trump emerged as the winner shortly before the end of the reporting period, which gave a boost to US equities and bond yields.

The eurozone economy is on track for a moderate recovery and will likely continue this path with expected growth of around 1 percent. However, the upcoming US trade policy under Donald Trump could once again weigh on Europe. China, in particular, may suffer more from protectionist US foreign policy. China, owing to relatively weak economic performance, has already embarked on various stimulus measures, and is planning a budget deficit of 4 percent of GDP in 2025 to meet the unchanged 5 percent growth target. The US economy remains strong. The labour market is moderating slightly on the trend there, but overall remains more resilient than expected and is a key support for consumption. Based on leading indicators, the US outlook for 2025 has improved again with the election of Donald Trump. Expected tax cuts and deregulation are likely to provide further positive impetus. Market participants expect to see growth of 2.1 percent in 2025.

The inflation targets of the Western central banks are within reach, even though in the U.S., the inflation rate is associated with upside risks due to Trump's political agenda of protectionism and economic growth. Interest rate cuts by the FED and the ECB are expected to focus on the first half of 2025, with weak economic developments in the eurozone likely to lower interest rates there than in the US. A quick resolution of the war in Ukraine, led by US President Trump, would not only be desirable from a humanitarian point of view; it could also provide new economic stimulus for Europe.

DZ PRIVATBANK

In 2024, DZ PRIVATBANK continued to push ahead with the “DZ PRIVATBANK 2030” strategy project in order to consistently drive the Bank's growth path that has been successfully taken since 2019 and further enhance its future-proof position. Following on from the DZ BANK project “Verbund First 4.0”, an even closer cooperation with the DZ BANK Group and the Cooperative Financial Network and further efforts to reach out to customers in Germany are key drivers of the project. The project also examined governance measures, including the decision to relocate the registered office from Luxembourg to Germany on 2 January 2026. For customers, employees and business partners, no tangible effects are to be expected from the relocation of the registered office. The Bank’s successful business strategy remains unaffected.

DZ PRIVATBANK expects the pleasing growth path to continue in 2025. The basis for this is the integrated business model with the Private Banking, Fund Services, LuxCredit and Treasury / Brokerage revenue business segments.

PRIVATE BANKING

With assets under management of EUR 26.1 billion as of 31.12.2024, the Private Banking revenue business segment, driven by close cooperation with the cooperative banks, plans to further expand the very positive growth of the last few years in 2025. With a forecast annual growth rate of between 5 and 7 percent, the private banking market in Germany offers outstanding opportunities for the Genossenschaftliche FinanzGruppe (Cooperative Financial Network). The Federal Association of Volksbanken Raiffeisenbanken expects significant additional income potential, particularly through the cooperation with DZ PRIVATBANK as the centre of expertise for private banking. This is also reflected in the ambitious plans of the cooperative banks, which plan net sales of approx. EUR 2.1 billion in 2025.
The dynamic development of DZ PRIVATBANK in private banking is recognised by customers and independent analysts alike. In 2024, DZ PRIVATBANK once again demonstrated impressively high-quality advisory services in the analytical

view of the trade magazine “Elite Report” in cooperation with the Handelsblatt. For the eleventh time in a row, DZ PRIVATBANK was awarded the “summa cum laude” award, confirming its top position from last year and once again being one of the top ten ranked.

Innovative digital, customer-oriented processes complement the decisive personal customer contact in private banking. Following the successful introduction of the end customer portal “My Asset Portal”, the expansion will be continued resolutely with a focus on the customer. Customers can easily gain insight into the development of their assets via smartphone, while advisors can directly view the bank's opinion regarding asset management. The integration of a real estate check enables market price assessments of customers’ real estate to be determined and displayed. For 2025, the focus will be on further visualising illiquid assets to ensure comprehensive advice.
The expansion of the Advisory segment in 2025 will also deepen and expand customer relationships here. Through tailor-made financial solutions and more personal support, we expect not only to intensify existing customer relationships, but also to attract new, sophisticated private banking customers. The improvement of the private banking advisory processes and the expansion of digital services offer Volksbanken Raiffeisenbanken the best possible support in joint market development. The focus is on emotional worlds of experience as well as the advisory and closing process for asset management solutions. The VR-PrivateBanking world, fully integrated into the “Banking Workspace” of Atruvia AG, fully supports the joint advisory and support of private banking clients.
In wealth management, increasing net cash inflows are planned. A broad international range of services, recognised in renowned trade media, forms the basis for customised support of high net worth clients.

## FUND SERVICES

At the end of the year, the volume of the custodian bank in the custodians in Luxembourg, Switzerland and Germany decreased by EUR 26.8 billion from EUR 188.7 billion to EUR 161.8 billion. This was significantly influenced by the departure of a major customer with a volume of EUR 54.3 billion. Adjusted for this outflow, the custodian bank volume was increased by EUR 27.5 billion, thus compensating for a significant part of the outflow. As an international and professional partner for asset servicing in three countries, a remarkable 54 new fund projects were launched or migrated. Net inflows (adjusted for the departure of the major customer) of EUR 12.1 billion (2023: EUR 8.3 billion) were generated. Other well-known initiators and asset managers in the area of alternative asset classes have been acquired, which have migrated large-volume funds from competitors. The long-standing market development and the positive feedback from existing customers pays off here. Overall, the volume in the alternative asset classes sector performed significantly above the previous year (EUR 30.5 billion) at EUR 39.2 billion.

In order to safeguard competitiveness, the revenue business segment invests resolutely in forward-looking initiatives and projects that both develop workflow and IT infrastructure as well as implement innovative technologies and modern marketing approaches. Examples include the introduction of a new reporting tool as an interactive data management and communication tool for all information on investment funds and investment portfolios as well as the establishment of a new master data system to meet the market requirements for customised reporting services. The joint complementary market presence of DZ BANK and DZ PRIVATBANK through the “FONDSHAFEN” brand as part of the “Fund & Investor Services” initiative was clearly established on the market.

## LUXCREDIT

The financing offers for private and corporate clients offered with the Volksbanken Raiffeisenbanken under the LuxCredit brand ideally complement the product range of the cooperative banks in currency and euro-denominated variable interest loans.
With “VR ImmoFlex”, DZ PRIVATBANK, together with the Volksbanken Raiffeisenbanken, offers a range of solutions that is unique and enables the “Best Agers” target group to use financing flexibly beyond the intended use of the property. For Volksbanken Raiffeisenbanken, interesting additional income opportunities are opening up from the enhancement of LuxCredit's range of solutions in the product life cycle of real estate. Initial measures to expand growth with VR Immoflex are already having an impact on Volksbanken Raiffeisenbanken. In a normalising and decreasing interest rate environment, we expect the business to be significantly more dynamic.

## TREASURY / BROKERAGE

In Treasury / Brokerage, the Integrated Execution Services department acts as an execution broker in the equity, derivatives, bonds, funds, currencies and precious metals asset classes for institutional and private clients.
Fixed Income ensures the central management of interest rate, liquidity and currency risks in the proprietary books, including the management of the securities own portfolio.
Already adopted in previous year, the policy of continuously developing the IT infrastructure moved forward consistently in 2024 in order to be able to present higher expected transaction numbers and volumes in customer business as well as new product variants in our own business efficiently and with high quality in view of the Bank's successful business development, and thus to make an important contribution to the further positive income development of DZ PRIVATBANK.

For 2025, Treasury / Brokerage expects a challenging market environment characterised by geopolitical and trade policy uncertainties. While further cuts in key interest rates by the ECB can be expected in the face of a weakened growth outlook and an initially declining inflation outlook, higher issue volumes of government bonds – especially with continued quantitative tightening by the ECB – argue for an expansion of the term premium at the long end and thus a steepening of the yield curve.
In view of the consistent management of the securities portfolio and the medium-term interest-rate focus of the banking book initiated in 2024, Treasury / Brokerage expects only a moderate decline in interest income in 2025 from a very high level of income, despite a challenging market environment.

## ACKNOWLEDGMENTS

We would like to thank our employees for their successful, tireless effort and extraordinary commitment, which truly made our extraordinary client satisfaction and the company's impressive success in 2024 possible. Our sincere thanks also go to the Volksbanken Raiffeisenbanken and DZ BANK for the close and successful partnership and cooperation and to our private and institutional clients for the confidence they have shown in us over many years.

Luxembourg, 25 February 2025

The Board of Management

| | | | |
|---|---|---|---|
| Peter Schirmbeck | Stefan Bielmeier | Arasch Charifi | Dr Frank Müller |
| Chairman | | | |

# ANNUAL FINANCIAL STATEMENTS

The annex forms an integral part of the annual financial statements.

## STATEMENT OF COMPREHENSIVE INCOME

## FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2024

| Income statement (in TEUR) | Annex | 2024 | 2023 |
|---|---|---|---|
| **Net interest income** | 27 | **182,740** | **154,540** |
| Interest income | 12 | 974,172 | 860,693 |
| Interest income calculated using the effective interest method | 12 | 890,929 | 650,986 |
| Interest income not calculated using the effective interest method | 12 | 83,242 | 209,707 |
| Interest expense | 12 | -808,739 | -724,275 |
| Dividends / current result | 12 | 17,307 | 18,122 |
| **Net commission income** | 28 | **168,140** | **154,458** |
| Commission income | | 265,746 | 259,945 |
| Commission expenses | | -97,607 | -105,486 |
| Trade income | 29 | 15,944 | 9,957 |
| Result from financial assets | 30 | 0 | 28,400 |
| Other valuation result from financial instruments | 31 | -22,650 | 17,559 |
| Result from derecognition of financial assets (AC only) | 32 | -3,062 | -6,904 |
| Risk provisions | 33 | -16,669 | -804 |
| Administrative expenses | 34 | -237,335 | -238,079 |
| Other operating income | 35 | 12,107 | -15,326 |
| **Earnings before tax** | | **99,216** | **103,800** |
| Taxes on earnings | 36 | -11,652 | -16,923 |
| **Result** | | **87,564** | **86,877** |

| Statement of Comprehensive Income (in TEUR) | Annex | | 2024 | 2023 |
|---|---|---|---|---|
| **Result** | | | **87,564** | **86,877** |
| **Components that cannot be reclassified into the income statement** | | | | |
| Gains and losses on financial instruments for which the fair value OCI option was exercised | | | -1,261 | -255 |
| Gains and losses from changes in proprietary default risk of financial liabilities for which the fair value option was exercised | 38 | 60 | 2,781 | 654 |
| Gains and losses from remeasurements of defined benefit plans | 38 | 86 | 5,107 | -1,753 |
| Taxes on earnings | 38 | | -2,051 | 530 |
| **Result not affecting net income** | | | **4,575** | **-825** |
| **Overall result** | | | **92,139** | **80,052** |

# BALANCE SHEET AS AT 31 DECEMBER 2024

**Assets (in TEUR)**

| | Annex | | | 31.12.2024 | 31.12.2023 |
|---|---|---|---|---|---|
| Cash reserves | 13 | 39 | | 8,459,431 | 13,865,719 |
| Loans and advances to banks | 14 | 40 | | 1,609,512 | 1,453,271 |
| Loans and advances to clients | 14 | 41 | | 4,921,835 | 5,562,320 |
| Positive market values from hedging instruments | 15 | 42 | | 73,252 | 126,258 |
| Trading assets | 16 | 43 | | 413,836 | 174,766 |
| Financial assets | 17 | 44 | | 5,504,475 | 4,324,787 |
| Tangible fixed assets and rights of use | 18 | 45 | | 56,003 | 57,997 |
| *Tangible fixed assets* | 18 | 45 | | *41,140* | *40,608* |
| *Rights of use* | 18 | 45 | 83 | *14,863* | *17,389* |
| Income tax assets | 19 | 46 | | 6,532 | 19,643 |
| Other assets | 20 | 47 | | 67,736 | 80,211 |
| Risk provisions | 21 | 48 | 66 | -19,476 | -3,038 |
| *Transferable securities* | | | | *-666* | *-688* |
| *Loans and advances to banks and clients* | | | | *-18,810* | *-2,350* |
| **Total assets** | | | | **21,093,135** | **25,661,934** |

| **Liabilities (in TEUR)** | **Annex** | | **31.12.2024** | **31.12.2023** |
|---|---|---|---|---|
| Liabilities to banks | 22 | 49 | 5,658,940 | 6,345,624 |
| Liabilities to clients | 22 | 50 | 9,308,117 | 13,624,637 |
| Securitised liabilities | 23 | 51 | 4,293,780 | 3,827,145 |
| Negative market values from hedging instruments | 15 | 52 | 81,977 | 47,943 |
| Trading liabilities | 16 | 53 | 237,795 | 344,077 |
| Provisions | 24 | 54 | 104,211 | 111,725 |
| Income tax liabilities | 19 | 46 | 70,321 | 70,125 |
| Other liabilities | 20 | 55 | 49,894 | 60,160 |
| **Equity** | | **56** | **1,288,099** | **1,230,499** |
| *Subscribed capital* | | | *116,555* | *116,555* |
| *Capital reserve* | | | *426,973* | *426,973* |
| *Retained earnings* | | | *410,901* | *355,055* |
| *Reserve from the result not affecting net income* | | | *-3,894* | *-4,961* |
| *Additional equity components* | | | *250,000* | *250,000* |
| *Profit for the year* | | | *87,564* | *86,877* |
| **Total liabilities** | | | **21,093,135** | **25,661,934** |

## STATEMENT OF CHANGES IN EQUITY

| Figures in TEUR | Annex | Subscribed capital | Capital reserve | Generated equity | Reserve from the result not affecting net income | Additional equity components | **Equity** |
|---|---|---|---|---|---|---|---|
| **Equity as at 1 January 2023** | 56 | **116,555** | **426,973** | **379,885** | **-5,291** | **250,000** | **1,168,122** |
| Result | | 0 | 0 | 86,877 | 0 | 0 | 86,877 |
| Result not affecting net income | | 0 | 0 | -1,155 | 330 | 0 | -825 |
| **Overall result** | | **0** | **0** | **85,722** | **330** | **0** | **86,052** |
| Dividends paid | | 0 | 0 | -11,382 | 0 | 0 | -11,382 |
| Distributions on additional equity components | | 0 | 0 | -12,292 | 0 | 0 | -12,292 |
| **Equity as at 31 December 2023** | 56 | **116,555** | **426,973** | **441,932** | **-4,961** | **250,000** | **1,230,499** |
| | | | | | | | |
| **Equity as at 1 January 2024** | 56 | **116,555** | **426,973** | **441,932** | **-4,961** | **250,000** | **1,230,499** |
| Result | | 0 | 0 | 87,564 | 0 | 0 | 87,564 |
| Result not affecting net income | | 0 | 0 | 3,508 | 1,067 | 0 | 4,575 |
| **Overall result** | | **0** | **0** | **91,072** | **1,067** | **0** | **92,139** |
| Dividends paid | | 0 | 0 | -11,382 | 0 | 0 | -11,382 |
| Distributions on additional equity components | | 0 | 0 | -23,157 | 0 | 0 | -23,157 |
| **Equity as at 31 December 2024** | 56 | **116,555** | **426,973** | **498,465** | **-3,894** | **250,000** | **1,288,099** |

The reserve from the income not resulting in profit or loss includes value changes of our own issues attributable to the bank's own default risk under the fair value option, amounting to TEUR +2,016 after deferred taxes (2023: TEUR +516), as well as fair value changes of foreign and equity instruments classified under FVOCI, amounting to TEUR -949 after deferred taxes. The additional equity components are an AT1 bond described in section 56.

## CASH FLOW STATEMENT

| Figures in TEUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Result (statement of comprehensive income)** | 87,564 | 86,877 |
| **Depreciation and value adjustments** | 24,393 | 21,062 |
| **Impairment of financial instruments** | 16,669 | 804 |
| **Result from financial assets** | 0 | -28,400 |
| **Non-cash changes in provisions** | 53,110 | 83,821 |
| **Non-cash changes in other operating income** | -16,073 | -4,351 |
| **Accrued interest / amortisation** | -130,753 | -124,038 |
| **Change in value of financial assets** | -59,140 | -128,482 |
| **IFRS 15 relevant commissions** | -40,154 | -34,703 |
| **Result from financial assets and liabilities assessed at fair value through profit or loss (mandatory + voluntary)** | 82,841 | 115,899 |
| **Non-cash changes in the trading result** | -2,626 | 1,786 |
| **Taxes** | 11,652 | 16,924 |
| **Net interest income** | -182,740 | -154,540 |
| **Balance of other adjustments** | 16,595 | -5,995 |
| **Subtotal** | **-138,663** | **-153,337** |
| Cash changes in assets and liabilities | | |
| **Trading assets and liabilities** | -345,351 | -148,919 |
| *Trading assets* | -239,069 | 139,167 |
| *Trading liabilities* | -106,281 | -288,086 |
| **Loans and advances to banks** | -156,241 | -43,574 |
| **Loans and advances to clients** | 654,161 | 600,878 |
| **Other assets from operating business activities** | 9,752 | -18,050 |
| **Liabilities to banks** | -686,684 | 1,919,178 |
| **Liabilities to clients** | -4,316,519 | -1,506,846 |
| **Positive and negative market values from derivative hedging instruments** | 87,041 | 134,849 |
| *Positive* | 53,006 | 88,539 |
| *Negative* | 34,034 | 46,310 |
| **Securitised liabilities incl. subordinated capital** | 466,635 | 572,847 |
| **Other liabilities from operating business activities** | 1,530 | 2,704 |
| **Interest received** | 974,172 | 860,693 |
| **Dividends received** | 17,307 | 18,122 |
| **Interest paid** | -808,739 | -724,275 |
| **Income tax payments** | -5,842 | 5,896 |
| **CASH FLOW from operating business activities** | **-4,247,441** | **1,520,165** |

| Figures in TEUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Payments for additions to financial assets** | -4,862,677 | -5,639,602 |
| **Proceeds from disposals of financial assets** | 3,760,999 | 5,622,046 |
| **Payments for additions to tangible fixed assets (excluding leases)** | -6,741 | -7,013 |
| **Payments for additions to intangible assets** | -9,933 | -7,851 |
| **CASH FLOW from investment activities** | **-1,118,352** | **-32,420** |
| **Distributions on additional equity components** | -23,157 | -12,292 |
| **Dividend payments** | -11,382 | -11,382 |
| **Repayment portion of lease liabilities** | -5,956 | -6,348 |
| **CASH FLOW from financing activities** | **-40,495** | **-30,022** |
| Cash and cash equivalents as of 1 January | 13,865,719 | 12,407,996 |
| **Cash flow from operating business activities** | **-4,247,441** | **1,520,165** |
| **Cash flow from investment activities** | **-1,118,352** | **-32,420** |
| **Cash flow from financing activities** | **-40,495** | **-30,022** |
| Cash and cash equivalents as of 31 December | 8,459,431 | 13,865,719 |

The cash flow statement, prepared using the indirect method within the meaning of IAS 7.20, shows the changes in cash and cash equivalents in the reporting period. Cash and cash equivalents correspond to the cash reserves, which comprise the cash on hand and balances with central banks. The cash reserves do not contain any financial investments with remaining terms of more than 3 months at the time of acquisition. Changes in cash and cash equivalents are assigned to operating business, investment or financing activities.

Cash flow from operating business activities primarily relates to the Bank's revenue-generating activities or arises from other activities that are not investment or financing activities. Cash flow in connection with additions and disposals of non-current assets is assigned to investment activities. Cash flow from financing activities includes cash flow from transactions with equity providers and from other borrowings to finance business activities.

# ANNEX

## A. GENERAL INFORMATION

### 1. General

DZ PRIVATBANK S.A. was incorporated as a Société Anonyme under Luxembourg law on 28 December 1977. The Company is established for an indefinite period. The registered office of DZ PRIVATBANK S.A. is at: 4, rue Thomas Edison, L-1445 Strassen in the Grand Duchy of Luxembourg.

In accordance with the Articles of Association, the object of the Company is to conduct banking and financial operations of all kinds, for its own account and that of third parties, in and outside the Grand Duchy of Luxembourg, and all activities directly or indirectly connected therewith. The Bank operated eight branches in Germany as at 31 December 2024. The branches are used to coordinate subsidiary cooperation with the cooperative banks in Germany.

The capital of DZ PRIVATBANK S.A. as at 31 December 2024 of 91.8 percent (unchanged compared to the previous year) is held by DZ BANK AG, Frankfurt am Main. 8.2 percent (unchanged compared to the previous year) is held by 244 cooperative banks (2023: 258 banks) in Germany. The post-tax returns of the Bank measured against the balance sheet total amounted to 42 basis points during the 2024 financial year (2023: 34 basis points). The annual financial statements of DZ PRIVATBANK S.A. are included in the consolidated financial statements of DZ BANK AG. DZ BANK AG's consolidated financial statements are filed at the Commercial Register in Frankfurt am Main. In accordance with Article 80(1b) of the Law of 17 June 1992 with respect to annual financial statements and consolidated financial statements of banks operating under Luxembourg law, the Bank is exempt from the obligation to prepare consolidated financial statements and a Group operations report, as all minority shareholders have agreed to the exemption.

As the parent company, DZ PRIVATBANK S.A. has two subsidiaries (2023: two) in which it holds shares with 100 percent of the capital:

Figures in TEUR

| Company | Registered office | Financial year | Holding in % | Book value (in TEUR) | Equity (in TEUR) | Net income (in TEUR) |
|---|---|---|---|---|---|---|
| DZ PRIVATBANK (Schweiz) AG | Zurich | 2024 | 100% | 215,100 | 193,460 | 10,266 |
| IPConcept (Luxemburg) S.A. | Luxembourg | 2024 | 100% | 8,000 | 10,080 | 11,485 |

Figures in TEUR

| Company | Registered office | Financial year | Holding in % | Book value (in TEUR) | Equity (in TEUR) | Net income (in TEUR) |
|---|---|---|---|---|---|---|
| DZ PRIVATBANK (Schweiz) AG | Zurich | 2023 | 100% | 215,100 | 196,729 | 5,969 |
| IPConcept (Luxemburg) S.A. | Luxembourg | 2023 | 100% | 8,000 | 10,080 | 11,547 |

DZ PRIVATBANK S.A., Strassen, Luxembourg, with its head office in Luxembourg and its wholly owned subsidiaries DZ PRIVATBANK (Schweiz) AG and IPConcept (Luxemburg) S.A., is the cooperative centre of expertise for private banking for the Volksbanken Raiffeisenbanken. The equity (excluding net income) and net income figures shown in the table above are the unaudited figures for the 2024 financial year prepared in accordance with the corresponding national law.

DZ PRIVATBANK (Schweiz) AG in turn holds 100 percent of the shares in IPConcept (Schweiz) AG, which can be seen as a sister company of IPConcept (Luxemburg) S.A.

The dividends from shares in subsidiaries is included in net interest income.

## 2. Information on how to deal with macroeconomic developments

The outlook for the development of the global economy in 2025 is marked by the election victory of Donald Trump with particularly high uncertainties. During the campaign, the US President promised significant tariff increases on all trading partners, particularly China. Assuming that the new US administration will impose tariffs of 10% on all imports and of 40% on imports from China from around mid-2025 onwards, global economic growth is expected to diminish from the second half of 2025, particularly in China and other export-dependent economies such as Germany. On the one hand, companies in Germany would be impacted by higher import prices and a shortage of intermediate products, while on the other hand exports would also fall. However, earlier exports to the United States in the first half of 2025 should initially mitigate growth losses.

The assumed tariff burden is hitting the global economy at a time of already sluggish growth. Currently, the burden is due to the still high interest rates. The loss of purchasing power as a result of the recent strong price increases is also having a negative impact on consumer confidence despite significant wage increases. All of this reduces demand in most economies. At least the upward pressure on prices has now slowed markedly, and inflation rates have fallen within reach of central bank targets and in recent months have given central banks leeway to change the course of interest rates. Next year, interest rate cuts are expected to continue and household purchasing power will strengthen further. Both should support aggregate demand.

Consumer price pressures have continued to ease in 2024 compared to the previous year. In 2024 as a whole, the rate of inflation stood at 2.4%, well below the previous year's figure of 5.4%. By October, the inflation rate had fallen to 2.0%, but rose slightly again in November and December. The European Central Bank has now begun to cut its key interest rates, also against the background of weak economic developments. However, many factors stand in the way of further easing inflationary pressure. For example, significant wage increases are expected to ensure continued strong price developments in the service sector in 2025. Furthermore, the EU will not accept the US government's more aggressive tariff policy without retaliation and will probably impose counter tariffs on US exports to Europe. These are likely to have upward pressure on inflation in the monetary union. Slightly higher prices for industrial goods and, in some cases, food can therefore be expected, especially in the second half of 2025. At the same time, the euro is likely to fall further against the US dollar, which also adds to inflationary pressure. On the other hand, the comparatively moderate development of the oil price and the overall weaker economy have a dampening effect on inflation. All in all, the inflation rate in the eurozone is therefore unlikely to decline further. According to DZ BANK, the inflation rate in 2025, at 2.25%, is expected to decrease only slightly compared to the previous year.

At DZ PRIVATBANK S.A., the aforementioned economic developments have no impact on the established processes and models for determining expected losses in accordance with IFRS 9. At individual exposure level, the effects of the Ukraine war are also being examined. In addition to primary effects due to client or supplier relationships, secondary effects such as energy price increases are also taken into account in the context of impact analyses. These effects are reflected on the one hand in the determination of the individual risk provision and on the other hand in the individual rating.

The risk parameters adjusted via the macroeconomic scenarios then flow into the determination of the risk provision.

Significant effects of the macroeconomic factors described on the economic situation and on the past and future financial year of DZ PRIVATBANK S.A. are currently not discernible due to the measures described.

## 3. Principles for the preparation of the separate financial statements

The annual financial statements of DZ PRIVATBANK S.A. as of 31 December 2024 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The annual financial statements as of 31 December 2024 have been prepared in accordance with Regulation (EC) No 1606/2002 (IAS Regulation) of the European Parliament and of the Council of 19 July 2002, the Law of 17 June 1992 on the annual financial statements and consolidated financial statements of banks under Luxembourg law and other regulations adopting certain international accounting standards on the basis of the International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS) adopted and published by the International Accounting Standards Board (IASB) and their interpretation by the International Financial Reporting Interpretations Committee (IFRIC).

All standards and interpretations whose application is mandatory in the EU for the 2024 financial year have been taken into account.

Mandatory changes to existing standards for the 2024 financial year, which have already been endorsed by the European Union, are as follows:

- Amendments to IAS 1: Presentation of Financial Statements,
- Amendments to IAS 7: Statement of Cash Flows,
- Amendments to IFRS 7: Financial Instruments,
- Amendments to IFRS 16: Leases.

The amendments to IAS 1 require debt to be classified as short- or long-term debt, and that long-term debt with ancillary conditions must be reported separately. The amendments to IAS 7 and IFRS 7 address certain disclosure requirements relating to supplier financing agreements. The amendment to IFRS 16 provides for an exemption for the subsequent valuation of lease liabilities arising from a sale-and-lease-back transaction. The amendments, as was the case in 2023, have no significant impact on the annual financial statements of DZ PRIVATBANK S.A.

The financial statements as at 31 December 2024 comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and the notes (“Notes”). Segment reporting is explained in section 26.

Assets are generally measured at amortised cost unless IFRS standards require a different measurement. The latter relates to financial instruments measured at fair value in accordance with IFRS 9. Income and expenses are accrued pro rata temporis and recognised and reported in the period to which they are economically attributable. The main accounting and valuation methods are presented below.

The annual financial statements are prepared in euros, the functional currency of DZ PRIVATBANK S.A.

The financial year corresponds to the calendar year. For reasons of clarity, certain items have been combined in the statement of comprehensive income and the balance sheet and supplemented by additional disclosures in the notes. Unless otherwise indicated, all amounts are presented in thousands of euros (TEUR). The figures are rounded in accordance with standard commercial practice. This may result in minor discrepancies in the formation of totals and in the calculation of percentages.

Accounting and measurement were carried out on a going concern basis. DZ BANK AG has issued a comfort letter for DZ PRIVATBANK S.A. confirming that it can meet its contractual obligations, apart from political risks, within the scope of its investment quota.

The Bank is a member of the FGDL (Fonds de garantie des dépôts Luxembourg), the Luxembourg deposit guarantee fund and the SIIL (Système d'indemnisation des investisseurs Luxembourg), the Luxembourg investor compensation scheme, established by the Law of 18 December 2015 on the resolution of banks and their assets under custody.

The deposits are guaranteed up to an amount of TEUR 100 and assets under custody up to an amount of TEUR 20. However, the law stipulates that deposits which result from specific transactions or serve specific social or other purposes are covered for twelve months once over TEUR 100 is paid in.

In the year under review, the Bank paid an ex-ante contribution of EUR 0.5 million (2023: EUR 0.5 million) to the FDGL. In contrast to the FGDL, the SIIL works according to the ex-post procedure: a contribution, which is limited to five percent of capital resources, is only levied when a security event occurs.

The Luxembourg Resolution Fund (Fonds de résolution Luxembourg, FRL) was established under Article 105 of the aforementioned Law. DZ PRIVATBANK S.A. did not pay a national bank levy during the year under review (2023: EUR 13.1 million).

Contingent liabilities from contributions to the resolution fund for CRR banks include irrevocable payment commitments (IPC) approved by the Single Resolution Board (SRB) based on applications for the provision of collateral to partially settle the contribution of the European bank levy. For this purpose, DZ PRIVATBANK S.A. deposited cash collateral of the same amount. The transferred collateral is included in the balance sheet item “Other assets, of which other receivables”. As a result of an inconclusive judgment of the European Court of 25 October 2023 in a legal dispute between the SRB and a French bank, there is currently legal uncertainty as to whether the IPC will expire upon the withdrawal of an institution from the scope of the single resolution mechanism (i.e. in particular upon the return of the banking licence) and the cash collateral provided to the institution will be returned without the institution having to pay the irrevocably committed amount. The Court of Justice has yet to reach a decision of the highest court.

Irrespective of this, there is currently no relevant condition for the occurrence of a payment event. Furthermore, the occurrence of a settlement case by an institution represented in the Single Resolution Mechanism (SRM) is currently not discernible.

DZ PRIVATBANK S. A. is also a member of the BVR protection scheme under the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR). The branches of DZ PRIVATBANK S.A. in Germany are legally dependent and are managed by DZ PRIVATBANK S.A.. Member of the statutory deposit guarantee scheme in Luxembourg and the BVR protection scheme. In order to meet guarantee obligations that are accepted by BVR for the collective guarantee scheme, DZ PRIVATBANK S.A. has assumed a guarantee obligation of EUR 11.5 million (2023: EUR 10.3 million).

The annual financial statements of DZ PRIVATBANK S.A. are published by the Board of Management after approval of the annual financial statements by the Supervisory Board on 13 March 2025.

## 4. Accounting policies and estimates

### Estimates

Assumptions and estimates have been made in accordance with the relevant accounting standards in determining the book values of assets and liabilities and income and expenses recognised in the annual financial statements. These are based on historical experience, planning, expectations or forecasts of future events and are reviewed regularly.

If estimates of a larger scope are required, the valuation parameters and estimation factors are adequately presented and evaluated retrospectively based on actual events. The estimate is made in an appropriate and reasonable manner. Any changes in estimates are taken into account in the relevant period.

Assumptions and estimates are used primarily in determining the fair values of financial assets and financial liabilities and in calculating the impairment of financial assets. Assumptions and estimates also affect provisions for employee benefits, other provisions and the recognition and measurement of income tax assets and income tax liabilities.

### Fair value of financial instruments

The determination of the fair values of financial assets and financial liabilities is associated with estimation uncertainties if no prices in active markets are available for the financial instruments concerned. Estimation uncertainties arise primarily when fair values are determined using valuation techniques that incorporate significant valuation parameters that cannot be observed on the market. This applies both to financial instruments measured at fair value and to financial instruments measured at amortised cost whose fair values are disclosed in the notes. The assumptions on valuation parameters and valuation methods used to determine fair values are presented in the disclosures on financial instruments in section 5 and in chapter D.

### Impairment of financial assets

When determining the need for a value adjustment of financial assets that are debt instruments, loan commitments and financial guarantees as described in section 5, the expected future cash flows from interest and principal payments and from the realisation of collateral are determined.

Uncertainties arise from the estimates and assumptions required for this with regard to the amount and timing of future cash flows. Factors influencing the need for a value adjustment, which are determined by discretionary decisions, include, for example, economic conditions, the financial performance of the counterparty and the value of collateral held. Parameters determined with the aid of statistical models, such as the probability of default, are also included in the estimates and assumptions when determining the need for a value adjustment.

## Intangible assets

Identifiable intangible assets acquired are recognised on the basis of their future economic benefits. This is assessed by management on the basis of reasonable and justified assumptions. Further information on intangible assets is provided in section 20.

## Provisions

Estimation uncertainties in connection with provisions for employee benefits arise primarily from defined benefit pension obligations, the measurement of which is significantly influenced by actuarial assumptions. The actuarial assumptions include numerous long-term, future-oriented factors such as salary and pension trends or average future life expectancies.

Actual future cash outflows resulting from matters for which other provisions have been recognised may differ from the expected utilisation.

The valuation bases and the assumptions and estimates used to determine the provisions are presented in section 24.

## Income tax assets and liabilities

The determination of deferred income tax assets and liabilities presented in section 36 is based on estimates of future taxable income of the taxable entities, which affect, in particular, the assessment of the recoverability of deferred income tax assets. Furthermore, the calculation of the actual income tax assets and liabilities at the time of preparation of the financial statements under commercial law requires estimates of income tax-relevant circumstances.

DZ PRIVATBANK S.A. is part of the DZ BANK Group. The DZ BANK Group falls within the scope of the enacted or substantively implemented legal regulations on global minimum taxation (Global Anti-Base Erosion Rules Pillar Two). In Germany, the implementation was carried out within the framework of the law implementing Council Directive (EU) 2022/2523 to ensure a global minimum taxation through the Minimum Tax Act. The law entered into force for the financial year beginning on 1 January 2024.

DZ PRIVATBANK S.A. is part of the minimum tax group pursuant to § 3(1) of the Minimum Tax Law (MinStG) with DZ BANK AG as the ultimate parent company and group parent. The group parent owes the minimum tax according to the MinStG and must provide the minimum tax report and the corresponding tax return in Germany.

There was no tax burden for DZ PRIVATBANK S.A. under the Minimum Tax Law or foreign minimum tax legislation.

Under the exception of IAS 12.88A, deferred tax assets and liabilities relating to the global minimum taxation requirements are not recognised.

# 5. Financial instruments

## Recognition and initial measurement

All financial instruments are generally measured at fair value on initial recognition. In the case of financial instruments carried at amortised cost, this regularly corresponds to the purchase price or the nominal amount.

Derivative financial instruments are initially recognised and derecognised on the trade date. Regular way purchases and sales of non-derivative financial assets are generally recognised on the settlement date. Changes in fair value between the trade date and the settlement date are recognised in accordance with the categorisation of the financial assets.

## Financial assets

On initial recognition at DZ PRIVATBANK S.A., a financial asset is classified and measured either at amortised cost or at fair value through profit or loss.

Financial assets are not reclassified after initial recognition unless the Bank changes its business model for managing financial assets. DZ PRIVATBANK S.A. did not make any reclassifications during the financial year.

## Financial assets measured at amortised cost

A financial asset is classified in this category if it is held within the framework of a business model whose objective is to hold financial assets in order to collect the contractual cash flows (business model: "hold"). The contractual terms of the financial asset give rise to cash flows at specified dates that are solely principal and interest payments on the outstanding capital amount.

Financial assets in this category consist exclusively of debt instruments due to the cash flow condition. They are measured at amortised cost using the effective interest method. Interest income, value adjustments and effects from currency translation must be recognised in the statement of comprehensive income through profit or loss.

## Financial assets measured at fair value through profit or loss

All financial assets that are not measured at amortised cost are measured at fair value with changes in value recognised in profit or loss. The category at fair value with changes in value in profit or loss is used by DZ PRIVATBANK S.A. for two reasons:

## Financial assets that must be categorised as at fair value through profit or loss

The subcategory "financial assets that must be categorised as at fair value through profit or loss" comprises financial assets that do not meet the cash flow requirements of IFRS 9 or are acquired for the purpose of being sold in the short term.

## Financial assets designated as at fair value through profit or loss (“fair value option”)

The fair value option is used to eliminate or significantly reduce valuation incongruities resulting from the different measurement of non-derivative financial instruments and derivative financial instruments entered into to hedge them. Derivative financial instruments are measured at fair value through profit or loss, while non-derivative financial instruments are measured at amortised cost. If hedge accounting is not applied, this leads to valuation incongruities, which are significantly reduced by exercising the fair value option. In connection with the avoidance of valuation incongruities, the fair value option is exercised for financial assets for loans and advances to banks and clients as well as financial investments.

## Financial assets that must be categorised as at fair value not affecting net income (“fair value OCI”)

This category is classified in a business model whose objective is both to collect contractual payment flows and to sell financial assets (“hold and sell”). In addition, the so-called payment flow conditions must be met. The valuation is carried out at fair value and valuation results are generally to be taken into account in the earnings not affecting net income.

## Financial assets designated as at fair value not affecting net income (“fair value OCI option”)

For equity instruments, the designation “financial assets designated as at fair value not affecting net income” (fair value OCI option) applies upon receipt. Changes in fair value are generally recognised in earnings not affecting net income. The general voting right to exercise the fair value OCI option only applies to equity instruments that are not held for trading.

## Classification and subsequent measurement of financial liabilities

On initial recognition at DZ PRIVATBANK S.A., a financial liability is classified and measured either at amortised cost or at fair value through profit or loss.

Financial liabilities classified at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest expenses and foreign currency translation differences are recognised in profit or loss. Gains or losses on derecognition are also recognised in profit or loss.

## Financial liabilities that must be categorised as at fair value through profit or loss

The sub-category “financial liabilities designated as at fair value through profit or loss” comprises financial liabilities issued with the intention of short-term repayment. For this to be the case, these financial liabilities must be part of a portfolio of clearly identified financial instruments that are managed together and for which there was evidence of a recent actual pattern of short-term profit-taking.

### Financial liabilities designated as at fair value through profit or loss (“fair value option”)

The category “financial liabilities designated as at fair value through profit or loss” may be assigned to financial liabilities by exercising the fair value option if this eliminates or significantly reduces recognition or measurement inconsistencies. The valuation is carried out at fair value and valuation results are generally to be recorded in the earnings not affecting net income due to the changes in the inherent default risk. The remaining portion of the change in the fair value of that liability shall be recognised in profit or loss.

### Derecognition of financial instruments

Financial assets are derecognised when the contractual rights to cash flows from the financial assets have expired or have been transferred to third parties and essentially all opportunities and risks have been transferred. If the derecognition criteria for financial assets are not met, the transfer to a third party is accounted for as a secured borrowing.

Financial liabilities are derecognised when the contractual obligations have been settled or cancelled or have expired.

## 6. Hedge accounting

Hedges against risks from financial instruments are undertaken as part of the risk management strategy.

To the extent that accounting mismatches between the hedged items and the hedging instruments used arise from the hedging of risks from financial instruments, hedging relationships are generally designated in order to eliminate or reduce them in accordance with the provisions of IFRS 9.

### Fair value hedges

The fair values of a hedged item are offset by opposite changes in the fair values of the hedging instrument. For this purpose, the changes in the fair value of the hedged items attributable to the hedged risk and the changes in the fair value of the hedging instruments are recognised in the statement of comprehensive income. Hedging is carried out by designating individual hedging relationships.

Hedged items in the category “financial assets measured at amortised cost” are measured in accordance with the general measurement principles for these financial instruments and adjusted in each case for the change in fair value attributable to the hedged risk.

Interest income and interest expenses resulting from hedged items and hedging instruments are recognised in the net interest income.

In the case of fully effective hedging relationships, the changes in fair value attributable to the hedged risk that are recognised in the statement of comprehensive income in profit or loss offset each other in full during the term of the hedging relationships.

Ineffectiveness is recognised accordingly in profit or loss under “Other valuation result from financial instruments”.

## 7. Currency conversions

All monetary assets and liabilities as well as unsettled spot transactions are converted into the functional currency (EUR) of DZ PRIVATBANK S.A. at the closing rate. Foreign notes and coins are valued at the buying rate on the balance sheet date. The conversion of non-monetary assets and liabilities is based on the valuation standards applied to them. Where non-monetary assets are measured at amortised cost, they are converted at the historical rate.
Non-monetary assets measured at fair value are converted at the closing rate. Income and expenses are converted at the time they are recognised in profit or loss. Income and expenses are converted at the corresponding spot rate on the date of the transaction or, for convenience, at the average rate.

## 8. Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and reported in the balance sheet as a net amount if DZ PRIVATBANK S.A. currently has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset in question and settle the associated liability simultaneously.

The legal right to offset must not depend on a future event and must be enforceable in the normal course of business, in the event of default, and in the event of insolvency of the Bank and all counterparties.

If offsetting financial assets and financial liabilities would impair the true and fair view, DZ PRIVATBANK S.A. voluntarily refrains from offsetting.

## 9. Securities repurchase agreements

Securities repurchase agreements are transactions in which the lender and the borrower agree to sell and subsequently repurchase securities at a specified price and time. The opportunities and risks of securities sold under repurchase agreements remain entirely with the lender, provided that the transactions are genuine repurchase agreements. Securities sold as part of repurchase agreements (repo transactions) remain on the balance sheet due to non-compliance with the derecognition criteria of IFRS 9. A corresponding liability to banks is recognised in the amount of the purchase price received. DZ PRIVATBANK S.A. only enters into genuine repurchase agreements as a lender.

## 10. Collateral

Assets provided as collateral in the form of cash collateral result in the recognition of receivables. Other assets pledged as collateral remain unchanged in the balance sheet.

Liabilities are recognised in the corresponding amount for cash collateral received. Other financial and non-financial assets received as collateral are not recognised in the balance sheet unless they are taken over in connection with the realisation of the collateral or in the context of bail-out acquisitions. For further statements on collateral, see sections 62 and 66.

## 11. Leases

At the inception of the contract, the Bank assesses whether a contract gives rise to a lease. This is the case when the contract conveys the right to control the use of an identified asset for a period of time in exchange for payment of a fee. To assess whether a contract conveys the right to control an identified asset, the Bank uses the definition of a lease under IFRS 16.

### The Bank as lessee

The lessee recognises a right-of-use asset and a corresponding lease liability for all leases of the asset. The amount of the right of use generally corresponds to the amount of the lease liability at the time of addition and is reported under tangible fixed assets and rights of use. In subsequent periods, the right of use is measured at amortised cost. Scheduled amortisation is carried out on a straight-line basis over the entire term and is recognised in administrative expenses. The lease liability is measured as the present value of future lease payments and is reported under other liabilities. The leasing instalments are divided into an interest and a repayment portion. While the interest portion is recognised as interest expense on the basis of the internal interest rate or the marginal borrowing rate, the repayment portion reduces the liability. On the provision date or upon modification of a contract that includes a lease component, the Bank allocates the contractually agreed consideration on the basis of relative stand-alone selling prices. The Bank only makes use of the option not to separate the individual lease and non-lease components and to account for the contract as a whole as one lease if the separation of the non-lease components does not correlate positively to the gain in information.

### The Bank as lessor

If the Bank acts as lessor, it classifies each lease as either a finance lease or an operating lease at the inception of the contract. To classify each lease, the Bank has made an overall assessment of whether the lease essentially transfers all the risks and opportunities incidental to ownership of the underlying asset. If so, the lease is classified as a finance lease; if not, it is an operating lease. As part of this assessment, the Bank takes into account certain indicators such as whether the lease covers the major part of the economic useful life of the asset.

The Bank accounts for the head lease and the sublease separately when it acts as an intermediate lessor. It classifies the sublease based on its right-of-use asset from the head lease rather than the underlying asset.

Lease payments from operating leases are collected by the Bank over the term of the lease and recognised in other operating income.

## 12. Income

### Interest and dividends

Interest is accrued and recorded on an accrual basis. Where the effective interest method is used to calculate interest income, this is reported under interest income calculated using the effective interest method.

The cash flows used to calculate the effective interest rate take into account contractual agreements in connection with the corresponding financial assets and financial liabilities.

Premiums and discounts are calculated and amortised over the term of the financial instruments using the effective interest method. Additional directly attributable transaction costs incurred are included in the calculation of the effective interest rate if they are directly related to the acquisition or disposal of a financial asset or financial liability.

Dividends are recognised when the legal entitlement to payment arises.

Interest income from and interest expenses on derivative financial instruments entered into without intention to trade or to hedge financial instruments for which the fair value option has been exercised are reported in net interest income. In addition, the deferral effects from foreign exchange swaps used for the economic management of interest income are reported in net interest income in accordance with their economic allocation.

### Revenue from contracts with clients

Revenue from contracts with clients is recognised when the underlying service has been provided, it is probable that the economic benefits will flow to the Bank and the revenue can be measured reliably.

At DZ PRIVATBANK S.A., revenue from contracts with clients is essentially fee and commission income. The main fee and commission income includes fee and commission income from asset management, custodian bank services, securities business, payment transactions and credit business.

Commissions earned over the period of service include certain fees for administration and custody in the context of asset management and securities business. In these cases, revenue is recognised when the contractually agreed performance criteria are met. In the case of commissions where the service is provided at a specific point in time, the revenue is collected after the service has been provided.

Fees and charges that are an integral part of the effective interest rate are excluded from the scope of IFRS 15 and are accounted for in accordance with IFRS 9 regardless of whether the financial assets are measured at fair value or valued at amortised cost.

The discretionary right under IFRS 15 to capitalise contract initiation costs is not applied.

## 13. Cash reserves

Cash on hand and balances with central banks are reported as cash reserves.

Cash on hand comprises cash reserves denominated in EUR and foreign currency, which are valued at nominal value or converted at the buying rate. Balances with central banks are assigned to the category "amortised cost". Interest income or interest expenses (negative interest) from financial assets in the cash reserves are recorded as interest income or interest expenses from credit and money market transactions.

## 14. Loans and advances to banks and clients

Loans and advances to banks and clients are generally measured at amortised cost using the effective interest method. In fair value hedge accounting, the book values of hedged receivables are adjusted for the change in fair value attributable to the hedged risk. The resulting book value adjustments are recognised as part of the other valuation result from financial instruments in the result from hedge accounting. Certain receivables are categorised "at fair value" only to eliminate or significantly reduce accounting mismatches.

Value adjustments of loans and advances to banks and clients are calculated in accordance with the provisions of IFRS 9 applicable to the category "amortised cost" and disclosed as a separate balance sheet item on the assets side of the balance sheet.

Interest income from loans and advances to banks and clients is recognised under interest income from credit and money market transactions. These also include the amortisation of book value adjustments in fair value hedge accounting. Realised gains and losses on receivables categorised at amortised cost are reported in "Result from derecognition of financial assets measured at cost". Results from the valuation of loan and advances for which the fair value option was exercised are recognised in the result of the same name as part of the other valuation result from financial instruments.

## 15. Positive and negative market values from hedging instruments

The book values of financial instruments designated as hedging instruments in effective and documented hedging relationships are reported as positive and negative market values from hedging instruments.

These financial instruments are measured at fair value. Changes in the fair value of hedging instruments in the category “Financial assets measured at fair value through profit or loss” for fair value hedges are recognised in profit or loss as part of the Other valuation result from financial instruments in the result from hedge accounting.

## 16. Trading assets and liabilities

Trading assets and liabilities solely comprise financial assets and financial liabilities held for trading.

Derivative financial instruments with positive fair values are assigned to trading assets if they were entered into with the intention of trading or do not meet the requirements for hedge accounting despite the intention to hedge.

The assignment of derivative financial instruments with negative fair values to trading liabilities corresponds to the procedure for trading assets.

Financial instruments reported under trading assets and trading liabilities are always measured at fair value through profit or loss. Valuation results, interest income and expenses and dividends from trading assets and liabilities are recognised in trade income if there is an actual intention to trade the instruments concerned.

Valuation results from derivative financial instruments that are entered into for hedging purposes, but are not included in hedge accounting are recognised in Other valuation result from financial instruments as result from derivative financial instruments entered into without intention to trade. If, in order to avoid accounting mismatches, underlying transactions are assigned to the category “financial assets measured at fair value through profit or loss”, the valuation results of the allocated derivatives are recognised in the result from financial instruments designated as at fair value through profit or loss. Interest income from and interest expenses on derivative financial instruments entered into without intention to trade or used to hedge financial instruments measured at fair value through profit or loss are reported in net interest income.

## 17. Financial assets

Financial assets include bearer bonds and other fixed-income securities as well as shares in subsidiaries, provided that these securities or company shares are not held for trading purposes.

### Bonds and other fixed-interest securities

Financial assets are initially recognised at fair value. Financial assets are subsequently measured in accordance with the principles of the measurement category to which they are assigned. Value adjustments of financial assets are determined in accordance with the provisions of IFRS 9 applicable to the corresponding category of financial assets.

Interest and premiums and discounts on financial assets amortised over the term using the effective interest method are recognised in net interest income.

Realised gains and losses on financial assets categorised at amortised cost are reported in "Result from derecognition of financial assets measured at cost". Realised income on financial assets for which the fair value option has been exercised are recognised in the result of the same name as part of the other valuation result from financial instruments. Valuation results of financial assets to be measured at fair value through profit or loss are reported in Other valuation result from financial instruments. For the fair value OCI financial instruments, changes in fair value are recognised in earnings not affecting net income.

### Shares in subsidiaries

Subsidiaries are companies controlled by the Bank, for which it is exposed, or has rights, to variable returns from its involvement and has the ability to affect those returns through its power over the company.

Shares in subsidiaries are measured at acquisition cost including transaction costs in accordance with IAS 27. The value of shares in subsidiaries is reviewed once a year as part of an internal company valuation.

Dividends from equity instruments are included in current income under net interest income.

## 18. Tangible fixed assets and rights of use

The balance sheet item "Tangible fixed assets and rights of use" includes land and buildings used by DZ PRIVATBANK S.A., office furniture and equipment with an expected useful life of more than one year and rights of use arising from leases. Minor value assets are posted directly as an expense in the year of acquisition.

Tangible assets are carried at cost, which is reduced by accumulated depreciation and accumulated value adjustments in subsequent financial years. Depreciation is mainly calculated on a straight-line basis over the useful life of the asset.

If facts or circumstances indicate that an asset may be impaired, the recoverable amount is determined. An impairment loss is recognised if the recoverable amount is less than the book value at which the asset is recognised. The recoverable amount is the higher of fair value less sales costs and value in use.

The scheduled depreciation allowances are as follows:

| | in % |
|---|---|
| Buildings | 2 |
| Installations | 10 |
| Furniture, fittings and equipment | 25 |

Depreciations of tangible fixed assets are recognised as an administrative expense. Impairment losses and reversals of impairment losses are included in other operating income.

Rights of use from leases are generally amortised over the contractual useful life (see also section 83).

## 19. Income tax assets and liabilities

Deferred tax assets and liabilities are calculated as the difference between the book value of an asset or liability in the balance sheet and the corresponding tax base. The deferred tax assets and deferred tax liabilities due to temporary differences are expected to result in income tax charge or income tax relief effects in future periods. They were measured using the tax rates applicable for the period in which an asset is realised or a liability is settled.

The current income tax assets and liabilities and deferred tax assets and liabilities are offset if the conditions for such are met. No discounting is performing. Depending on the treatment of the underlying circumstances, the deferred tax assets or liabilities are either recognised in profit or loss or directly in equity.

The breakdown into current and deferred income tax assets and liabilities for the year under review is shown in section 46. The current and deferred income tax assets and liabilities are presented in the balance sheet.

## 20. Other assets and other liabilities

Other assets include intangible assets, other receivables and other assets. Intangible assets are carried at cost. Software, acquired client relationships and other intangible assets with definite useful lives are reduced by cumulative amortisation and cumulative value adjustments on subsequent measurement.

Software and licences are amortised on a straight-line basis over 4 years. Depreciation is recognised in administrative expenses affecting net income. Acquired client relationships are amortised on a straight-line basis over 10 years. Depreciation and amortisation are reported in other operating income.

The depreciation methods, useful lives and residual values are reviewed on each balance sheet date and adjusted if necessary.

In addition to miscellaneous other liabilities, Other liabilities largely comprise lease liabilities (see also section 55).

Other assets and Other liabilities include assets and liabilities that cannot be allocated to any of the other asset or liability items.

Borrowing costs on intangible assets are not capitalised.

## 21. Risk provisions

Risk provisions for cash reserves, loans and advances to banks and clients, financial investments and other assets, which are categorised at amortised cost, are openly deducted from assets as a separate balance sheet item. Additions to and reversals of risk provisions for these balance sheet items are recognised in the statement of comprehensive income as risk provisions.

Risk provisions also include changes in provisions for loan commitments, provisions for financial guarantees. Additions to and reversals of provisions for loan commitments and financial guarantees and other provisions in the lending business are also recognised through profit or loss under risk provisions.

In accordance with the IFRS 9 standard, the expected loss is generally determined at the level of the individual financial instrument (referred to as the accounting object). Risk provisions are calculated on the basis of the expected credit loss model as defined by IFRS 9, taking into account the probability of default, the loss given default and the expected amount of the loan at the time of default. DZ PRIVATBANK S.A. calculates its risk provisions in compliance with the requirements of the DZ BANK Group and, in particular, applies the centrally specified risk parameters. In principle, the risk provisions under IFRS 9 is determined in accordance with the general impairment model ("general approach"). The calculation of risk provisions under the general approach depends on the allocation of the corresponding financial instrument to one of the three possible levels. The level 1 and 2 risk provisions are formed for latent default risks and correspond to the amount of the credit loss expected over the remaining term, in the case of level 1 limited to the amount of the expected 12-month credit loss.Risk provisions for identifiable credit risks (impairments incurred) are determined in Level 3 and correspond to the amount of the credit loss expected over the remaining term. The results in Level 3 are determined on the basis of individual expert estimates of recoverable cash flows and probability-weighted scenarios.

Due to the high level of collateralisation in the loan portfolio of DZ PRIVATBANK S.A., this usually results in provision values of zero (so-called "loan loss provisions") for loans guaranteed by associated banks or collateralised Lombard loans. At the time of addition, the transactions to be included in the risk provisions are assigned to Level 1.Assets are assigned to Level 2 on each balance sheet date if there has been a significant increase in the default risk since initial recognition but there is no objective evidence of impairment. Both quantitative and qualitative criteria are used to determine whether there is a significant increase in the default risk compared with the default risk at the time of addition in accordance with the internal technical concept "Risk provision determination for the implementation of IFRS 9". Special requirements apply to securities that are subject to a low credit risk exemption in accordance with the requirements for DZ BANK Group. Accordingly, all financial assets with a rating in the investment grade range are allocated to level 1 across the board, provided no qualitative transfer criteria are met on the reporting date.

The risk parameters specified centrally by DZ BANK Group include, in particular, default probabilities that reflect macroeconomic expectations. The underlying economic data is usually collected by DZ BANK Group's economic round table and made available to the subsidiaries in the form of PD shift factors or adjusted PDs for mandatory use in the IFRS consolidated financial statements. For consistency reasons, DZ PRIVATBANK S.A. also applies this to its local financial statements. As of the reporting date, a combination of macroeconomic scenarios (70% baseline, 20% risk and 10% opportunity scenario) is used, which is based on the forecasts of the economic round table of November 2024.

In response to exceptional economic situations (e.g. during the SARS-CoV-2 pandemic), DZ BANK Group has established a groupwide “shift-override process” in addition to the regular process. The latter subjects the PD shifts determined to a further detailed review if necessary.

The key parameters and methods for calculating the expected credit loss (ECL) are agreed between DZ PRIVATBANK S.A. and the parent company. In particular, the modelling of DZ PRIVATBANK S.A.'s expectations regarding macroeconomic developments in the coming years (“forward-looking information”) is closely coordinated with the economic round table so that climate change is also appropriately reflected in the coordinated parameters. Counterparty-specific influences of climate change are also reflected in the rating grades.

The development of risk provisions in the 2024 reporting year is characterised by the transfer of nostro account balances frozen by a Russian correspondent bank from level 2 to level 3 due to sanctions and the associated formation of risk provisions at the full amount of the exposure. Furthermore, rouble-denominated receivables from a bank domiciled in the EU were also transferred from level 1 to level 3 and provided in full. As a result, the risk provisions as at 31 December 2024 include a portfolio of EUR 18.3 million, for which DZ PRIVATBANK S.A. is not the bearer of economic risk, since it is primarily funds held for institutional clients. The corresponding effect on the basis of a revaluation of the corresponding liabilities to investment funds is shown in Other operating income.

There are no significant effects for DZ PRIVATBANK S.A. due to climate change.

Further information on risk provisions is presented in section 66.

## 22. Liabilities to banks and clients

All bearer liabilities are reported as liabilities to banks and clients. These mainly include liabilities due on demand and fixed-term liabilities from the deposit and money market business.

Liabilities to banks and clients are generally measured at amortised cost using the effective interest method. The fair value option and hedge accounting are not applied.

Interest expenses and interest income (negative interest) for liabilities to banks and clients are recorded separately in net interest income. Interest expenses also include results from the early redemption.

## 23. Securitised liabilities

Securitised liabilities include bonds and money market instruments for which transferable bearer certificates (e.g. euro commercial papers) have been issued.

Securitised liabilities are generally valued at amortised cost using the effective interest method. When the fair value option is exercised – with the exception of changes in inherent default risk, which are reported in equity under the item “Other comprehensive income” (OCI) – the valuation results are recorded as a result of non-derivative financial instruments within the other valuation result of financial instruments.

## 24. Provisions

### Provisions for employee benefits

The company pension scheme agreed with the employees of DZ PRIVATBANK S.A. is based on various types of pension schemes, which include both defined contribution and defined benefit plans.

In the case of defined contribution plans, fixed contributions are paid to external pension providers. The amount of the contributions as well as the investment income generated from them determine the amount of the future pension benefits. The risks arising from the obligation to pay corresponding benefits in the future lie with the pension provider. No provisions are formed for these indirect pension commitments. The contributions made are recognised in administrative expenses as pension costs. For further details, see section 86.

The valuation of defined benefit obligations is based on the projected unit credit method. The valuation is based on various actuarial assumptions. In particular, assumptions are made about the long-term salary and pension trends as well as average life expectancy. The assumptions on salary and pension trends are based on developments observed in the past and take into account expectations on the future development of the labour market. The average life expectancy is estimated on the basis of recognised biometric calculation principles. The interest rate used to discount the future payment obligations is an adequate market interest rate for first-class, fixed-interest corporate bonds with a term corresponding to the defined benefit pension obligations. The interest rate is derived according to the commitment structure (duration) on the basis of a portfolio of high-quality corporate bonds that must meet defined quality characteristics and quantity criteria (outstanding nominal value). Quality criteria include, in particular, an AA rating from Moody’s Investors Service, New York, Standard & Poor’s, New York, Fitch Ratings, New York / London, and / or DBRS, Toronto.

Actuarial income and expenses resulting from experience adjustments and the effects of changes in actuarial assumptions of defined benefit obligations as well as income and expenses from the remeasurement of plan assets and reimbursement rights are recognised in retained earnings not affecting net income in the reporting period in which they occur.

In addition to provisions for defined benefit plans, provisions for employee benefits also include provisions for other long-term employee benefits, provisions for termination benefits and provisions for short-term employee benefits.

Provisions for employee benefits are generally charged to administrative expenses and reversed to other operating income. Deviating from this, restructuring provisions are recognised in Other operating income.

## Termination provisions (restructuring)

In 2014, the Board of Management negotiated a company agreement with the Human Resources Committee, which was extended on 1January 2023 until 31 December 2025, accompanying the necessary structural adjustment of the Bank. This regulates the material framework for the group of employees affected by a dismissal for operational reasons.

## Provisions for share-based payment transactions

DZ PRIVATBANK S.A. has reached agreements on the payment of variable remuneration over several years with its members of the Board of Management and a group of selected employees (risk takers). The amount of variable remuneration depends on the achievement of agreed targets. The total bonus of Board of Management members can be between 0 and 150 percent of the contractually agreed target bonus. For risk takers, the bonus is limited to 100 percent of the maximum fixed bonus. 80% of the variable remuneration is retained for a period of up to six years after the bonus is set. Payment is made taking into account retention and disposal periods. In this context, all amounts designated for deferred payment are tied to sustainable value development of DZ PRIVATBANK S.A. through a linkage to the company's worth. The company value is determined annually by means of a company valuation. Negative performance contributions are taken into account when setting the bonus as well as when setting the pro rata retained bonus and when setting the pro rata retained bonus at the end of the blocking period. This can lead to a melting or to the elimination of the variable remuneration. An already disbursed bonus can be reclaimed up to two years after the end of the retention period and claims to a payment of a bonus may lapse if the Board of Management member or risk taker was heavily involved in conduct that resulted in significant losses or a significant regulatory sanction for the institution or was responsible for seriously violating or has seriously violated relevant external or internal regulations regarding suitability and conduct (clawback).

For remuneration transactions whose targets relate to a multi-year retrospective performance period, the provision is recognised on the basis of the underlying performance period. Provisions for share-based payment transactions are recognised when it is sufficiently probable that the payment will be made in the future. The date of initial recognition is therefore earlier than the date of payment in subsequent years. This results in corresponding deviations from the granted, unpaid share-based payments disclosed in section 89 in their nominal amounts.

### Other provisions

Provisions represent liabilities that are uncertain in terms of their amount or maturity. They are recognised for present obligations arising from past events to the extent that an outflow of resources embodying economic benefits is probable and the amount of the obligation can be reliably estimated.

Provisions are recognised and measured at the best estimate of the expected settlement amount. The risks and uncertainties associated with the relevant circumstances as well as future events are taken into account.

Provisions for irrevocable loan commitments and provisions for financial guarantees are recognised in the amount of the expected credit losses on the basis of the same model as for financial assets.

Provisions are made for risks arising from ongoing legal disputes to cover possible resulting losses. These provisions are formed if there are more reasons for DZ PRIVATBANK S.A. to be obliged to pay as a result of the legal dispute in question than against it. Any concentration risks due to the comparability of individual cases are taken into account. The amount of provisions recognised for risks arising from ongoing legal disputes is based in each case on the information available and is subject to scope for judgement and assumptions. These may be due, for example, to the fact that DZ PRIVATBANK S.A. does not yet have all the information it needs to make a final assessment of the legal risk, particularly at an early stage of the proceedings. Forecasts made by DZ PRIVATBANK S.A. regarding changes in the legal framework and changes in official interpretations as well as – in the context of legal proceedings – regarding orders or decisions of the courts or the expected procedural submissions of the opposing parties may also later prove to be inaccurate.

## 25. Contingent liabilities

Contingent liabilities are possible obligations that arise from past events not under the control of DZ PRIVATBANK S.A. and whose existence has yet to be confirmed by future events. In addition, present obligations that arise from past events but are not recognised as provisions because of the unlikelihood of an outflow of resources embodying economic benefits, or where the amount of the obligation cannot be estimated with sufficient reliability, are also contingent liabilities.

Contingent liabilities are measured at the best estimate of possible future utilisation.

Contingent liabilities for litigation risks are reported if there is no obligation, but the possibility exists that a payment obligation for DZ PRIVATBANK S.A. will result from the relevant legal dispute. Risks from legal disputes are measured according to their probability of occurrence. For more details on contingent liabilities, see section 81.

# B. DISCLOSURES ON THE STATEMENT OF COMPREHENSIVE INCOME

## 26. Segment reporting

The members of the Board of Management of DZ PRIVATBANK S.A. assume the associated specialist management responsibility within the framework of the cross-location segment management of DZ PRIVATBANK S.A. in their function as segment managers. The Board of Management is informed on a monthly basis about the development of the individual revenue business segments. On the basis of this reporting, the Board of Management assesses the development of the individual revenue business segments.

### Information on revenue business segments of DZ PRIVATBANK S.A.

**Financial year 2024**

| Basis: IFRS in TEUR | Private banking | Fund services | LuxCredit | Treasury/ Brokerage | not assigned to EGF | Total |
|---|---|---|---|---|---|---|
| Net interest income | 44,835 | 59,618 | 18,416 | 56,534 | 3,337 | 182,740 |
| Net commission income | 72,309 | 104,627 | 1,382 | 1,518 | -11,696 | 168,140 |
| Trade income | 1,165 | 10,976 | 324 | 2,641 | 838 | 15,944 |
| Result from financial assets | 0 | 0 | 0 | 0 | 0 | 0 |
| Other valuation result from financial instruments | 0 | -148 | -12 | -2,462 | -20,028 | -22,650 |
| Result from the derecognition of AC-valued financial instruments | 0 | 0 | 0 | -3,062 | 0 | -3,062 |
| Risk provisions | 0 | 0 | 0 | 0 | -16,669 | -16,669 |
| Other operating income | 1,599 | 1,380 | 0 | 45 | 9,083 | 12,107 |
| **Net income** | **119,907** | **176,453** | **20,110** | **55,215** | **-35,134** | **336,550** |
| ./. Direct costs of the profit centres | -69,410 | -31,903 | -7,024 | -14,364 | -3,722 | -126,423 |
| of which personnel expenses | -41,902 | -25,671 | -3,421 | -7,409 | -4 | -78,407 |
| of which material costs | -19,317 | -4,032 | -1,800 | -6,092 | -2,308 | -33,550 |
| of which depreciation | -8,191 | -2,199 | -1,804 | -863 | -1,409 | -14,466 |
| **Profit contribution I** | **50,497** | **144,550** | **13,086** | **40,851** | **-38,856** | **210,127** |
| ./. Cost allocation[1] | | | | | | -70,353 |
| of which personnel expenses | | | | | | -44,740 |
| of which material costs | | | | | | -21,166 |
| of which depreciation | | | | | | -4,448 |
| **Profit contribution II** | | | | | | **139,774** |
| ./. Structural costs[2] | | | | | | -40,559 |
| of which personnel expenses | | | | | | -21,107 |
| of which material costs | | | | | | -17,121 |
| of which depreciation | | | | | | -2,331 |
| **Profit contribution III [3]** | | | | | | **99,216** |

[1] The cost allocation represents the services of the service segments valued in EUR for the revenue business segments

[2] The structural costs consist of regulatory costs and overhead functions costs, which are necessary for the operation of a bank, but do not have a direct impact on the result of the revenue business segments

**Financial year 2023**

| Basis: IFRS in TEUR | Private banking | Fund services | LuxCredit | Treasury/ Brokerage | not assigned to EGF | Total |
|---|---|---|---|---|---|---|
| Net interest income | 43,867 | 44,148 | 18,649 | 38,146 | 9,731 | 154,540 |
| Net commission income | 67,571 | 96,189 | 2,486 | -959 | -10,829 | 154,458 |
| Trade income | 4 | 10,774 | 867 | 9 | -1,698 | 9,957 |
| Result from financial assets | 0 | 0 | 0 | 0 | 28,400 | 28,400 |
| Other valuation result from financial instruments | 0 | 1,185 | 96 | 1,676 | 14,602 | 17,559 |
| Result from the derecognition of AC-valued financial instruments | 0 | 0 | 0 | -6,904 | 0 | -6,904 |
| Risk provisions | 0 | 0 | 0 | 0 | -804 | -804 |
| Other operating income | -2,047 | 1,084 | 0 | 125 | -14,488 | -15,326 |
| **Net income** | **109,395** | **153,379** | **22,098** | **32,092** | **24,914** | **341,879** |
| ./. Direct costs of the profit centres | -52,817 | -32,031 | -5,978 | -13,336 | -5,840 | -110,003 |
| of which personnel expenses | -32,415 | -23,730 | -3,083 | -7,032 | -5 | -66,265 |
| of which material costs | -14,038 | -6,447 | -1,374 | -5,577 | -4,647 | -32,083 |
| of which depreciation | -6,364 | -1,854 | -1,521 | -728 | -1,188 | -11,655 |
| **Profit contribution I** | **56,578** | **121,348** | **16,120** | **18,756** | **19,074** | **231,876** |
| ./. Cost allocation | | | | | | -71,657 |
| of which personnel expenses | | | | | | -47,588 |
| of which material costs | | | | | | -19,777 |
| of which depreciation | | | | | | -4,292 |
| **Profit contribution II** | | | | | | **160,219** |
| ./. Structural costs | | | | | | -56,419 |
| of which personnel expenses | | | | | | -22,221 |
| of which material costs | | | | | | -32,232 |
| of which depreciation | | | | | | -1,967 |
| **Profit contribution III** | | | | | | **103,800** |

## General information on revenue business segments

The disclosures on revenue business segments are prepared in accordance with IFRS 8 using the management approach based on the internal management reporting system.

## Definition of the revenue business segments

The revenue business segments

- Private Banking,
- Fund Services,
- LuxCredit and
- Treasury / Brokerage

are shown separately in reporting.

The interest and commission income generated by the revenue business segments and the related interest and commission expenses are shown as net interest income and net commission income respectively in the disclosures on the business segments, as the management of the revenue business segments is based on these net figures.

## Valuation standards

The internal reporting of DZ PRIVATBANK S.A. is based on the accounting policies applicable based on the current IFRS accounting standards.

The main standard for assessing the success of the revenue business segments is the profit contribution I for each revenue business segment. The profit contribution I is made up of the income and expenses directly attributable to the revenue business segments.

## Presentation of revenue business segments

### PRIVATE BANKING

DZ PRIVATBANK is the centre of expertise for private banking in the Genossenschaftliche FinanzGruppe (Cooperative Financial Network). Based on a subsidiary sales and cooperation concept, the Private Banking revenue business segment offers independent, holistic advice and support for private banking clients as well as for wealth management and semi-institutional clients.

DZ PRIVATBANK offers its services in the core market of Germany through three sales channels: to provide independent advice to their private banking clients (EUR 250,000 to 1 million in disposable assets), Volksbanken Raiffeisenbanken use the range of VR-PrivateBanking services and solutions, which is fully integrated into the cooperative banking process and geared towards professional asset management (managed by DZ PRIVATBANK). In the case of more complex issues for high-end private banking and wealth management clients with free liquidity of over EUR 1 million, the partner institutions have access to “DZ PrivateBanking” and therefore to the national and international specialist expertise of DZ PRIVATBANK with booking offices in Germany, Luxembourg and Switzerland. In addition, high net worth private clients and semi-institutional investors and their individual needs are monitored and supported by qualified advisors in wealth management.

### FUND SERVICES

The Fund Services revenue business segment acts as a service provider for Union Investment in Luxembourg, for DZ PRIVATBANK's in-house funds and for private label third-party fund initiators. Together with its IPConcept units, DZ PRIVATBANK is the market leader in the German-speaking region for third-party fund business with independent asset managers / family offices and a major player in the business with institutional clients, pension funds, insurance companies, foundations and private banks.

The range of services covers the entire value chain in the investment fund business from business development, sales support, central administration, order management including investment limit control, fund management operations and risk controlling to depositary functions.
The products of the Fund Services revenue business segment are distributed on the one hand via IPConcept in Luxembourg and Switzerland and on the other hand using the branches in Germany. In addition to the network use of business partners, including specialised law firms and other service providers, there is also the joint market development of DZ BANK Group within the framework of the FIS initiative under the “FONDSHAFEN” brand.

## LUXCREDIT

Within the Genossenschaftliche FinanzGruppe (Cooperative Financial Network), DZ PRIVATBANK is a specialist for (variable) lending business in all currencies and euro-denominated variable interest financing. In addition to refinancing for Volksbanken Raiffeisenbanken, the focus of the business is primarily on the guaranteed LuxCredit credit business with private clients and corporate clients of the German cooperative banks under their guarantee.

The main focus of the LuxCredit revenue business segment is on the complementary provision of (re-)financing solutions for Volksbanken Raiffeisenbanken, especially in currency financing and variable interest financing denominated in the euro. The in-house product LuxCredit offers Volksbanken Raiffeisenbanken a complementary range of solutions, especially for private clients in the area of VR ImmoFlex (covering variable liquidity needs, especially for “Best Agers” with real estate holdings), in addition for corporate clients – e.g. for “seasonal financing” – to possibilities for improving the balance sheet structure for German cooperative banks as well as the advantageous conversion of interest income into commission income with lean and consistent credit processes under agree21.

In addition, private loans such as Lombard and individual client loans as well as fund loans are part of the revenue business segment's product range.

Credit management also performs the back office and product management function for all loans from all business divisions and ensures comprehensive service quality, while continuously reviewing opportunities for standardisation and optimisation.

## TREASURY / BROKERAGE

The activities of the Treasury / Brokerage revenue business segment include, on the one hand, the execution service for customer orders from the Private Banking and Fund Services revenue business segments and, on the other hand, liquidity management and the management of the proprietary books. The Treasury / Brokerage revenue business segment serves both internal and external clients. The internal customers principally include three revenue business segments: Private Banking, Lending and Fund Services. The principal external customers are the Genossenschaftliche FinanzGruppe (Cooperative Financial Network) companies as well as management companies and other capital market partners.

Treasury / Brokerage is the execution broker for Union, proprietary, third-party and external funds as well as for all Private Banking sales units (DZ PRIVATBANK S.A., DZ PRIVATBANK (Schweiz) AG, branches in Germany) for the asset classes equities, bonds, funds, precious metals, derivatives, stock exchange futures, money market and foreign currencies.

### Information on geographic markets

The geographical breakdown of the income of DZ PRIVATBANK S.A. is as follows:

| | Luxembourg | | Germany | | Rest of Europe | | Rest of the world | |
|---|---|---|---|---|---|---|---|---|
| **Figures in TEUR** | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** |
| Interest and similar income | 654,581 | 574,565 | 240,024 | 221,145 | 63,778 | 42,849 | 33,096 | 22,133 |
| Commission income | 129,083 | 141,733 | 127,343 | 109,779 | 6,772 | 6,152 | 2,549 | 2,280 |
| Other operating income | 25,835 | 9,998 | 1,759 | 1,111 | 0 | 0 | 0 | 0 |
| **Total** | **809,498** | **726,296** | **369,126** | **332,035** | **70,550** | **49,001** | **35,645** | **24,413** |

The presentation of information on geographical markets is based on the country of domicile of clients.

Certain non-current assets – mainly tangible assets – are not disclosed separately due to their minor importance for the business model of DZ PRIVATBANK S.A.

## 27. Net interest income

| Figures in TEUR | **2024** | **2023** |
|---|---|---|
| **INTEREST INCOME AND CURRENT INCOME** | **991,479** | **878,815** |
| **Interest income from** | **974,172** | **860,693** |
| Credit and money market transactions | 791,722 | 732,682 |
| Bonds and other fixed-interest securities | 182,506 | 133,330 |
| Financial assets with negative interest rates | -57 | -5,319 |
| **Current result from** | **17,307** | **18,122** |
| Shares in subsidiaries | 17,307 | 18,122 |
| **INTEREST EXPENSES FOR** | **-808,739** | **-724,275** |
| Liabilities to banks and clients | -623,943 | -564,955 |
| Securitised liabilities | -184,691 | -159,765 |
| Financial liabilities with positive interest rates | 647 | 1,077 |
| Interest expenses from leases | -753 | -633 |
| **Total** | **182,740** | **154,540** |

Net interest income increased by EUR 28.2 million to EUR 182.7 million (2023: EUR 154.5 million) due to the higher average purchase yield of the securities portfolio as well as the increased interest income associated with deposit business in fund services business and private banking. Income from the receipt of dividends from associated companies decreased from EUR 18.1 million to EUR 17.3 million.

Interest income and interest expenses are broken down by holding category in accordance with IFRS 9 as follows:

| Figures in TEUR | 2024 | 2023 |
|---|---|---|
| **Interest income according to IFRS 9 holding categories** | **974,172** | **860,693** |
| FVTPL | 136,491 | 136.517 |
| FVO | 681 | 972 |
| AC | 835,391 | 722,911 |
| FVOCI | 1,608 | 292 |
| **Interest expenses according to IFRS 9 holding categories** | **-808,739** | **-724,275** |
| FVO | -36,203 | -13,991 |
| AC | -723,788 | -659,663 |
| FVTPL | -47,995 | -49,989 |
| Leases | -753 | -632 |

## 28. Net commission income

| Figures in TEUR | 2024 | 2023 |
|---|---|---|
| **Commission income** | **265,746** | **259,944** |
| Securities business | 194,930 | 196,294 |
| Asset management | 64,848 | 57,193 |
| Payment transactions including card business | 1,618 | 1,725 |
| Credit and trust business | 184 | 184 |
| Other | 4,166 | 4,548 |
| **Commission expenses** | **-97,607** | **-105,486** |
| Securities business | -66,161 | -79,446 |
| Asset management | -30,297 | -24,833 |
| Payment transactions including card business | -962 | -642 |
| Lending business | -167 | -560 |
| Other | -21 | -6 |
| **Total** | **168,140** | **154,458** |

The commission surplus amounted to EUR 168.1 million (2023: EUR 154.5 million). The main drivers of commission income are income contributions in the fund services business and private banking.

Commission income in the financial year includes income from contracts with clients in accordance with IFRS 15 amounting to EUR 265.7 million (2023: EUR 259.9 million) (see section 84).

## 29. Trade income

| Figures in TEUR | 2024 | 2023 |
| --- | --- | --- |
| Result from non-derivative financial instruments | 2,274 | 3,287 |
| Result from derivative financial instruments | 26 | -19 |
| Foreign exchange result | 13,644 | 6,689 |
| **Total** | **15,944** | **9,957** |

## 30. Result from financial assets

The result from financial investments includes results from the sale and disposal of securities and shares in companies included under the balance sheet item “Financial investments”. In addition, gains and losses from the valuation of shares in subsidiaries are recognised in this item.

Proceeds from the sale of securities classified at amortised cost are reported under “Gains and losses from the derecognition of financial assets measured at amortised cost”.

The result from financial investments was EUR 28.4 million in the previous year as a result of the write-up of the carrying amount of the investment in DZ PRIVATBANK (Schweiz) AG.

## 31. Other valuation result from financial instruments

| Figures in TEUR | 2024 | 2023 |
| --- | --- | --- |
| **Result from hedge accounting** | **1,504** | **2,123** |
| Result from hedging transactions (FV hedge) | -62,144 | -132,409 |
| Result from hedged underlying transactions (FV hedge) | 63,647 | 134,533 |
| **Result from derivative financial instruments entered into without the intention to trade** | **-6,629** | **2,879** |
| **Result from financial instruments designated as at fair value through profit or loss** | **-17,524** | **12,557** |
| Result from non-derivative financial instruments | -49,623 | -66,499 |
| Result from FVO loans and advances to banks and clients | 3,142 | 2,482 |
| Result from securitised FVO liabilities | -52,764 | -68,981 |
| Result from derivative financial instruments | 32,098 | 79,056 |
| **Total** | **-22,650** | **17,559** |

The decline in the other valuation result to EUR -22.7 million (2023: EUR 17.6 million) is mainly due to liquidity spread-induced valuation effects of the Debt Issuance Programme in the FVO. The result from derivative financial instruments entered into without the intention to trade results from the valuation of derivative financial instruments (essentially FX Swaps and interest outrights) that are in economic hedging relationships, but are not included in hedge accounting or the corresponding underlying transactions do not meet the requirements of the fair value option.

## 32. Gains and losses from the derecognition of financial assets valued at amortised cost

| Figures in TEUR | 2024 | 2023 |
|---|---|---|
| **Gains from the derecognition of financial assets valued at amortised cost** | **95** | **160** |
| Loans and advances to banks and clients | 61 | 63 |
| Financial assets | 34 | 96 |
| **Losses from the derecognition of financial assets measured at amortised cost** | **-3,157** | **-7,064** |
| Financial assets | -3,157 | -7,064 |
| **Total** | **-3,062** | **-6,904** |

## 33. Risk provisions

| Figures in TEUR | 2024 | 2023 |
|---|---|---|
| **Risk provisions for cash reserves** | **3** | **-2** |
| Additions | -48 | -33 |
| Reversals | 51 | 31 |
| **Risk provisions for loans and advances to banks** | **-16,709** | **-702** |
| Additions | -17,673 | -1,738 |
| Reversals | 964 | 1,037 |
| **Risk provisions for loans and advances to clients** | **4** | **93** |
| Additions | -768 | -701 |
| Reversals | 771 | 794 |
| **Risk provisions for financial assets** | **30** | **-185** |
| Additions | -465 | -568 |
| Reversals | 495 | 383 |
| **Other risk provisions in the lending business** | **3** | **-9** |
| Additions to and reversals of provisions for loan commitments | 3 | -9 |
| **Total** | **-16,669** | **-804** |

Due to the step transfer of the sanctioned exposures associated with the settlement of securities and dividend payments in Russian roubles as part of the depositary function to risk level 3 (“default”) accompanied by a complete provisioning, the risk provision increases by EUR -15.9 million to EUR -16.7 million (2023: EUR -0.8 million). Accordingly, the corresponding liabilities have been revalued so that the transaction is largely non-performing (cf. other operating income).

## 34. Administrative expenses

| Figures in TEUR | 2024 | 2023 |
|---|---|---|
| **Personnel expenses** | **-144,247** | **-136,074** |
| Wages and salaries | -122,268 | -113,650 |
| Social security contributions | -13,502 | -14,274 |
| Expenses for retirement benefits | -7,418 | -6,703 |
| Expenses for share-based payment transactions | -1,059 | -1,446 |
| **Non-personnel expenses** | **-71,843** | **-84,091** |
| Contributions and fees | -6,903 | -20,129 |
| of which: contributions to the resolution fund for CRR banks | 0 | -13,637 |
| Advisory services | -17,592 | -19,460 |
| Office operations | -2,103 | -3,710 |
| IT costs | -25,431 | -21,355 |
| Land and occupancy costs | -5,851 | -7,158 |
| Information procurement | -8,871 | -7,897 |
| Public relations and marketing | -4,897 | -4,162 |
| Management bodies | -197 | -220 |
| **Depreciations** | **-21,245** | **-17,914** |
| Tangible fixed assets | -6,209 | -5,376 |
| Rights of use | -5,527 | -5,796 |
| Other intangible assets | -9,509 | -6,741 |
| **Total** | **237,335** | **238,079** |

Administrative expenses fell by EUR 0.8 million to EUR -237.3 million (2023: EUR -238.1 million).

At EUR 144.3 million, personnel expenses were million higher than the previous year’s level of EUR 136.1 million due, among other reasons, to the increased number of employees as a result of the business expansion.

Non-personnel expenses of EUR -71.8 million (2023: EUR -84.1 million) were reduced in particular as a result of the abolition of the bank levy.

Write-offs increased by 18.4 percent to EUR -21.2 million (2023: EUR -17.9 million).

Expenses for retirement benefits and for share-based payments are explained in sections 86 and 89.

## 35. Other operating income

| Figures in TEUR | 2024 | 2023 |
|---|---|---|
| Income from the reversal of provisions and accrued liabilities | 5,687 | 3,308 |
| Expenses for restructuring | -9,413 | -18,000 |
| Result from reversals of impairment losses and value adjustments and disposals of acquired client relationships and other intangible assets | -3,148 | -3,148 |
| Result from reversals of impairment losses and value adjustments and disposals of other assets | 122 | 12 |
| Rental income from land and buildings | 1,157 | 1,135 |
| Expenses from additions to provisions for litigation risks | -142 | -150 |
| Expenses for other taxes | -17 | -278 |
| Income and expenses from leasing | 267 | 330 |
| Miscellaneous other operating income | 17,594 | 1,466 |
| **Total** | **12,107** | **-15,326** |

Restructuring expenses are explained in more detail in section 54 Provisions. Miscellaneous other operating income increased to EUR 17.6 million (2023: EUR 1.5 million) mainly due to the revaluation of liabilities to investment funds related to the sanctioned exposures to Russian roubles.

## 36. Taxes on earnings

| Figures in TEUR | 2024 | 2023 |
|---|---|---|
| Expenses for current income taxes | -15,548 | -6,394 |
| Income from/expenses for deferred income taxes | 3,896 | -10,529 |
| **Total** | **-11,652** | **-16,923** |

Deferred income taxes are calculated using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. The tax rates used are those that are enacted or substantively enacted at the balance sheet date for this period.

The following reconciliation statement shows the relationship between the expected income taxes – based on the tax law applicable in Luxembourg – and the reported income taxes:

| Figures in TEUR | 2024 | 2023 |
|---|---|---|
| Earnings before tax | 99,216 | 103,800 |
| Income tax rate | 26.19% | 25.77% |
| **Expected income taxes** | **-25,985** | **-26,749** |
| **Income tax effects** | **14,333** | **9,827** |
| Effects from tax-exempt income and non-deductible expenses | 4,592 | 4,611 |
| Discrepancies due to other income tax types or trade tax withholding rates as well as tax rate changes | -1,398 | 786 |
| Effects of permanent differences | 5,870 | 5,477 |
| Current and deferred income taxes relating to prior years | 601 | 1,327 |
| Other effects | 4,668 | -2,374 |
| **Reported income taxes** | **-11,652** | **-16,923** |

## 37. Reclassification to the statement of comprehensive income

There were no reclassifications to the statement of comprehensive income in the 2024 and 2023 financial years.

## 38. Income taxes not affecting net income

The following deferred taxes not affecting net income are attributable to the result not affecting net income in the statement of comprehensive income:

| | 2024 | 2023 |
|---|---|---|
| Figures in TEUR | Income taxes | Income taxes |
| Gains and losses on financial instruments for which the fair value OCI option was exercised | 312 | 69 |
| Gains and losses from changes in proprietary default risk of financial liabilities for which the fair value option was exercised | -765 | -137 |
| Gains and losses from remeasurements of defined benefit plans | -1,598 | 598 |
| **Total** | **-2,051** | **530** |

# C. DISCLOSURES ON THE BALANCE SHEET

## 39. Cash reserves

| Figures in TEUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Cash on hand | 1,856 | 2,173 |
| Balances with central banks | 8,457,575 | 13,863,546 |
| **Total** | **8,459,431** | **13,865,719** |

As at the balance sheet date, balances with central banks amounted to EUR 8,390 million (2023: EUR 13,647 million) at the Banque Centrale du Luxembourg, EUR 4 million (2023: EUR 7 million) at the Swiss National Bank and EUR 64 million (2023: EUR 210 million) at the Deutsche Bundesbank.

## 40. Loans and advances to banks

| | **Due on demand** | | **With an agreed maturity or notice period** | | **Total** | |
|---|---|---|---|---|---|---|
| Figures in TEUR | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| **German banks** | **376,163** | **469,905** | **585,860** | **391,076** | **962,023** | **860,981** |
| Affiliated banks | 40,511 | 42,262 | 265,006 | 291,771 | 305,518 | 334,033 |
| Non-affiliated banks | 335,652 | 427,643 | 320,853 | 99,305 | 656,505 | 526,948 |
| **Other banks** | **227,903** | **332,265** | **419,586** | **260,025** | **647,489** | **592,290** |
| **Total** | **604,066** | **802,170** | **1,005,446** | **651,101** | **1,609,512** | **1,453,270** |

Loans and advances to banks break down by transaction type as follows:

| Figures in TEUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Money market transactions | 760,486 | 401,813 |
| Current account receivables | 563,558 | 760,037 |
| Other loans and advances | 285,468 | 291,420 |
| **Total** | **1,609,512** | **1,453,270** |

Please refer to section 48 for information on risk provisions.

## 41. Loans and advances to clients

Loans and advances to clients break down as follows:

| Figures in TEUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Loans and advances to German clients | 4,470,898 | 5,169,955 |
| Loans and advances to other clients | 450,937 | 392,365 |
| **Total** | **4,921,835** | **5,562,320** |

| Figures in TEUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Current account receivables | 374,232 | 320,068 |
| Other loans and advances | 4,547,603 | 5,242,252 |
| **Total** | **4,921,835** | **5,562,320** |

EUR 4.5 billion (2023: EUR 5.2 billion) of the loans and advances to clients amounting to EUR 4.9 billion (2023: EUR 5.6 billion) are due from clients in Germany.

Other loans and advances to clients decreased to EUR 4.5 billion (2023: EUR 5.2 billion). EUR 4.3 billion (2023: EUR 4.8 billion) originated from client loans guaranteed by cooperative banks (LuxCredit financing).

Loans and advances to clients include loans and advances due to IFRS 15 (Revenue from Contracts with Customers) in the amount of EUR 48.4 million (2023: EUR 34.7 million).

Please refer to section 48 for information on risk provisions.

## 42. Positive market values from hedging instruments

The positive market values from hedging instruments amount to EUR 73.3 million (2023: EUR 126.3 million) and solely result from interest rate derivatives for fair value hedges.

## 43. Trading assets

| Figures in TEUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Positive market values from derivative financial instruments** | **413,835** | **174,752** |
| Interest-based transactions | 33,085 | 25,452 |
| Currency transactions | 380,750 | 149,300 |
| **Total** | **413,835** | **174,752** |

The increase is mainly due to an increased use of foreign exchange swaps to hedge currency positions and interest rate positions in foreign currencies (in particular CHF foreign exchange swaps).

## 44. Financial assets

| Figures in TEUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Bonds and other fixed-interest securities** | **5,281,375** | **4,101,687** |
| Money market papers | 928,377 | 155,640 |
| Bonds and debentures | 4,352,998 | 3,946,047 |
| **Shares in subsidiaries** | **223,100** | **223,100** |
| **Total** | **5,504,475** | **4,324,787** |

The money market instruments are acquired money market instruments in the form of SNB bills (tradable money market book receivables of the Swiss National Bank with maturities between 1 and 12 months). They are used for operational liquidity management.

## 45. Tangible fixed assets and rights of use

| Figures in TEUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Tangible fixed assets** | **41,140** | **40,608** |
| Land and buildings | 28,511 | 29,976 |
| Furniture, fittings and equipment | 12,630 | 10,632 |
| **Rights of use** | **14,863** | **17,389** |
| Rights of use for land and buildings | 12,313 | 14,972 |
| Rights of use for furniture, fittings and equipment | 2,550 | 2,417 |
| **Total** | **56,003** | **57,997** |

The development of tangible fixed assets is as follows:

| | **Land and buildings** | | **Furniture, fittings and equipment** | | **Total tangible fixed assets** | |
|---|---|---|---|---|---|---|
| Figures in TEUR | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| **Gross value as at 1 January** | **84,501** | **84,482** | **56,513** | **49,519** | **141,013** | **134,001** |
| Acquisitions | 9 | 18 | 6,732 | 6,994 | 6,741 | 7,013 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 |
| **Gross value as at 31 December** | **84,510** | **84,501** | **63,245** | **56,513** | **147,755** | **141,013** |
| Cumulative value adjustments | -55,999 | -54,525 | -50,616 | -45,881 | -106,615 | -100,405 |
| of which: value adjustments in the period | -1,474 | -1,544 | -4,735 | -3,832 | -6,209 | -5,376 |
| **Net value as at 31 December** | **28,511** | **29,976** | **12,629** | **10,632** | **41,140** | **40,608** |

Prepayments made are assigned to the relevant tangible fixed assets. Low-value assets are recognised directly as an expense under administrative expenses in the year of acquisition.

The depreciation methods for tangible fixed assets and intangible assets are presented in section 18.

The development of the rights of use is shown in section 83.

## 46. Income tax assets and liabilities

| Figures in TEUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Income tax assets** | **6,532** | **19,643** |
| Current income tax assets | 6,532 | 19,643 |
| Deferred income tax assets | 0 | 0 |
| **Income tax liabilities** | **-70,321** | **-70,125** |
| Current income tax liabilities | -21,777 | -19,735 |
| Deferred income tax liabilities | -48,544 | -50,390 |
| **Total** | **-63,789** | **-50,482** |

Deferred income tax assets and liabilities are recognised for temporary differences arising from the following items:

| | 31.12.2024 | | 31.12.2023 | |
|---|---|---|---|---|
| Figures in TEUR | **Deferred income tax assets** | **Deferred income tax liabilities** | **Deferred income tax assets** | **Deferred income tax liabilities** |
| Loans and advances to banks and clients | 542 | -8,844 | 2,312 | -9,221 |
| Trading assets/liabilities as well as positive and negative market values from hedging instruments | 50,118 | -47,101 | 21,057 | -28,295 |
| Financial assets | 445 | -8,972 | 12,793 | -2,881 |
| Risk provisions | 4,897 | 0 | 798 | 0 |
| Liabilities to banks and clients | 0 | -3,908 | 0 | 0 |
| Securitised liabilities | 864 | -7,280 | 1,629 | -21,420 |
| Provisions for pensions and similar obligations | 6,125 | -5,454 | 7,724 | -6,443 |
| Other provisions | 579 | -28,622 | 696 | -26,338 |
| Other balance sheet items | 43 | -1,977 | 29 | -2,831 |
| **Total (gross value)** | **63,613** | **-112,158** | **47,038** | **-97,427** |
| Netting of deferred income tax assets and liabilities | -63,613 | 63,613 | -47,038 | 47,038 |
| **Total (net value)** | **0** | **-48,544** | **0** | **-50,390** |

In total, there is a deferred tax liability of EUR 49 million (2023: deferred tax liability of EUR 50 million).

Deferred income tax assets of EUR 14 million (2023: EUR 26 million) and deferred income tax liabilities of EUR 65 million (2023: EUR 69 million) are generally not realised until after 12 months.

## 47. Other assets

| Figures in TEUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Intangible assets** (excluding rights of use) | **18,373** | **21,097** |
| Software and licences | 10,503 | 10,078 |
| Acquired client relationships | 7,870 | 11,018 |
| **Other loan and advances (AC)** | **11,556** | **11,556** |
| **Miscellaneous other assets** | **37,807** | **47,559** |
| Inventories | 2,931 | 2,497 |
| Deferred income and advance payments | 5,077 | 6,124 |
| Receivables from fiscal unities | 11,702 | 18,214 |
| Loans and advances to tax offices from other taxes | 1 | 2 |
| Reimbursement rights for defined benefit plans recognised as assets | 212 | 207 |
| Other assets | 17,884 | 20,515 |
| **Total** | **67,736** | **80,211** |

The item “Other assets” mainly includes receivables to the pension fund as well as receivables from the Private Client and Fund Services business.

The development of intangible assets over the course of the year can be shown as follows:

| | Acquired client relationships | | Software | | Total intangible assets | |
|---|---|---|---|---|---|---|
| Figures in TEUR | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** |
| **Gross value as at 1 January** | **195,732** | **195,732** | **61,791** | **53,940** | **257,523** | **249,672** |
| Acquisitions | 0 | 0 | 9,933 | 7,851 | 9,933 | 7,851 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 |
| **Gross value as at 31 December** | **195,732** | **195,732** | **71,724** | **61,791** | **267,456** | **257,523** |
| Cumulative value adjustments | -187,862 | -184,714 | -61,221 | -51,712 | -249,083 | -236,427 |
| of which: value adjustments in the period | -3,148 | -3,148 | -9,509 | -6,741 | -12,657 | -9,890 |
| **Net value as at 31 December** | **7,870** | **11,018** | **10,503** | **10,078** | **18,373** | **21,097** |

The gross value of intangible assets acquired for a fee, including client bases, as at 1January 2024 relates to retail portfolios acquired by various banks in 2011, 2012, 2013 and 2017. All acquired client bases are tested annually for impairment. Client bases are amortised over 10 years. The net value as of 31 December 2024 from the acquisitions amounts to EUR 7.9 million (2023: EUR 11.0 million), and the remaining amortisation period is 2.5 years.

## 48. Risk provisions

The risk provisions reported on the assets side of the balance sheet developed as follows:

| | Risk provisions for cash reserves | Risk provisions for loans and advances to banks | | | Risk provisions for loans and advances to clients | | | Risk provisions for financial assets | |
|---|---|---|---|---|---|---|---|---|---|
| Figures in TEUR | **Level 1** | **Level 1** | **Level 2** | **Level 3** | **Level 1** | **Level 2** | **Level 3** | **Level 1** | **Total** |
| **As at: 1 January 2023** | **-4** | **-561** | **-1,032** | **0** | **-434** | **-7** | **0** | **-513** | **-2,552** |
| Additions | -33 | -819 | -919 | 0 | -669 | -33 | 0 | -564 | -3,037 |
| Currency conversion differences | 0 | 7 | 294 | 0 | -2 | 0 | 0 | 6 | 305 |
| Dissolution | 31 | 987 | 50 | 0 | 754 | 40 | 0 | 383 | 2,245 |
| Step transfer | 0 | 3 | -3 | 0 | 0 | 0 | 0 | 0 | 1 |
| **As at: 31 December 2023** | **-6** | **-383** | **-1,610** | **0** | **-351** | **0** | **0** | **-688** | **-3,038** |
| **As at: 1 January 2024** | **-6** | **-383** | **-1,610** | **0** | **-351** | **0** | **0** | **-688** | **-3,038** |
| Additions | -48 | -661 | -1,077 | -15,937 | -641 | -128 | 0 | -459 | -18,951 |
| Currency conversion differences | 0 | -1 | 240 | 0 | 1 | 2 | 0 | -12 | 230 |
| Dissolution | 51 | 837 | 127 | 0 | 662 | 109 | 0 | 493 | 2,279 |
| Step transfer | 0 | 0 | 2,319 | -2,317 | 16 | -14 | 0 | 0 | 4 |
| **As at: 31 December 2024** | **-3** | **-208** | **-1** | **-18,254** | **-313** | **-31** | **0** | **-666** | **-19,476** |

Due to the step transfer of the sanctioned exposures associated with the settlement of securities and dividend payments in Russian roubles as part of the depositary function to risk level 3 (“default”), the risk provisions for receivables to banks increased.

## 49. Liabilities to banks

| Figures in TEUR | Due on demand | | With an agreed maturity or notice period | | Total | |
|---|---|---|---|---|---|---|
| | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| **German banks** | **419,755** | **466,656** | **405,014** | **401,421** | **824,770** | **868,077** |
| Affiliated banks | 354,355 | 379,487 | 246,512 | 216,226 | 600,867 | 595,713 |
| Non-affiliated banks | 65,400 | 87,169 | 158,503 | 185,195 | 223,903 | 272,364 |
| **Other banks** | **3,555,595** | **3,569,374** | **1,278,574** | **1,908,172** | **4,834,169** | **5,477,546** |
| **Total** | **3,975,351** | **4,036,030** | **1,683,589** | **2,309,593** | **5,658,940** | **6,345,623** |

As at the balance sheet date, liabilities to banks decreased by EUR 687 million to EUR 5,658 million (2023: EUR 6,346 million). Nearly 93 percent (2023: 91 percent) of liabilities to banks have a remaining term of up to three months. Of the liabilities to banks, 11 percent (2023: 9 percent) are attributable to cooperative banks.

## 50. Liabilities to clients

| Figures in TEUR | Due on demand | | With an agreed maturity or notice period | | Total | |
|---|---|---|---|---|---|---|
| | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| German clients | 974,715 | 842,370 | 2,006,365 | 2,507,665 | 2,981,080 | 3,350,036 |
| Other clients | 6,079,986 | 10,040,262 | 247,052 | 234,339 | 6,327,038 | 10,274,601 |
| **Total** | **7,054,701** | **10,882,632** | **2,253,417** | **2,742,004** | **9,308,117** | **13,624,637** |

Customer deposits decreased by EUR 4.3 billion to EUR 9.3 billion (2023: EUR 13.6 billion) as a result of the departure of a major customer. These included deposits from private legal entities in the amount of EUR 7.2 billion (2023: EUR 11.3 billion) and deposits from natural persons in the amount of EUR 2.1 billion (2023: EUR 2.3 billion).

Together with securitised liabilities, these deposits represent 64 percent (2023: 68 percent) of the total refinancing funds.

## 51. Securitised liabilities

| Figures in TEUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Issued bonds | 1,778,815 | 2,137,587 |
| Other securitised liabilities | 2,514,965 | 1,689,559 |
| **Total** | **4,293,780** | **3,827,145** |

The bonds issued include issues under the Debt Issuance Programme. The other securitised liabilities solely relate to European Commercial Papers.

## 52. Negative market values from hedging instruments

The negative market values from hedging instruments amount to EUR 82.0 million (2023: EUR 47.9 million) and solely result from interest rate derivatives for fair value hedges.

## 53. Trading liabilities

| Figures in TEUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Negative market values from derivative financial instruments** | **237,795** | **344,077** |
| of which interest-based transactions | 57,526 | 89,731 |
| of which currency-related transactions | 180,270 | 254,346 |
| **Total** | **237,795** | **344,077** |

## 54. Provisions

| Figures in TEUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Provisions for employee benefits** | **29,865** | **32,894** |
| Provisions for benefit plans | 11,542 | 13,350 |
| Provisions for termination benefits (restructuring) | 576 | 1,373 |
| Provisions for short-term employee benefits | 17,747 | 18,171 |
| **Provisions for share-based payment transactions** | **4,434** | **3,941** |
| **Other provisions** | **69,912** | **74,890** |
| Provisions for restructuring | 12,500 | 18,000 |
| Provisions for loan commitments | 7 | 10 |
| Provisions for financial guarantees | 1 | 1 |
| Provisions for management bonuses/bonuses to third parties | 31,742 | 26,030 |
| Provisions for contributions to the resolution fund | 3,474 | 3,474 |
| Provisions for litigation risks | 1,953 | 1,973 |
| Other provisions | 20,235 | 25,403 |
| **Total** | **104,211** | **111,725** |

With regard to the provisions for defined benefit plans, reference is made to section 86.

Other provisions developed as follows in the year under review:

| Figures in TEUR | **As at: 1 January 2024** | Consumption | Reversals | Addition | **As at: 31 December 2024** |
|---|---|---|---|---|---|
| Provisions for restructuring | **18,000** | - 14,608 | - | 9,108 | **12,500** |
| Provisions for loan commitments | **10** | 0 | -32 | 29 | **7** |
| Provisions for financial guarantees | **1** | 0 | -3 | 3 | **1** |
| Provisions for management bonuses/bonuses to third parties | **26,030** | -25,102 | -927 | 31,741 | **31,742** |
| Provisions for contributions to the resolution fund | **3,474** | 0 | 0 | 0 | **3,474** |
| Provisions for litigation risks | **1,973** | -158 | -4 | 142 | **1,953** |
| Other provisions | **25,403** | -12,485 | -2,451 | 9,768 | **20,235** |
| **Total** | **74,890** | **-52,353** | **-3,417** | **50,792** | **69,912** |

| Figures in TEUR | **As at: 1 January 2023** | Consumption | Reversals | Addition | **As at: 31 December 2023** |
|---|---|---|---|---|---|
| Provisions for restructuring | **0** | 0 | 0 | 18,000 | **18,000** |
| Provisions for loan commitments | **1** | 0 | -13 | 22 | **10** |
| Provisions for financial guarantees | **0** | 0 | -2 | 3 | **1** |
| Provisions for management bonuses/bonuses to third parties | **23,959** | -23,282 | -677 | 26,030 | **26,030** |
| Provisions for contributions to the resolution fund | **0** | 0 | 0 | 3,474 | **3,474** |
| Provisions for litigation risks | **1,882** | -59 | 0 | 150 | **1,973** |
| Other provisions | **19,730** | -13,122 | -1,153 | 19,948 | **25,403** |
| **Total** | **45,572** | **-36,463** | **-1,846** | **67,627** | **74,890** |

Against the background of the reorganisation of the legal structure following the planned change of registered office of DZ PRIVATBANK S.A., the Bank has set up a restructuring provision of EUR 12.5 million (2023: EUR 18.0 million) in connection with the "DZ PRIVATBANK 2030" project.

Other provisions include, inter alia, provisions for administrative expenses of EUR 9.9 million (2023: EUR 13.8 million), provisions for operational risks of EUR 2.3 million (2023: EUR 2.6 million), provisions for commissions in the fund services business and private banking of EUR 1.3 million (2023: EUR 2.5 million), provisions for obligations to service precious metal certificates to clients of EUR 2.8 million (2023: EUR 2.4 million) as well as custody fees of EUR 1.3 million

(2023: EUR 1.4 million). Due to quarterly reporting, expenditures in the statement may be higher than the opening balance.

The following table shows the estimated maturities of the provisions:

| 31.12.2024<br>Figures in TEUR | Up to 3 months | Over 3 months up to 5 years | Indefinite period |
|---|---|---|---|
| Provisions for restructuring | 0 | 12,500 | 0 |
| Provisions for loan commitments | 0 | 7 | 0 |
| Provisions for financial guarantees | 1 | 0 | 0 |
| Provisions for management bonuses/bonuses to third parties | 31,742 | 0 | 0 |
| Provisions for contributions to the resolution fund | 0 | 3,474 | 0 |
| Provisions for litigation risks | 0 | 0 | 1,953 |
| Other provisions | 15,760 | 0 | 4,475 |
| **Total** | **47,503** | **15,981** | **6,429** |

| 31.12.2023<br>Figures in TEUR | Up to 3 months | Over 3 months up to 5 years | Indefinit e period |
|---|---|---|---|
| Provisions for restructuring | 0 | 18,000 | 0 |
| Provisions for loan commitments | 0 | 10 | 0 |
| Provisions for financial guarantees | 0 | 1 | 0 |
| Provisions for management bonuses/bonuses to third parties | 26,030 | 0 | 0 |
| Provisions for contributions to the resolution fund | 0 | 3,474 | 0 |
| Provisions for litigation risks | 0 | 0 | 1,973 |
| Other provisions | 20,347 | 0 | 5,056 |
| **Total** | **46,376** | **21,485** | **7,029** |

## 55. Other liabilities

| Figures in TEUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Accrued liabilities | 2,551 | 2,449 |
| Lease liabilities | 15,033 | 17,501 |
| Other financial liabilities (AC) | 82 | 164 |
| Liabilities to tax authorities from other taxes | 8,742 | 19,129 |
| Miscellaneous other liabilities | 23,486 | 20,917 |
| **Total** | **49,894** | **60,160** |

The item miscellaneous other liabilities mainly includes liabilities to the pension fund and preferential liabilities.

## 56. Equity

### Subscribed capital

The subscribed capital (share capital) of DZ PRIVATBANK S.A. continues to consist of 22,764,613 no-par value registered shares and amounts to EUR 117 million. It is entirely subscribed capital.

A dividend of EUR 0.50 per share was distributed in the 2023 financial year. For 2024, an ordinary dividend of EUR 0.50 per share and an extraordinary special dividend on the occasion of the 50th anniversary of DZ PRIVATBANK (Schweiz) AG of EUR 0.50 per share (total EUR 22.8 million) will be proposed to the general meeting.

The remaining profit of TEUR 64,799 (2023: TEUR 75,494) is to be allocated to retained earnings.

### Capital reserve

The capital reserve remains unchanged at EUR 427 million.

The capital reserve includes the amounts by which the notional value of the shares of DZ PRIVATBANK S.A. was exceeded when they were issued.

### Retained earnings

Retained earnings amount to EUR 411 million (2023: EUR 355 million).

Retained earnings include the generated undistributed capital of DZ PRIVATBANK S.A. as well as gains and losses from remeasurements of defined benefit plans after taking deferred taxes into account (see section 38).

The cumulative gains and losses from remeasurements of defined benefit plans after deferred taxes amount to EUR -18.3 million (2023: EUR -21.8 million).

All Luxembourg resident corporations are subject to wealth tax. The tax base for the wealth tax rate is the assessed value, which is essentially the capital at current value. The wealth tax rate is tiered: 0.5% on a tax base up to EUR 500 million and 0.05% on the part in excess, with no upper limit. The wealth tax can be credited if there is a sufficient amount of corporate income tax for the previous year and if free reserves within the meaning of Art. 8a of the Wealth Tax Act are tied up in the amount of five times the wealth tax liability – i.e. they are not used for purposes other than increasing capital for a period of 5 years. The capital commitment taking into account the tax group with IPConcept (Luxemburg) S.A. as of 31 December 2024 amounted to EUR 67.1 million (2023: EUR 65.8 million).

## Reserve from the result not affecting net income

The reserve from the result not affecting net income contains changes in the value of financial liabilities in the fair value option that are attributable to the Group's own default risk as well as changes in the value of the FVOCI-categorised financial instruments. The disclosure is made after deferred taxes (see section 38).

## Additional equity components

On 19 December 2022, DZ PRIVATBANK S.A. issued three tranches of additional Tier 1 notes (AT1 bonds) with a total volume of EUR 250 million. This tranche was taken over 100% by DZ BANK AG. The interest payment is payable annually and the interest payment date has been set for 1August of each year. Pursuant to the terms and conditions of the bonds, interest payments are at the discretion of the issuer. Depending on the distributable items or by order of the competent supervisory authority, these may be omitted in whole or in part. Interest payments are not cumulative and are not made up in subsequent periods to compensate for defaulted or reduced payments.

The bonds do not have a maturity date and are subject to the terms and conditions set out in the relevant Prospectus, which include that DZ PRIVATBANK S.A. may only call the bonds in whole and not in part if there are certain regulatory or tax reasons for doing so. In any case, termination requires the consent of the competent supervisory authority. The issued tranches of AT1 bonds are reported in the sub-item additional equity components.

According to the regulations of IAS 32, AT1 bonds fulfil the character of equity. The AT1 bonds represent unsecured and subordinated bearer bonds of DZ PRIVATBANK S.A.

## Distributable equity

The distributable equity in accordance with CSSF requirement is determined by the unrealised earnings components to be deducted from equity (EUR 1,288 million), which include:

- the actuarial gains and losses recognised in the profit reserve as not affecting income as a result of the revaluation of pension commitments (EUR -18.3 million),
- the reserve from the earnings not affecting net income (EUR -3.9 million) as well as
- the unrealised components of earnings recorded in net income (EUR -17.8 million).

Taking into account the capital of EUR 67.1 million committed under tax on assets, the statutory reserve of EUR 11.7 million and the unrealised earnings components of EUR -40.0 million to be deducted, the distributable equity as at 31 December 2024 amounts to EUR 1,249 million.

# D. DISCLOSURES ON FINANCIAL INSTRUMENTS

## 57. Classes, categories and fair values of financial instruments

The net book values and fair values of financial assets and financial liabilities are distributed among the categories of financial instruments in accordance with IFRS 9 shown in the following tables:

| | **Assets and liabilities measured at fair value in the balance sheet** | **Assets and liabilities not measured at fair value in the balance sheet** | | **Hidden reserves / charges** |
|---|---|---|---|---|
| | Fair value / book value | Fair value | Book value | |
| Figures in TEUR | 31.12.2024 | 31.12.2024 | 31.12.2024 | 31.12.2024 |
| Cash reserves[1)2)] | 0 | 8,457,572 | 8,457,572 | 0 |
| Loans and advances to banks[2)] | 5,436 | 1,593,827 | 1,589,980 | 3,847 |
| Loans and advances to clients[2)] | 78,526 | 4,844,542 | 4,838,598 | 5,944 |
| Positive market values from hedging instruments | 73,252 | 0 | 0 | 0 |
| Trading assets | 413,835 | 0 | 0 | 0 |
| Financial assets[1)2)] | 69,073 | 5,641,478 | 5,434,736 | 206,743 |
| Other assets[1)2)] | 0 | 11,556 | 11,556 | 0 |
| **Hidden reserves / charges on assets** | | | | **216,534** |
| Liabilities to banks | 0 | 5,658,964 | 5,658,940 | -24 |
| Liabilities to clients | 0 | 9,308,362 | 9,308,117 | -245 |
| Securitised liabilities | 1,708,057 | 2,586,489 | 2,585,723 | -765 |
| Negative market values from hedging instruments | 81,977 | 0 | 0 | 0 |
| Trading liabilities | 237,795 | 0 | 0 | 0 |
| Other liabilities[1)] | 0 | 15,115 | 15,115 | 0 |
| **Hidden reserves / charges on liabilities** | | | | **-1,034** |
| **Total hidden reserves / charges** | | | | **215,499** |

1) Fair value and book value only include financial instruments within the scope of IFRS 7

2) Book values less risk provisions

| | Assets and liabilities measured at fair value in the balance sheet | Assets and liabilities not measured at fair value in the balance sheet | | Hidden reserves / charges |
|---|---|---|---|---|
| | Fair value / book value | Fair value | Book value | |
| Figures in TEUR | 31.12.2023 | 31.12.2023 | 31.12.2023 | 31.12.2023 |
| Cash reserves[1)2)] | 0 | 13,863,540 | 13,863,540 | 0 |
| Loans and advances to banks[2)] | 624 | 1,456,588 | 1,450,653 | 5,935 |
| Loans and advances to clients[2)] | 90,300 | 5,472,941 | 5,471,669 | 1,271 |
| Positive market values from hedging instruments | 126,258 | 0 | 0 | 0 |
| Trading assets | 174,766 | 0 | 0 | 0 |
| Financial assets[1)2)] | 17,761 | 4,406,923 | 4,306,338 | 100,585 |
| Other assets[1)2)] | 0 | 11,556 | 11,556 | 0 |
| **Hidden reserves / charges on assets** | | | | **107,791** |
| Liabilities to banks | 0 | 6,345,934 | 6,345,624 | -310 |
| Liabilities to clients | 0 | 13,623,935 | 13,624,637 | 701 |
| Securitised liabilities | 2,092,518 | 1,734,455 | 1,734,627 | 172 |
| Negative market values from hedging instruments | 47,943 | 0 | 0 | 0 |
| Trading liabilities | 344,077 | 0 | 0 | 0 |
| Other liabilities[1)] | 0 | 17,665 | 17,665 | 0 |
| **Hidden reserves / charges on liabilities** | | | | **563** |
| **Total hidden reserves / charges** | | | | **108,355** |

1) Fair value and book value only include financial instruments within the scope of IFRS 7

2) Book values less risk provisions

The following table shows the assets and liabilities broken down by holding categories without taking risk provisions into account (the risk provisions are reported in Other assets):

| Assets (in TEUR) | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Loans and advances to banks** | **1,609,512** | **1,453,271** |
| FVO | 5,436 | 624 |
| AC | 1,599,995 | 1,448,290 |
| AC FV hedge | 4,081 | 4,356 |
| **Loans and advances to clients** | **4,921,835** | **5,562,320** |
| FVO | 78,526 | 90,300 |
| AC | 4,730,893 | 5,381,809 |
| AC FV hedge | 112,416 | 90,211 |
| **Financial assets** | **5,504,475** | **4,324,787** |
| AC | 1,429,764 | 782,842 |
| AC FV hedge | 3,782,538 | 3,301,084 |
| FVOCI FV hedge | 69,073 | 17,761 |
| Shares in subsidiaries (AC) | 223,100 | 223,100 |
| **Other financial receivables (AC)** | **11,556** | **11,556** |
| **Other assets** | **9,045,757** | **14,310,000** |
| **Total assets** | **21,093,135** | **25,661,934** |

| Liabilities (in TEUR) | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Liabilities to banks** | **5,658,940** | **6,345,624** |
| AC | 5,658,940 | 6,345,624 |
| **Liabilities to clients** | **9,308,117** | **13,624,637** |
| AC | 9,308,117 | 13,624,637 |
| **Securitised liabilities** | **4,293,780** | **3,827,145** |
| FVO | 1,708,057 | 2,092,518 |
| AC | 2,585,723 | 1,734,627 |
| **Other liabilities** | **1,832,297** | **1,864,529** |
| **Total liabilities** | **21,093,135** | **25,661,934** |

## 58. Assets and liabilities measured at fair value in the balance sheet

Fair values are assigned to the following three hierarchy levels in accordance with IFRS 13 depending on the type of valuation input factors used to determine them:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities.
- Level 2: Valuation via input factors that can be monitored directly or indirectly for the assets and liabilities, but that are not quoted prices included for Level 1. Quoted prices in active markets for similar assets and liabilities or significant input factors to a valuation model based on observable market data meet the definition of Level 2.
- Level 3: Application of a valuation model using valuation parameters that are not based on observable market data.

The assignment of a financial instrument to a level must be made according to the input factor at the lowest level that is significant for determining the fair value. Fair value measurements in Level 2 of the fair value hierarchy are determined either by reference to quoted prices in active markets for similar, but not identical, financial instruments or by using measurement techniques (discounted cash flow method) that are based primarily on observable market data. These are mainly interest rates, currency rates, bond spreads and interest rate volatilities, which are provided centrally by DZ BANK AG on a daily basis.

In Level 1, DZ PRIVATBANK S.A. classifies the financial instruments for which it can be guaranteed that a quoted price for this financial instrument is available at the time of valuation.

DZ PRIVATBANK S.A. classifies its financial instruments in Level 2, if it cannot be guaranteed that they will have very good market liquidity at the time of valuation. If the valuation of the individual instruments deviates from prices observable on the market (e.g. for a valuation at mid-rates), bid-ask adjustments (referred to as “close-out reserves”) are determined on a net basis using the option pursuant to IFRS 13.48. A valuation is carried out in accordance with DZ BANK AG's uniform Group rules.

In the 2024 financial year, there is no allocation in Level 3. In addition, no level reclassifications were made.

The fair value of derivative OTC financial instruments is measured using the option in IFRS 13.48, which permits a measurement of the net total amount. For specific counterparty default risks arising from derivative financial instruments, credit valuation adjustments (CVA) are recognised to take account of the default risk of the counterparties and debt valuation adjustments (DVA) are recognised to take account of the inherent default risk.

| | **Level 1** | | **Level 2** | |
|---|---|---|---|---|
| **Figures in TEUR** | **31.12.2024** | 31.12.2023 | **31.12.2024** | 31.12.2023 |
| **Assets** | **69,073** | **17,761** | **571,049** | **391,949** |
| Loans and advances to banks | **0** | 0 | **5,436** | 624 |
| Loans and advances to clients | **0** | 0 | **78,526** | 90,300 |
| Positive market values from hedging instruments | **0** | 0 | **73,252** | 126,258 |
| Trading assets | **0** | 0 | **413,835** | 174,766 |
| Financial assets | **69,073** | 17,761 | **0** | 0 |
| **Debt** | **0** | **0** | **2,027,830** | **2,484,538** |
| Liabilities to banks | **0** | 0 | **0** | 0 |
| Liabilities to clients | **0** | 0 | **0** | 0 |
| Securitised liabilities | **0** | 0 | **1,708,057** | 2,092,518 |
| Negative market values from hedging instruments | **0** | 0 | **81,977** | 47,943 |
| Trading liabilities | **0** | 0 | **237,795** | 344,077 |

## 59. Assets and liabilities not measured at fair value in the balance sheet

The fair value of assets and liabilities is measured using the same methodology throughout irrespective of their recognition in the balance sheet.

## 60. For the measurement through profit or loss of financial assets and financial liabilities designated at fair value through profit or loss

Financial assets must be recognised at fair value if they do not meet the cash flow criterion under IFRS 9 or were acquired with the intention to sell.

The fair value option can be exercised voluntarily for financial assets and liabilities in order to eliminate or at least significantly reduce recognition or measurement mismatches (accounting mismatches). Accounting mismatches arise from the different measurement of non-derivative financial instruments and derivative financial instruments entered into to hedge them.

As part of the voluntary exercise of the fair value option for financial liabilities, DZ PRIVATBANK S.A. uses a residual value method to determine the changes in fair value attributable to changes in its own default risk. In this context, the Bank’s own creditworthiness-induced valuation effect is derived from the total change in fair value less the valuation effect due to changes of other factors. The cumulative change in fair value after deferred taxes resulting from the Group's own default risk amounted to EUR -2.6 million in the financial year
(2023: EUR -4.6 million) and is not recognised in equity not affecting income.

For the financial liabilities in the fair value option, the following overview compares the fair values with the amounts contractually payable to the creditors at maturity:

| | Fair value | | Repayment amount | |
|---|---|---|---|---|
| Figures in TEUR | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| Securitised liabilities | 1,708,057 | 2,092,518 | 1,721,500 | 2,159,300 |
| **Total** | **1,708,057** | **2,092,518** | **1,721,500** | **2,159,300** |

## 61. Offsetting of financial assets and financial liabilities

The OTC derivatives included in financial assets and financial liabilities generally reference standard master agreements (such as ISDA master agreements and the German Master Agreement for Financial Futures), although these standard master agreements generally do not meet the offsetting criteria of IAS 32.42 because the legal right to offset under these agreements is dependent on the occurrence of a future event.

If offsetting financial assets and financial liabilities impairs the true and fair view, DZ PRIVATBANK S.A. would refrain from voluntary offsetting. If they had been offset, the disclosure would have been as follows:

**Disclosures on offsetting financial assets**

Figures in TEUR

| | Gross amount of financial assets before offsetting | Net amount of financial assets (balance sheet value) | Related amounts not offset in the balance sheet | | Net amount |
|---|---|---|---|---|---|
| | | | Financial instruments | Cash collateral received | |
| **31.12.2024** | | | | | |
| Derivative financial instruments | 487,087 | 487,087 | 239,226 | 224,507 | 23,355 |
| **31.12.2023** | | | | | |
| Derivative financial instruments | 301,010 | 301,010 | 202,308 | 98,703 | 0 |

**Disclosures on offsetting financial liabilities**

Figures in TEUR

| | Gross amount of financial liabilities before offsetting | Net amount of financial liabilities (balance sheet value) | Related amounts not offset in the balance sheet | | Net amount |
|---|---|---|---|---|---|
| | | | Financial instruments | Cash collateral received | |
| **31.12.2024** | | | | | |
| Derivative financial instruments | 319,773 | 319,773 | 239,226 | 80,547 | 0 |
| **31.12.2023** | | | | | |
| Derivative financial instruments | 392,020 | 392,020 | 202,308 | 177,063 | 12,649 |

## 62. Collateral and repurchase agreements

### Collateral

The financial assets pledged as collateral for liabilities relate to cash collateral and securities within the scope of collateral management. These are concluded in standard market collateral agreements.

The financial assets have the following book values:

| Figures in TEUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Loans and advances to banks | 151,739 | 172,496 |
| Loans and advances to clients | 29,159 | 75,650 |
| Financial assets | 168,976 | 311,387 |
| **Total** | **349,874** | **559,533** |

### Securities repurchase agreements

DZ PRIVATBANK S.A. concludes securities repurchase agreements on the basis of framework agreements customary in the industry. This is done within the framework of standard market collateral agreements.

If the fair value of the securities received or transferred under the repurchase agreements increases or decreases, the company concerned may be required to provide further collateral or may request the provision of further collateral. The transactions in the portfolio on the balance sheet date are solely genuine securities repurchase agreements. Bonds and other fixed-income securities belonging to the class of financial assets measured at fair value and financial assets measured at amortised cost are transferred. As of the balance sheet date, the book values of the securities sold under repurchase agreements amounted to EUR 157.5 million (2023: EUR 398.8 million). The book values of the liabilities associated with securities sold under repurchase agreements amount to EUR 158.5 million (2023: EUR 388.8 million).

## 63. Gains and losses on derecognition of assets measured at amortised cost

All sales were made within the de minimis limits set by DZ PRIVATBANK S.A. and were aimed at strategic portfolio and risk optimisation.

The harmless sales transactions including defined thresholds in the “hold” business model are therefore as follows:

- Sale due to increase in credit risk: Falling below internal rating threshold 2b on the VR rating scale (S&P A-) or rating deterioration by 3 notches on the VR rating scale since addition;
- Sale due to widening of the spread level: Credit spread widening of more than 20 basis points within 12 months;
- Sale near final maturity: As a test criterion, the remaining term to maturity is set in relation to the total term to maturity (i.e. remaining term to maturity at the time of acquisition), whereby the remaining term to maturity at the time of sale may be less than 10% of the total term to maturity, but no more than 3 months;
- Sales within the de minimis limit: Sales are also acceptable if they are either not significant in value or are rare. In this context, both an "portfolio-based de minimis limit" and a "result-based de minimis limit" were introduced in connection with the significance assessment with both criteria having to be met simultaneously.

  - **Portfolio-based de minimis limit:** in order to assess the significance of sales in terms of the portfolio, the nominal values of the sold positions are to be set in relation to the nominal values of all financial instruments existing at the beginning of the financial year. The level of the thresholds for determining the portfolio-based de minimis limit was set taking into account the average duration of the portfolio:

    - Duration up to 1 year max. balance sheet effect p.a. at 8%
    - Duration between 2-5 years max. balance sheet effect p.a. at 7%
    - Duration between up to 5-7 years max. balance sheet effect p.a. at 6%
    - Duration over 7 years max. balance sheet effect p.a. at 4%

    With a current average duration of the portfolio of 4.1 years (2023: 3.6 years), the threshold value is 7%.

  - **Result-based de minimis limit:** compliance with the result-based de minimis limit is checked as is customary in the market by means of the quotient between the realised results of a financial year and the gross interest income of the corresponding portfolio (extrapolated to a year during the year). The threshold value for the result-based de minimis limit is recorded at 8% p.a.

  - **Frequency:** sales are rare if they do not exceed 15 classes of securities p.a. and no more than 5% of the classes of securities in the portfolio.

The de minimis limits were complied with in the previous financial year.

## 64. Derivative financial instruments

Derivative financial instruments are used to hedge market price risks. On the balance sheet date, the portfolio of derivative financial instruments was composed as follows:

| Figures in TEUR | Nominal amount | | | | |
|---|---|---|---|---|---|
| | 1 year and less | Remaining maturity over 1 year to 5 years | Over 5 years | Total amount | |
| | | | | 31.12.2024 | 31.12.2023 |
| **Interest-based transactions** | **3,773,861** | **628,199** | **1,784,492** | **6,186,553** | **6,615,451** |
| OTC products | 3,773,861 | 628,199 | 1,784,492 | 6,186,553 | 6,615,451 |
| Interest rate swaps | 3,773,861 | 628,199 | 1,784,492 | 6,186,553 | 6,615,451 |
| **Currency transactions** | **28,351,931** | **0** | **906** | **28,352,837** | **17,496,505** |
| OTC products | 28,351,931 | 0 | 906 | 28,352,837 | 17,496,505 |
| Forward exchange transactions | 28,351,931 | 0 | 906 | 28,352,837 | 17,496,505 |
| **Total** | **32,125,792** | **628,199** | **1,785,398** | **34,539,389** | **24,111,956** |

| Figures in TEUR | Market value | | | |
|---|---|---|---|---|
| | Positive | | Negative | |
| | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| **Interest-based transactions** | **106,337** | **151,711** | **139,503** | **137,674** |
| OTC products | 106,337 | 151,711 | 139,503 | 137,674 |
| Interest rate swaps | 106,337 | 151,711 | 139,503 | 137,674 |
| **Currency transactions** | **380,750** | **149,300** | **180,270** | **254,346** |
| OTC products | 380,750 | 149,300 | 180,270 | 254,346 |
| Forward exchange transactions | 380,750 | 149,300 | 180,270 | 254,346 |
| **Total** | **487,087** | **301,010** | **319,773** | **392,020** |

## 65. Hedge accounting

As part of its risk management strategy, DZ PRIVATBANK S.A. uses interest rate swaps to hedge against interest rate risks from financial instruments and designates hedging relationships between the swaps and the hedged items in order to avoid accounting mismatches. These are loans and advances to banks and clients as well as financial assets, which are measured at amortised cost.

The changes in the fair value of the hedged items attributable to the interest rate risk and the changes in the fair value of the hedging instruments are recognised in the statement of comprehensive income under other valuation result, interest income and interest expenses under net interest income.

## Effectiveness test

Hedge accounting requires that the hedging relationship is highly effective both prospectively and retrospectively. For this, the changes in the fair values or the expected cash flows of the hedged items and the hedging instruments must almost balance each other out. For the individual hedging relationships concluded at DZ PRIVATBANK S.A., this is ensured by matching the significant value-affecting features of the underlying transactions and hedging instruments as well as a hedging ratio of 100 percent (1:1 hedging).

The approximate balancing of the respective changes in fair values is ensured by determining an individual hedge ratio based on the sensitivities of the underlying transaction and hedging instruments. The effectiveness of the hedging relationships must be reviewed and demonstrated at least on each reporting date.

For individual hedging relationships accounted for under the rules of IFRS 9, ineffectiveness is quantified retrospectively and recognised in the income statement. IFRS 9 does not define a mandatory effectiveness range. If a hedging relationship no longer meets the effectiveness criterion with regard to the hedge ratio, an adjustment of the hedge ratio is required (recalibration). If an adjustment of the hedge ratio is no longer possible or the risk management objective with regard to the hedging relationship has changed, the hedging relationship must be dedesignated.

## Scope of risks managed through hedging relationships

The following table shows information on the volume of hedged items and hedging instruments designated as hedges of interest rate risks:

| 31.12.2024<br>Figures in TEUR | Book value | Nominal value of hedging instruments | Hedge adjustment of the underlying transactions (included in the book value) | Value changes for measuring ineffectiveness |
|---|---|---|---|---|
| Loans and advances to banks | 4,081 | 0 | -22 | 51 |
| Loans and advances to clients | 112,416 | 0 | -384 | 3,481 |
| Financial assets | 3,851,611 | 0 | -16,116 | 60,116 |
| Positive market values from hedging instruments | 73,252 | 1,681,773 | 0 | -38,127 |
| Negative market values from hedging instruments | 81,977 | 2,257,634 | 0 | -24,016 |

| 31.12.2023<br>Figures in TEUR | Book value | Nominal value of hedging instruments | Hedge adjustment of the underlying transactions (included in the book value) | Value changes for measuring ineffectiveness |
|---|---|---|---|---|
| Loans and advances to banks | 4,356 | 0 | -74 | 52 |
| Loans and advances to clients | 90,211 | 0 | -4,015 | 2,753 |
| Financial assets | 3,318,845 | 0 | -81,535 | 131,811 |
| Positive market values from hedging instruments | 126,258 | 2,170,329 | 0 | -93,373 |
| Negative market values from hedging instruments | 47,943 | 1,297,992 | 0 | -39,037 |

The following tables show the remaining terms of the hedging instruments concluded for each risk type (excluding interest rate risk):

| As at: 31 December 2024 | Up to 1 month | 1 month to 3 months | 3 months to 1 year | Over 1 year to 5 years | Over 5 years |
|---|---|---|---|---|---|
| Nominal amount in TEUR | 60,888 | 149,408 | 697,020 | 1,374,993 | 1,657,098 |
| Average hedged interest rate in % | 1.44 | 0.70 | 0.73 | 2.10 | 2.82 |

| As at: 31 December 2023 | Up to 1 month | 1 month to 3 months | 3 months to 1 year | Over 1 year to 5 years | Over 5 years |
|---|---|---|---|---|---|
| Nominal amount in TEUR | 58,000 | 62,500 | 166,100 | 2,022,929 | 1,158,791 |
| Average hedged interest rate in % | 0.19 | 0.69 | 1.27 | 1.65 | 2.25 |

As of the balance sheet date, there were no hedging relationships in connection with currency risks.

# 66. Nature and extent of risks arising from financial instruments

## Default risk management practices

In accordance with IFRS 9, a value adjustment model based on expected losses is applied. The impairment rules are designed in the form of a stage model, which reflects the development of credit quality over the entire term of an asset and the associated economic losses in the balance sheet.

DZ PRIVATBANK S.A. assumes that the debtor is in default if the debtor is more than 90 consecutive calendar days overdue with a substantial part of its total obligation under the loan or if the institution is of the opinion that it is unlikely that the debtor will fully meet its payment obligations under the loan without recourse by the institution to measures such as the realisation of collateral, if any.

The rules for the recognition of value adjustments are based on the calculation of expected losses on cash reserves, loans and advances to banks and loans and advances to clients and financial investments.

In accordance with IFRS 9, the generally applicable three-step approach described above in section 21 is used to determine expected losses.

For the assessment of the transfer criterion, DZ PRIVATBANK S.A. uses all plausible and verifiable information relevant for the analysis of changes in the default risk over the entire remaining term of the specific financial instrument, provided that this information is available without unreasonable effort and expense, and also includes forward-looking information.

The following tables provide information on the risk provision on assets carried at amortised cost.

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| | Level 1 | | Level 2 | | Level 3 | |
|---|---|---|---|---|---|---|
| Figures in TEUR | **Risk provisions** | **Gross book value** | **Risk provisions** | **Gross book value** | **Risk provisions** | **Gross book value** |
| **As at: 1 January 2024** | **1,428** | **24,837,866** | **1,610** | **30,928** | **0** | **14,900** |
| Addition/increase in credit utilisation | 289 | 3,002,854,587 | 17 | 689,030 | 0 | 61,546 |
| Change in financial assets due to step transfer | -16 | -152,857 | -2,306 | 126,308 | 2,322 | 26,549 |
| Transfer from Level 1 | -17 | -168,675 | 15 | 147,320 | 2 | 21,356 |
| Transfer from Level 2 | 1 | 5,163 | -2,321 | -21,105 | 2,320 | 15,942 |
| Transfer from Level 3 | 0 | 10,656 | 0 | 93 | 0 | -10,749 |
| Disposals and repayments | -490 | -3,007,653,260 | -6 | -719,683 | 0 | -65,199 |
| Additions | 1,521 | 0 | 1,188 | 0 | 15,932 | 0 |
| Reversals | -1,553 | 0 | -229 | 0 | 0 | 0 |
| Amortisation, changes in market value and other valuation changes | 0 | 78,121 | 0 | -20 | 0 | 1 |
| Currency translation differences and other changes | 13 | 0 | -242 | 0 | 0 | 0 |
| **As at: 31 December 2024** | **1,190** | **19,964,457** | **32** | **126,563** | **18,254** | **37,797** |

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| | Level 1 | | Level 2 | | Level 3 | |
|---|---|---|---|---|---|---|
| Figures in TEUR | **Risk provisions** | **Gross book value** | **Risk provisions** | **Gross book value** | **Risk provisions** | **Gross book value** |
| **As at: 1 January 2023** | **1,512** | **23,795,337** | **1,039** | **25,784** | **0** | **3,631** |
| Addition/increase in credit utilisation | 427 | 2,804,144,609 | 2 | 571,607 | 0 | 34,494 |
| Change in financial assets due to step transfer | -3 | -15,015 | 3 | 12,750 | 0 | 2,265 |
| Transfer from Level 1 | -9 | -24,245 | 9 | 21,260 | 0 | 2,985 |
| Transfer from Level 2 | 6 | 8,228 | -6 | -8,510 | 0 | 282 |
| Transfer from Level 3 | 0 | 1,002 | 0 | 0 | 0 | -1,002 |
| Disposals and repayments | -587 | -2,803,248,804 | -21 | -579,234 | 0 | -25,502 |
| Additions | 1,658 | 0 | 949 | 0 | 0 | 0 |
| Reversals | -1,568 | 0 | -68 | 0 | 0 | 0 |
| Amortisation, changes in market value and other valuation changes | 0 | 161,739 | 0 | 21 | 0 | 11 |
| Currency translation differences and other changes | -10 | 0 | -293 | 0 | 0 | 0 |
| **As at: 31 December 2023** | **1,428** | **24,837,866** | **1,610** | **30,928** | **0** | **14,900** |

Stage 3 cases are generally so-called quasi-individual value adjustment cases. No value adjustment is made for this because, on the basis of the full collateralisation by means of the guarantee liability of Volksbank Raiffeisenbank or Lombard guarantee, it is expected that the cash flow from the realisation of this collateral will be sufficient to cover the entire debt.

In addition, during the 2024 financial year, sanctioned exposures related to the settlement of securities and dividend payments in Russian roubles were transferred to Level 3. In this context, reference is made to section 21.

Financial guarantees and loan commitments are exclusively included in Level 1 with a book value of EUR 145.9 million (2023: EUR 156.2 million) and with a risk provision of TEUR 8 (2023: TEUR 11).

## Maximum default risk

DZ PRIVATBANK S.A. is exposed to default risk on financial instruments. The maximum default risk is represented by the fair values, amortised costs or nominal amounts of financial instruments.
In order to hedge the maximum default risk, the following collateral is held:

| 31.12.2024<br>Figures in TEUR | Maximum credit risk | thereof collateralised with | | | |
|---|---|---|---|---|---|
| | | Sureties, guarantees, risk sub-participation | Land debt | Financial collateral | Other collateral |
| **Financial assets measured at fair value** | **640,122** | **77,946** | **0** | **298,147** | **572** |
| Assets measured at fair value through profit or loss | 571,049 | 77,946 | 0 | 298,147 | 572 |
| Financial assets that must be categorised as at fair value through profit or loss | 487,087 | 0 | 0 | 298,147 | 0 |
| Financial assets designated as at fair value through profit or loss | 83,962 | 77,946 | 0 | 0 | 572 |
| Financial assets measured at fair value not affecting net income | 69,073 | 0 | 0 | 0 | 0 |
| **Financial assets measured at amortised cost** | **20,109,341** | **4,243,501** | **14,846** | **0** | **384,010** |
| of which: with impaired credit rating | 37,797 | 17,842 | 0 | 0 | 53 |
| **Financial guarantees and loan commitments** | **773,118** | **0** | **0** | **0** | **0** |
| **Total** | **21,522,581** | **4,321,447** | **14,846** | **298,147** | **384,581** |

| 31.12.2023<br>Figures in TEUR | Maximum credit risk | thereof collateralised with | | | |
|---|---|---|---|---|---|
| | | Sureties, guarantees, risk sub-participation | Land debt | Financial collateral | Other collateral |
| **Financial assets measured at fair value** | **409,710** | **89,522** | **0** | **230,994** | **588** |
| Assets measured at fair value through profit or loss | 391,949 | 89,522 | 0 | 230,994 | 588 |
| Financial assets that must be categorised as at fair value through profit or loss | 301,024 | 0 | 0 | 230,994 | 0 |
| Financial assets designated as at fair value through profit or loss | 90,925 | 89,522 | 0 | 0 | 588 |
| Financial assets measured at fair value not affecting net income | 17,761 | 0 | 0 | 0 | 0 |
| **Financial assets measured at amortised cost** | **24,880,656** | **4,739,753** | **16,574** | **0** | **430,562** |
| of which: with impaired credit rating | 14,900 | 14,788 | 0 | 0 | 1 |
| **Financial guarantees and loan commitments** | **697,573** | **0** | **0** | **0** | **0** |
| **Total** | **25,987,925** | **4,829,276** | **16,574** | **230,994** | **431,150** |

The collateral received by the Bank has been duly provided and is legally enforceable.
On the basis of the value reductions applied in the collateral valuation, the Bank considers the underlying collateral values to be recoverable.

## Default risk concentrations

DZ PRIVATBANK S.A.'s default risk arising from financial instruments measured at amortised cost and financial guarantees and loan commitments is broken down according to the sectors of the Deutsche Bundesbank's industry codes and geographically using the International Monetary Fund's country group classification in accordance with the credit risk report. The volume, measured by the gross book values of financial assets or the nominal amounts of financial guarantees and loan commitments, is broken down based on the following rating classes:

- Investment grade: corresponds to internal rating classes 1A-3A
- Non-investment grade: corresponds to internal rating classes 3B-4E
- Not classified: no rating necessary or not classified

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| Figures in TEUR | **Financial sector** | **Public sector (administration/ state)** | **Corporates** | **Retail** | **Industry conglomerates** |
|---|---|---|---|---|---|
| **Investment grade** | **14,106,405** | **1,241,652** | **2,415,998** | **2,094,681** | **92,845** |
| Fair value | 19,765 | 49,308 | 0 | 0 | 0 |
| Level 1 | 19,765 | 49,308 | 0 | 0 | 0 |
| Gross book value | 14,118,184 | 1,192,344 | 2,417,149 | 2,094,876 | 205,880 |
| Level 1 | 14,117,307 | 1,192,344 | 2,300,981 | 2,087,470 | 205,877 |
| Level 2 | 877 | 0 | 116,167 | 7,406 | 3 |
| Nominal amount | -31,545 | 0 | -1,150 | -195 | -113,034 |
| Level 1 | -31,545 | 0 | -1,150 | -195 | -113,034 |
| **Non-investment grade** | **1** | **0** | **2,066** | **586** | **0** |
| Gross book value | 1 | 0 | 2,066 | 586 | 0 |
| Level 1 | 1 | 0 | 0 | 542 | 0 |
| Level 2 | 0 | 0 | 2,066 | 44 | 0 |
| **Not classified** | **39,339** | **0** | **13,002** | **45,391** | **0** |
| Gross book value | 39,339 | 0 | 13,002 | 45,391 | 0 |
| Level 1 | 21,085 | 0 | 0 | 38,850 | 0 |
| Level 2 | 0 | 0 | 0 | 0 | 0 |
| Level 3 | 18,254 | 0 | 13,002 | 6,541 | 0 |

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| Figures in TEUR | Financial sector | Public sector (administration/ state) | Corporates | Retail | Industry conglomerates |
|---|---|---|---|---|---|
| **Investment grade** | **18,574,295** | **889,347** | **2,851,993** | **2,323,400** | **53,921** |
| Fair value | 17,761 | 0 | 0 | 0 | 0 |
| Level 1 | 17,761 | 0 | 0 | 0 | 0 |
| Gross book value | 18,586,247 | 889,347 | 2,852,802 | 2,324,064 | 178,995 |
| Level 1 | 18,586,526 | 889,347 | 2,845,084 | 2,314,436 | 178,990 |
| Level 2 | 1,721 | 0 | 7,718 | 9,628 | 5 |
| Nominal amount | -29,713 | 0 | -808 | -664 | -125,075 |
| Level 1 | -29,713 | 0 | -808 | -664 | -125,075 |
| **Non-investment grade** | **8,569** | **0** | **2,193** | **2,065** | **0** |
| Gross book value | 8,569 | 0 | 2,193 | 2,065 | 0 |
| Level 1 | 377 | 0 | 22 | 572 | 0 |
| Level 2 | 8,192 | 0 | 2,171 | 1,493 | 0 |
| **Not classified** | **11,887** | **0** | **11,157** | **16,368** | **0** |
| Gross book value | 11,887 | 0 | 11,157 | 16,368 | 0 |
| Level 1 | 11,887 | 0 | 0 | 12,625 | 0 |
| Level 2 | 0 | 0 | 0 | 0 | 0 |
| Level 3 | 0 | 0 | 11,157 | 3,743 | 0 |

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| Figures in TEUR | Germany | Other industrialised countries | Advanced economies | Emerging markets | Supranational institutions |
|---|---|---|---|---|---|
| **Investment grade** | **6,726,397** | **12,583,870** | **124,081** | **38,911** | **478,322** |
| Fair value | 35,970 | 5,116 | 0 | 0 | 27,987 |
| Level 1 | 35,970 | 5,116 | 0 | 0 | 27,987 |
| Gross book value | 6,692,478 | 12,722,627 | 124,081 | 38,911 | 450,335 |
| Level 1 | 6,570,148 | 12,720,704 | 124,081 | 38,711 | 450,335 |
| Level 2 | 122,330 | 1,923 | 0 | 200 | 0 |
| Nominal amount | -2,051 | -143,873 | 0 | 0 | 0 |
| Level 1 | -2,051 | -143,873 | 0 | 0 | 0 |
| **Non-investment grade** | **2,608** | **44** | **0** | **1** | **0** |
| Gross book value | 2,608 | 44 | 0 | 1 | 0 |
| Level 1 | 542 | 0 | 0 | 1 | 0 |
| Level 2 | 2,066 | 44 | 0 | 0 | 0 |
| **Not classified** | **56,772** | **27,073** | **0** | **13,887** | **0** |
| Gross book value | 56,772 | 27,073 | 0 | 13,887 | 0 |
| Level 1 | 37,229 | 22,707 | 0 | 0 | 0 |
| Level 2 | 0 | 0 | 0 | 0 | 0 |
| Level 3 | 19,543 | 4,367 | 0 | 13,887 | 0 |

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| Figures in TEUR | Germany | Other industrialised countries | Advanced economies | Emerging markets | Supranational institutions |
|---|---|---|---|---|---|
| **Investment grade** | **7,306,083** | **16,924,172** | **95,719** | **30,744** | **336,238** |
| Fair value | 17,761 | 0 | 0 | 0 | 0 |
| Level 1 | 17,761 | 0 | 0 | 0 | 0 |
| Gross book value | 7,290,397 | 17,078,357 | 95,719 | 30,744 | 336,238 |
| Level 1 | 7,273,673 | 17,076,690 | 95,719 | 30,063 | 336,238 |
| Level 2 | 16,274 | 1,667 | 0 | 681 | 0 |
| Nominal amount | -2,075 | -154,185 | 0 | 0 | 0 |
| Level 1 | -2,075 | -154,185 | 0 | 0 | 0 |
| **Non-investment grade** | **4,199** | **58** | **0** | **8,569** | **0** |
| Gross book value | 4,199 | 58 | 0 | 8,569 | 0 |
| Level 1 | 536 | 58 | 0 | 377 | 0 |
| Level 2 | 3,663 | 0 | 0 | 8,192 | 0 |
| **Not classified** | **26,964** | **12,447** | **0** | **0** | **0** |
| Gross book value | 26,964 | 12,447 | 0 | 0 | 0 |
| Level 1 | 12,625 | 11,887 | 0 | 0 | 0 |
| Level 2 | 0 | 0 | 0 | 0 | 0 |
| Level 3 | 14,339 | 560 | 0 | 0 | 0 |

## 67. Maturity analysis

The potential cash outflow is disclosed for financial guarantees and loan commitments.

The contractually agreed maturities – especially in the case of financial guarantees and loan commitments – do not correspond to the actual expected cash flows. The maturity analysis of lease liabilities in accordance with IFRS 16.58 is presented in section 83. In connection with the description and monitoring of the liquidity risk, reference is made to section 78.

| 31.12.2024<br>Figures in TEUR | Up to one month | One month to 3 months | 3 months to 1 year | One year to 5 years | Over 5 years | Indefinite period |
|---|---|---|---|---|---|---|
| **Financial assets** | **13,984,853** | **1,444,650** | **1,057,311** | **2,464,739** | **1,805,831** | **11,556** |
| Balances with central banks | 8,457,575 | 0 | 0 | 0 | 0 | 0 |
| Loans and advances to banks | 809,955 | 352,214 | 385,202 | 33,148 | 21,557 | 0 |
| Loans and advances to clients | 3,998,279 | 474,528 | 202,741 | 192,748 | 60,975 | 0 |
| Positive market values from derivative hedging instruments | 298 | 824 | 14,623 | 35,399 | 22,108 | 0 |
| Trading assets | 175,900 | 91,682 | 104,892 | 39,804 | 1,557 | 0 |
| Positive market values from derivative financial instruments | 175,900 | 91,682 | 104,892 | 39,804 | 1,557 | 0 |
| Financial assets | 542,846 | 525,401 | 349,854 | 2,163,640 | 1,699,633 | 0 |
| Other assets | 0 | 0 | 0 | 0 | 0 | 11,556 |
| **Financial liabilities** | **15,185,348** | **1,270,795** | **1,400,303** | **1,573,530** | **150,635** | **82** |
| Liabilities to banks | 4,854,996 | 401,590 | 362,358 | 39,995 | 0 | 0 |
| Liabilities to clients | 8,258,619 | 658,516 | 372,434 | 18,549 | 0 | 0 |
| Securitised liabilities | 2,012,710 | 157,710 | 593,391 | 1,443,709 | 86,260 | 0 |
| Negative market values from derivative hedging instruments | 0 | 0 | 5,919 | 26,029 | 50,029 | 0 |
| Trading liabilities | 59,022 | 52,980 | 66,201 | 45,248 | 14,345 | 0 |
| Negative market values from derivative financial instruments | 59,022 | 52,980 | 66,201 | 45,248 | 14,345 | 0 |
| Other liabilities | 0 | 0 | 0 | 0 | 0 | 82 |
| **Financial guarantees and loan commitments** | **0** | **29,349** | **797** | **122** | **115,656** | **0** |
| Financial guarantees | 0 | 28,827 | 797 | 122 | 2,624 | 0 |
| Loan commitments | 0 | 523 | 0 | 0 | 113,032 | 0 |

| 31.12.2023<br>Figures in TEUR | Up to one month | One month to 3 months | 3 months to 1 year | One year to 5 years | Over 5 years | Indefinite period |
|---|---|---|---|---|---|---|
| **Financial assets** | **19,704,478** | **1,012,120** | **638,309** | **2,621,632** | **1,305,297** | **11,570** |
| Balances with central banks | 13,863,546 | 0 | 0 | 0 | 0 | 0 |
| Loans and advances to banks | 1,062,884 | 259,540 | 51,672 | 47,431 | 31,744 | 0 |
| Loans and advances to clients | 4,583,728 | 475,179 | 220,513 | 207,964 | 74,936 | 0 |
| Positive market values from derivative hedging instruments | 419 | 498 | 1,812 | 76,178 | 47,350 | 0 |
| Trading assets | 54,494 | 65,577 | 27,620 | 24,572 | 2,489 | 14 |
| Positive market values from derivative financial instruments | 54,494 | 65,577 | 27,620 | 24,572 | 2,489 | 0 |
| Financial assets | 139,407 | 211,326 | 336,693 | 2,265,487 | 1,148,778 | 0 |
| Other assets | 0 | 0 | 0 | 0 | 0 | 11,556 |
| **Financial liabilities** | **19,084,405** | **1,475,187** | **1,762,103** | **1,597,234** | **270,572** | **164** |
| Liabilities to banks | 5,123,180 | 642,534 | 551,905 | 28,081 | 0 | 0 |
| Liabilities to clients | 12,452,774 | 428,637 | 713,130 | 30,096 | 0 | 0 |
| Securitised liabilities | 1,408,963 | 313,283 | 423,750 | 1,474,275 | 206,874 | 0 |
| Negative market values from derivative hedging instruments | 0 | 0 | 0 | 21,025 | 26,919 | 0 |
| Trading liabilities | 99,487 | 90,733 | 73,318 | 43,758 | 36,780 | 0 |
| Negative market values from derivative financial instruments | 99,487 | 90,733 | 73,318 | 43,758 | 36,780 | 0 |
| Other liabilities | 0 | 0 | 0 | 0 | 0 | 164 |
| **Financial guarantees and loan commitments** | **7,000** | **27,411** | **266** | **1,342** | **120,241** | **0** |
| Financial guarantees | 0 | 27,086 | 80 | 811 | 2,157 | 0 |
| Loan commitments | 7,000 | 326 | 186 | 532 | 118,084 | 0 |

Shares in subsidiaries amounting to EUR 223.1 million (2023: EUR 223.1 million) are not included under financial assets.

# E. QUANTITATIVE AND QUALITATIVE ANALYSIS OF THE VARIOUS BANKING RISKS

## 68. Risk monitoring

Effective risk management is essential for long-term development and as a strategic safeguard of the success of DZ PRIVATBANK S.A. To direct and monitor the risks arising from banking business, the bank uses monitoring systems that are constantly upgraded.

The Bank's risk management covers all actions taken by the divisions responsible for implementing a chosen risk strategy. Such actions mainly comprise conscious decisions to take on or limit risk.

The Risk Controlling sub-segment is responsible, in particular, for ensuring that risks undertaken are transparent in all risk categories. This entails making a daily risk report to members of the Board of Management and various departments, focusing on the following points:

- Market price risk on a value-at-risk basis (VaR) (group level and various sub-portfolios)
- Credit risk on a credit VaR basis (Group level and various sub-portfolios),
- Operating risk and business risk
- Liquidity risk (economic and regulatory) (Group level and various sub-portfolios) and
- Daily portfolio performance calculation.

In addition, various risk reports are submitted to the Supervisory Board, the Board of Management and relevant decision-makers monthly or quarterly. These include stress test presentations, sensitivity matrices and the risk control function's report to the Supervisory Board. In addition, the annual ICAAP / ILAAP report provides detailed information on the risk situation.

The risk-bearing capacity is considered from an economic and normative perspective within the framework of the ICAAP and ILAAP. In line with the risk, capital and liquidity strategy defined by the Supervisory Board, the risk-bearing capacity describes the ability to bear all risks inherent in the business activity, should they materialise.

In the context of the economic perspective of the ICAAP, the risk-bearing capacity generally exists when sufficient capital is available to cover the measured risk (risk capital requirement) without having to call on outside capital providers. To cover risks, there is aggregate risk capital in the form of equity and equity-related components. The risk-bearing capacity from an economic perspective is given if the aggregate risk capital exceeds all quantified present value risks of loss. The normative ICAAP is based on a forward-looking view of relevant regulatory ratios over a multi-year period. DZ PRIVATBANK's risk appetite statement specifies threshold values for each of these ratios. In this context, the requirement to meet the relevant regulatory ratios is higher than the requirement of the supervisory authority and is therefore carried out taking into account an internally defined management buffer.

Adequate liquidity from an economic perspective of the ILAAP is ensured by making sure that risks and expected outflows are adequately covered by available internal liquidity. The ILAAP of the normative view ensures that all liquidity-related legal and supervisory requirements continue to be met. DZ PRIVATBANK's risk appetite statement sets thresholds for this purpose that take into account a management buffer above the regulatory minimum requirement.

According to the calculation regulations of the European CRR / CRD solvency guidelines, the Bank had access to equity totalling EUR 1,174.4 million (2023: EUR 1,148.6 million). The equity-to-capital ratio DZ PRIVATBANK S.A. as at the balance sheet date was significantly higher at 26.35 percent (2023: 26.85 percent) than the statutory prescribed minimum standard of 10.94 percent (including capital conservation buffer) in relation to the risks assumed.

## 69. Basic principles of risk, capital and liquidity management

The risk, capital and liquidity strategy (RCL strategy) defined by the Supervisory Board forms the basis for risk, capital and liquidity management. This strategy is implemented in the risk, capital and liquidity policy (RCL policy) approved by the Supervisory Board.

The RCL strategy in conjunction with the RCL policy contains as essential elements the guidelines regarding

- the risk assessment,
- the risk appetite and the relevant limits,
- the definition of the risk-bearing capacity and risk management,
- the sub-strategies of major risk types,
- the capital adequacy from an economic and normative perspective
- and the liquidity adequacy from an economic and normative perspective.

It also contains the summary of key guiding principles within the framework of the risk, capital and liquidity strategy (risk policy guidelines) as well as the statements on non-financial risks.

The RCL strategy is applied in practice through continuous involvement in the strategic and operational planning processes, standardised monitoring for KPIs and a regular reporting process with clear responsibilities and escalation levels.

The risk-bearing capacity, which must be continuously ensured in accordance with the RCL strategy, focuses on the appropriateness of the ratio of identified risk and available funds (capital) to cover unexpected losses.

Capital planning distinguishes between the normative perspective, which is based on regulatory requirements – such as solvency and leverage ratio – and the economic perspective, which is based on internal models. An essential component in both cases is the available equity.

The Bank's risk-bearing capacity and adequate liquidity were ensured throughout the financial year.

### Risk measurement

Value-at-risk (VaR) and performance changes included in stress tests are used for measuring financial risk. The VaR indicates the loss which will not be exceeded within a predefined period according to a defined probability (confidence level). Stress tests indicate the analysis of performance changes under suitably defined crisis scenarios. The result of the VaR measurement and suitable stress tests is known as the risk capital requirement. Liquidity risk is measured using the minimum liquidity surplus internal risk indicator (compare section 78).
The risk measurement for all risk types is carried out both at company level and at Group level.

## 70. Definition of risk types

In the RCL strategy, risks are recorded in the following risk types:

- market price risk (including IRRBB and CSRBB risk),
- credit risk,
- operational risk
- reputational risk,
- business risk,
- investment risk and
- liquidity risk.

Sustainability risks are subsumed under the listed risk types at DZ PRIVATBANK S.A. and implicitly capitalised therein.

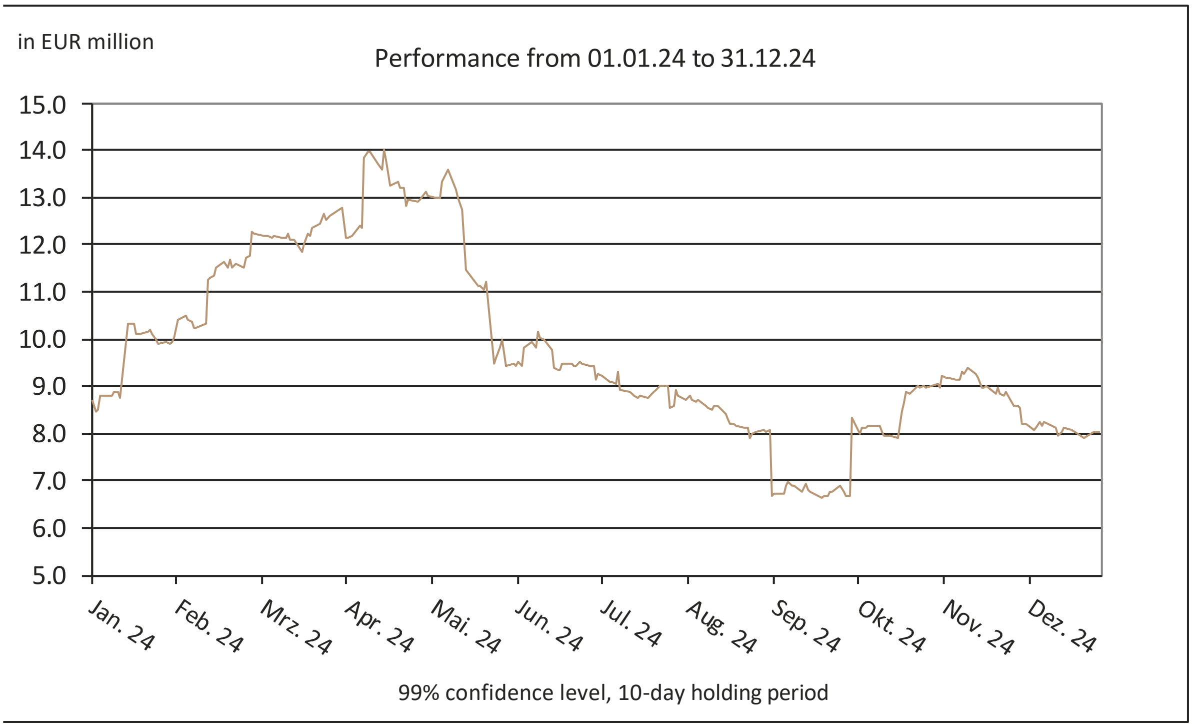
## 71. Market price risk

The Bank incurs market price risks in order to take advantage of business opportunities. Market price risk is the risk of loss arising from changes in interest rates, spreads, ratings (migration risk), foreign exchange rates, equity / fund / commodity prices and volatilities / correlations. The market price risks, which are composed of the general market price risks as well as the spread and migration risks, are restricted by a local limit, which is agreed with DZ BANK AG and is consistent with the group limit, and are also monitored within DZ PRIVATBANK S.A.

Spread and migration risks are measured centrally by DZ Bank AG both for the Group and the individual management units. The method for determining the general market price risks on the basis of a historical simulation is based on a confidence level of 99 percent with an assumed holding period of one trading day over an observation period of 300 days. The limit was applied on the basis of a confidence level of 99.9% and a holding period of one year.

Back testing is carried out daily in order to check the reliability of the VaR approach. This involves comparing the daily profits and losses with the VaR figures calculated on the basis of risk modelling. Basis point value procedures and stress test procedures, in which various market movements are simulated, supplement market price risk monitoring.

MARKET PRICE RISK DEVELOPMENT DZ PRIVATBANK S.A.:
99 percent confidence level, 10-day holding period.




## 72. Credit risk

Credit risk indicates the risk of unexpected losses caused by counterparty insolvency. The risk capital requirement for the credit risk is quantified by means of a portfolio model (Creditmetrics).
This procedure determines the loss distribution on the basis of simulation calculations which can then be used to estimate the unexpected loss and thus the risk capital requirement.

## 73. Operational risk

In accordance with the banking supervision definition, the Bank defines operational risk as the risk of losses arising from human actions, process or project management weaknesses, technical failure or through external influences.

Among other things, legal and IT risk are included in the definition; strategic and reputational risks are not included. Operational risks involve their own form of risk and correspondingly require extensive management, controlling and monitoring. The goal is to identify, limit and avoid such risks.

### Early warning system / risk indicators

Early warning systems are employed for the systematic detection and recognition of as many of the risks as possible involved in banking. Risk indicators, measured using fixed thresholds, are warning signals that indicate possible operational risks. They can therefore serve the Bank as an early warning system to indicate unwelcome trends or developments in banking operations.

### Loss database

Data on losses is especially useful for identifying operational risks. The systematic collating and analysis of such data enables weak points to be identified so that measures can be undertaken for their improvement. In order to ensure that the requirements for completeness, quality and auditability are met, the Bank uses a database for collecting data on loss that contains data since 2003.

### Self-assessment

The self-assessment of DZ PRIVATBANK S. A. serves as a risk potential analysis. It is carried out as part of the DZ BANK Group risk self-assessment. The basic scenarios are determined centrally by DZ BANK AG. The specific scenario descriptions and characteristics are based on this (estimation of amount and frequency of losses).

The risk capital requirement for the operational risk is determined every quarter at a central level by DZ BANK AG. The economic model is affected both by the historical data on losses and the risk potential estimates from the risk self-assessment.

## 74. Reputational risk

Reputational risk is the risk of losses arising from events that could damage confidence in DZ PRIVATBANK or in the products and services offered, in particular with respect to clients (this also includes the cooperative banks), shareholders, employees, the labour market, the public sphere and at the level of the supervisory authorities. Reputational risks can occur as an independent risk (“primary reputational risk”) or arise as a direct or indirect consequence of other types of risk (“secondary reputational risk”).

Appropriate measures are to be taken to avoid losses from reputational events as a matter of principle and to reduce them when they occur as well as to raise awareness of potential reputational risks. Reputational risk is taken into account in the risk strategy by, inter alia, defining fair dealing with all business partners and employees as well as excluding businesses with dubious addresses. As a result, the sustainability concepts pursued at DZ PRIVATBANK is taken into account.

## 75. Concentration of credit risks

The Private Banking and LuxCredit revenue business segment of DZ PRIVATBANK S.A. is responsible throughout the group for the cooperative banks' lending business in foreign currencies. It covers the direct refinancing of cooperative banks and the guaranteed lending business of their clients. Other business activities include collateralised loans, money market operations and securities transactions. Further explanations are given in section 66.

## 76. Business risk

Business risk is the risk of loss from fluctuations in earnings resulting from a given business strategy and not covered by other types of risk. In particular, this includes the risk that due to significant changes in conditions (e.g. economic and product environment, client behaviour, competitive situation), losses cannot be covered on a purely operational basis. In accordance with the risk management and controlling concepts of other risks, the Bank measures its business risk as VaR based on a variance / co-variance approach. The capital required to secure business risks is determined by the volatility of both of these risk drivers (income and costs) and their correlation.

## 77. Investment risk

Investment risks are calculated for investments that are not directly included in the risk management strategy of DZ PRIVATBANK S.A. The real estate risk allocated to investment risk for the purpose of consistency with the requirements of DZ BANK Group is immaterial, as the actual value of the owner-occupied building is significantly higher than the book value. Since all significant participations of DZ PRIVATBANK S.A. are involved in risk management, this approach to the reporting date is irrelevant.

## 78. Liquidity risk

DZ PRIVATBANK S.A. interprets liquidity risk as the risk of there being insufficient funds available to meet payment obligations. Liquidity risk is thus considered as insolvency risk. Refinancing risk is the risk of loss that may arise for DZ PRIVATBANK S.A. as a result of a deterioration in the liquidity spread (as part of the spreads on own issues). With rising liquidity spreads, future liquidity requirements can only be met subject to additional costs.
The main sources of liquidity risks are identified on the basis of the Bank’s business strategy and business activities. The Bank uses an internal liquidity risk model for measuring liquidity risks. This ensures transparency for expected and unexpected liquidity flows (forward cash exposure) and for the liquidity reserves used to offset liquidity shortages (counterbalancing capacity) on a daily basis. Both a normal scenario and several stress scenarios are considered. The objective is a positive cash surplus in all relevant scenarios in the corresponding prognosis period. A liquidity contingency plan is in place to allow the bank to respond to a crisis situation quickly and in a coordinated manner. The central control parameter for DZ PRIVATBANK S.A. is the minimum liquidity surplus across the maturity bands and scenarios considered. The liquidity surplus is calculated for each maturity band as the balance between the expected liquidity position and the refinancing capacity and is calculated for each day of the following 250 business days.

## 79. Currency risks

The summarised quantitative information on the currency risk of DZ PRIVATBANK S.A. reported to the management of DZ PRIVATBANK S.A. is as follows:

31.12.2024

| Figures in TEUR | EUR | CHF | USD | GBP | Other |
|---|---|---|---|---|---|
| **Financial assets** | **15,933,628** | **3,554,303** | **1,415,091** | **62,420** | **127,694** |
| Cash reserves | 8,455,683 | 3,511 | 236 | 0 | 0 |
| Loans and advances to banks | 756,580 | 563,957 | 229,818 | 3,356 | 55,802 |
| Loans and advances to clients | 2,752,994 | 2,055,059 | 23,421 | 19,015 | 71,346 |
| Positive market values from derivative hedging instruments | 57,136 | 62 | 16,054 | 0 | 0 |
| Trading assets | 101,147 | 3,484 | 262,410 | 40,051 | 6,743 |
| Financial assets | 3,680,652 | 928,377 | 883,366 | 0 | 12,080 |
| Other assets | 130,214 | 0 | 58 | 0 | 0 |
| Risk provisions | -778 | -147 | -272 | -1 | -18,278 |
| **Financial liabilities** | **11,428,136** | **1,096,176** | **4,931,261** | **1,463,181** | **886,282** |
| Liabilities to banks | 1,925,001 | 787,577 | 2,311,016 | 296,951 | 338,395 |
| Liabilities to clients | 6,627,481 | 154,227 | 1,794,923 | 202,065 | 529,422 |
| Securitised liabilities | 2,362,941 | 143,888 | 820,064 | 963,307 | 3,580 |
| Negative market values from derivative hedging instruments | 80,711 | 1,267 | 0 | 0 | 0 |
| Trading liabilities | 208,174 | 9,110 | 4,848 | 841 | 14,822 |
| Other liabilities | 223,828 | 108 | 410 | 17 | 63 |

| 31.12.2023<br>Figures in TEUR | EUR | CHF | USD | GBP | Other |
|---|---|---|---|---|---|
| **Financial assets** | **21,100,736** | **2,833,707** | **1,517,178** | **27,538** | **182,775** |
| Cash reserves | 13,858,748 | 6,712 | 259 | 0 | 0 |
| Loans and advances to banks | 570,499 | 407,203 | 406,559 | 2,865 | 66,143 |
| Loans and advances to clients | 3,202,292 | 2,207,782 | 65,073 | 22,620 | 64,554 |
| Positive market values from derivative hedging instruments | 98,833 | 1,149 | 26,277 | 0 | 0 |
| Trading assets | 87,751 | 55,339 | 6,971 | 2,053 | 22,652 |
| Financial assets | 3,125,704 | 155,640 | 1,012,361 | 0 | 31,082 |
| Other assets | 157,848 | 0 | 0 | 2 | 1 |
| Risk provisions | -939 | -118 | -322 | -2 | -1,657 |
| **Financial liabilities** | **16,692,160** | **1,181,145** | **5,124,410** | **470,701** | **963,019** |
| Liabilities to banks | 2,345,629 | 872,774 | 2,530,121 | 191,815 | 405,284 |
| Liabilities to clients | 11,056,570 | 216,662 | 1,628,312 | 180,250 | 542,844 |
| Securitised liabilities | 2,843,147 | 91,021 | 806,032 | 86,944 | 0 |
| Negative market values from derivative hedging instruments | 46,947 | 240 | 756 | 0 | 0 |
| Trading liabilities | 158,446 | 303 | 158,837 | 11,674 | 14,817 |
| Other liabilities | 241,421 | 145 | 353 | 17 | 74 |

The Bank manages and limits the foreign exchange risk as part of the market price risk within the framework of the VaR procedure. In this respect, currency risk is not managed separately.

## 80. Interest rate risk

As part of its interest rate strategy, the Bank pursues both a periodic management strategy and a management strategy based on the present value. The main objectives here are to stabilise income and to increase the present value.
The periodic income risk (NII risk) represents the risk of changes in income and expenses resulting from interest payments on financial instruments. The difference between interest income and interest expense is referred to as net interest income (NII).
The NII risk corresponds to the future simulated NII under different interest rate scenarios. For this purpose, various stress interest rate scenarios are considered in addition to a base rate scenario. The NII under the base rate scenario corresponds to the NII when the current yield curve is extrapolated. The stress interest rate scenarios consider changes to the base interest rate scenario (including parallel shifts, rotations of the yield curve and the consideration of interest rate floors). The difference between the NII of a base rate scenario and a stress interest rate scenario describes the NII risk (under that scenario). In addition, in accordance with the IRRBB and CSRBB strategies of the DZ BANK Group, net interest income with changes in market value for interest rate and spread risks is determined and limited.

Interest rate risks are managed on the basis of the VaR model for market price risks (present value view). A sensitivity matrix is also prepared to manage and measure interest rate risk. This is done using the basis point value method. The basis point value or sensitivity of a transaction or portfolio is the change in present value that would occur in the event of an interest rate increase of one basis point.

## Significance of interest rate risk

The interest rate profile of the interest-bearing financial instruments of DZ PRIVATBANK S.A. is as follows:

### Sensitivity analysis

Figures in TEUR

| Maturity band | 2024 | 2023 |
|---|---|---|
| 1M | -11 | -15 |
| 2M | -7 | -1 |
| 3M | -7 | 6 |
| 6M | 22 | 26 |
| 9M | 8 | 7 |
| 1Y | -6 | -2 |
| 2Y | -23 | -13 |
| 3Y | -48 | -24 |
| 4Y | -43 | -62 |
| 5Y | -15 | -25 |
| 6Y | 0 | -4 |
| 7Y | 0 | -4 |
| 8Y | 7 | -2 |
| 9Y | 15 | 7 |
| 10Y | 7 | 1 |
| 30Y | 0 | 0 |
| **Total** | **-101** | **-105** |

| by currency | 2024 | 2023 |
|---|---|---|
| EUR | 67 | 49 |
| CHF | 30 | 25 |
| JPY | 8 | 6 |
| USD | -164 | -150 |
| GBP | -28 | -19 |
| Other | -14 | -19 |

Stress test 2% Parallel shift

| Figures in TEUR | 2024 | 2023 |
|---|---|---|
| 200 bp Increase | -18,813 | -19,824 |
| 200 bp Reduction | 19,498 | 21,833 |

# F. OTHER INFORMATION

## 81. Contingent liabilities

| Figures in TEUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Contingent liabilities from contributions to the resolution fund for CRR banks | 11,556 | 11,556 |
| Contingent liabilities for litigation risks | 0 | 4,200 |
| **Total** | **11,556** | **15,756** |

Contingent liabilities from contributions to the resolution fund for CRR banks include irrevocable payment obligations granted by the Single Resolution Board (SRB) following the approval of applications for the provision of collateral to partially settle the contribution of the European bank levy for the contribution years 2017 to 2023.

## 82. Financial guarantees and loan commitments

| Figures in TEUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Financial guarantees | 32,370 | 30,133 |
| Loan guarantees and sureties | 32,370 | 30,133 |
| Loan commitments | 113,554 | 126,127 |
| Loans to clients | 113,032 | 125,084 |
| Guarantee facilities | 523 | 1,043 |
| Total | 145,924 | 156,261 |

The disclosures on financial guarantees and loan commitments are made in the amount of the nominal values of the irrevocable commitments entered into in each case.

## 83. Leases

The object classes of the lessee relationships are divided as follows into land and buildings as well as future, fittings and equipment.

| | 2024 | | 2023 | |
|---|---|---|---|---|
| Figures in TEUR | Land and buildings | Furniture, fittings and equipment | Land and buildings | Furniture, fittings and equipment |
| **Book value as of 1 January** | **14,972** | **2,417** | **13,466** | **1,586** |
| Acquisitions | 1,548 | 1,756 | 6,286 | 1,846 |
| Disposals | 0 | -303 | 0 | 0 |
| Depreciations | -4,207 | -1,330 | -4,781 | -1,015 |
| Revaluation | 0 | 0 | 0 | 0 |
| Repostings | **0** | 0 | **0** | **0** |
| **Book value as of 31 December** | **12,313** | **2,550** | **14,972** | **2,417** |

There are no sale and leaseback transactions or expenses for short-term leases accounted for in accordance with IFRS 16.6.

The branches of DZ PRIVATBANK S.A. are leased in premises of DZ BANK AG and other affiliated companies of DZ BANK Group with a right of use in the amount of EUR 1.2 million (2023: EUR 3.0 million).

DZ PRIVATBANK S.A. received rental payments of EUR 1.2 million in the 2024 financial year (2023: EUR 1.1 million). These arise from the tenancy agreements with R+V Lebensversicherung AG, Luxembourg branch, and a subtenancy agreement with an affiliated company (IPConcept Luxemburg S.A.) for the use of office space. The total of future minimum payments expected to be received as a result of non-cancellable subleases on the balance sheet date amounts to EUR 0.4 million (2023: EUR 0.4 million).

The contractual maturities of the lease liabilities break down as follows:

| Figures in TEUR | 2024 | 2023 |
|---|---|---|
| - up to 1 year | 131 | 332 |
| - longer than 1 year and up to 3 years | 7,700 | 1,726 |
| - longer than 3 years and up to 5 years | 4,845 | 8,023 |
| - longer than 5 years | 2,890 | 6,774 |
| **Total** | **15,566** | **16,855** |

The tenancy agreements contain renewal and termination options, which are used by DZ PRIVATBANK S.A. if required. The following expenses and income are recognised in the statement of comprehensive income for rights of use from leased assets:

| Figures in TEUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Interest expense | -753 | -632 |
| Amortisation of rights of use | -5,527 | -5,796 |
| Income from letting | 1,157 | 1,135 |
| of which: from subleases of rights of use | 380 | 444 |

In total, there were payments for leases (interest and repayment portions) of EUR 4.8 million in 2024 (2023: EUR 5.3 million).

## 84. Information on revenue from contracts with clients

Effects in the statement of comprehensive income broken down by revenue type, geographical market and type of revenue received:

| Figures in TEUR | 2024 | 2023 |
|---|---|---|
| **Revenue types** | | |
| Commission income from securities transactions | 194,930 | 196,294 |
| Commission income from asset management | 64,848 | 57,193 |
| Commission income from payment transactions including card business | 1,618 | 1,725 |
| Commission income from credit and trust activities | 184 | 184 |
| Other commission income | 4,166 | 4,548 |
| **Total** | **265,746** | **259,944** |
| **Main geographical markets** | | |
| Luxembourg | 129,083 | 141,733 |
| Germany | 127,343 | 109,779 |
| Rest of Europe | 6,772 | 6,152 |
| Rest of the world | 2,549 | 2,280 |
| **Total** | **265,746** | **259,944** |
| **Type of revenue received** | | |
| Related to a specific date | 200,898 | 202,751 |
| Period-related | 64,848 | 57,193 |
| **Total** | **265,746** | **259,944** |

### Loans and advances and contract assets and liabilities

In 2024 and 2023, there were no loans and advances from contracts with clients for which the income received is not subject to effective interest and which are accounted for using the rules of IFRS 15. In addition, there were no contract assets and liabilities for circumstances in which the fulfilment of the consideration is still dependent on a condition other than maturity.

Period-related performance obligations are invoiced within a year, predominantly on a half-yearly basis. Time-related performance obligations are met when the service is provided. The remuneration is structured in such a way that DZ PRIVATBANK S.A. does not normally recognise performance obligations as liabilities.

Please refer to section 26 for the breakdown of commissions by revenue business segment.

## 85. Employees

The following table shows the average number of employees during the financial year:

| | 2024 | 2023 |
|---|---|---|
| **Female employees** | **412** | **394** |
| Full-time employees | 203 | 190 |
| Part-time employees | 209 | 204 |
| **Employees** | **732** | **696** |
| Full-time employees | 658 | 634 |
| Part-time employees | 74 | 62 |
| **Total** | **1,144** | **1,090** |

The statement includes all active and inactive employees, adjusted for early retirees, junior staff and the Board of Management. Part-time employees are taken into account on a pro rata basis according to the hours worked. The junior staff only include participants in the dual study programme and trainees. The average number of junior staff in 2024 was 54 (2023: 37).

## 86. Company pension scheme

The Bank has agreed three different types of pension commitments with its employees:

- Defined contribution plans
- Defined benefit plans in accordance with BV 93 (funded by provisions)
- Defined benefit plans (GENO pension fund)

The defined contribution plans relate exclusively to employees in the German branches. Fixed contributions are paid to external pension providers (R+V Versicherung AG and BVV Versicherungsverein des Bankgewerbes a. G.). A total of TEUR 655 (2023: TEUR 561) was paid to the pension providers in the financial year.

The defined benefit pension commitments financed by provisions relate exclusively to employees at the Düsseldorf branch. These are former employees of WGZ BANK AG who transferred to DZ PRIVATBANK S.A. as part of the transfer of operations on 1 January 2012 and who had already acquired entitlements by that date. This is a defined benefit commitment based on fixed age-dependent conversion factors. (Fictitious) accounts are maintained for employees and payment is made by default in instalments and, with the Bank's consent, also as a lump sum or as an annuity. The measurement of the provision is based on an actuarial report in accordance with IAS 19 and is carried out by the actuary WillisTowersWatson.

The actuarial valuation assumptions are as follows:

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Exchange rate | 3.40% | 3.20% |
| Dynamics of the chargeable remuneration | 2.30% | 2.30% |
| Dynamics of adjustment of current pensions | 2.20% | 2.30% |
| Contribution assessment ceiling in the statutory pension insurance | EUR 96,600 | EUR 90,600 |
| Trend of the contribution assessment ceiling in the statutory pension insurance | 2.30% | 2.30% |

Further actuarial assumptions are drawn from the Heubeck 2018 G mortality tables.

The pension provision pursuant to BV 93 amounts to EUR 3.5 million as of 31 December 2024 (2023: EUR 3.4 million). The service cost amounts to TEUR 99 (2023: TEUR 88) and the interest cost amounts to TEUR 108 (2023: TEUR 112). In the financial year, TEUR 34 was paid out to employees. The actuarial result in the 2024 financial year amounts to TEUR 65 (2023: TEUR -194) and is due to changes in the amount of TEUR 76 and due to experience in the amount of TEUR -11. The cumulative figure is TEUR -659 (2023: TEUR -724).

For reasons of materiality, a sensitivity analysis is not presented.

In addition, there is an employee-financed pension plan for these employees with a provision of TEUR 212 (2023: TEUR 207) and a reimbursement claim recognised as an asset based on a reinsurance policy with R+V Versicherung AG in the same amount.

The defined benefit commitments (GENO pension fund) relate exclusively to those employees of DZ PRIVATBANK S.A. who are employed at the head office in Luxembourg. These commitments are employer-financed defined contribution plans (modular plans) financed through a pension fund. The legal basis for the existing pension obligations are the pension regulations of the GENO pension fund, ASSEP as amended on 7 February 2019.

The benefits borne by the pension fund include the payment of

- old-age pension and early retirement pension (both generally as a principal amount),
- survivor benefits in the event of the death of an active member as a principal payment and
- disability pension in the event of a disability of an active member as a principal payment.

Occupational pension schemes in Luxembourg are governed by the Occupational Pensions Act of 8 June 1999 as amended on 1 January 2019. The provisions of the pension fund must at least correspond to the present value of the acquired entitlements on the basis of the provisions of the Occupational Pensions Act. This corresponds to the present value of the pension capital achieved, as defined in the relevant pension plan.

The pension fund is subject to the Law of 13 July 2005 on pension funds in the form of an ASSEP or a SEPCAV as amended. This law transposes the EU Directive 2341/2016. PECOMA Actuarial and Risk S.A. has been appointed as administrator of the commitments. Accounting is carried out by Union Financial Service S.A. under a separate service provider agreement. The asset management of the GENO pension fund has been the responsibility of the Board of Directors of the GENO pension fund since 1 January 2019. The control of the investment restrictions is ensured by IPConcept (Luxemburg) S.A. The plan assets are a legally independent pension fund under Luxembourg law. The net fund assets attributable to DZ PRIVATBANK S.A. of EUR 93.1 million (2023: EUR 99.6 million) consist of investment fund units listed on an active market of EUR 103.2 million (of which intra-group: EUR 84.5 million), other assets of EUR 2.9 million and other liabilities of EUR -13.0 million.

Within the framework of the financing plan, the participating companies make contributions from their employees and, if necessary, offset actuarial gains and losses and shortfalls from investment income. Contributions are allocated to contributors in accordance with the specific regulations. The investment income of the sub-fund is distributed among the contributors on the basis of the proportionate share of net assets at the beginning of the year. Each contributor shall be responsible for the obligations determined in this way.

The pension fund entitlements are as follows:

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Active members | 961 | 935 |
| Former employees with vested benefits | 119 | 146 |
| Pensioners | 0 | 0 |
| **Total** | **1,080** | **1,081** |
| Average future years of service of active members (years) | 19.47 | 19.52 |
| Duration of the DBO | 5.92 | 6.23 |

The bases of accounting are as follows:

| **Calculation bases** | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Exchange rate | 3.40% | 3.20% |
| Expected return on plan assets | 3.40% | 3.20% |
| Salary development | 3.50% | 3.50% |
| Index development | n/a | n/a |
| Pension development | n/a | n/a |
| Fluctuation (until vested benefits are received) | 6.00% | 6.00% |
| Mortality tables | n/a | n/a |

The actuarial valuation is derived from this as follows:

| **Figures in TEUR** | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Pension obligation | 93,718 | 102,390 |
| Pension obligation without lump-sum tax | 93,615 | 101,905 |
| Pension obligation for lump-sum tax | 103 | 485 |
| Plan assets | 93,123 | 99,585 |

| **Figures in TEUR** | For the year 2025, anticipated | For the year 2024 | For the year 2023 |
|---|---|---|---|
| Service cost | 6,345 | 6,026 | 5,540 |
| Service cost excluding lump-sum tax (incl. interest) | 5,248 | 4,984 | 4,582 |
| Service cost for lump-sum tax (incl. interest) | 1,097 | 1,042 | 958 |
| Interest expense | 2,948 | 3,066 | 3,539 |
| Interest expense on pension obligations excluding lump-sum tax | 2,945 | 3,051 | 3,528 |
| Interest expense on pension obligations for lump-sum tax | 3 | 15 | 11 |
| Expected return on plan assets | 2,928 | 2,977 | 3,474 |

The cash flow is set out as follows:

| **Figures in TEUR** | For the year 2025, anticipated | For the year 2024 | For the year 2023 |
|---|---|---|---|
| Payments from plan assets | 14,000 | 13,526 | 7,267 |
| Repayments to employers from plan assets | 0 | 0 | 0 |
| Transfers to/from plan assets | 0 | 223 | -713 |
| Premium/addition to plan assets | 5,038 | 2,831 | 4,341 |
| Payments from pension obligations | 14,000 | 13,526 | 7,267 |
| Transfers to pension obligations | 0 | 223 | -713 |
| **Taxes** | **1,033** | **605** | **1,103** |
| Lump-sum tax of 20% | 1,008 | 566 | 868 |
| IGSS fee of 0.9% | 25 | 39 | 235 |

The sensitivity of the main hypotheses is as follows:

| **Figures in TEUR** | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Decrease in pension obligations due to increase in actuarial interest rate by 50 basis points | -3,235 | -3,640 |
| Increase in pension obligations due to reduction in actuarial interest rate by 50 basis points | 3,290 | 2,907 |
| Increase in pension obligations due to increase in funding age (retirement age assumed for valuation): +1 year | 6,512 | 7,115 |
| Decrease in pension obligations due to decrease in funding age (retirement age assumed for valuation): -1 year | -7,018 | -7,765 |

The defined benefit pension obligation (net) related to the GENO pension fund, consisting of the present value of the defined benefit pension obligation and the fair value of plan assets, develops as follows:

| Figures in TEUR | Present value of the defined benefit obligation (incl. lump-sum tax) | Fair value of plan assets | Benefit pension obligation (net) |
|---|---|---|---|
| **As at: 1 January 2023** | **-99,021** | **97,255** | **-1,765** |
| Current service cost | -5,539 | | -5,539 |
| Interest costs | -3,539 | | -3,539 |
| Expected return on capital | | 3,474 | 3,474 |
| Transfers | 713 | -713 | 0 |
| Contributions | | 4,341 | 4,341 |
| Pension benefits paid | 7,267 | -7,267 | 0 |
| Lump-sum tax paid | 1,103 | | 1,103 |
| Actuarial losses/gains | -3,373 | 2,494 | -878 |
| *of which experience-based* | 219 | | 219 |
| *of which: due to change* | *-3,592* | | -3,592 |
| **As at: 31 December 2023** | **-102,390** | **99,585** | **-2,805** |
| | | | |
| **As at: 1 January 2024** | **-102,390** | **99,585** | **-2,805** |
| Current service cost | (6,026) | | -6,026 |
| Interest costs | (3,066) | | -3,066 |
| Expected return on capital | | 2,977 | 2,977 |
| Transfers | -223 | 223 | 0 |
| Contributions | | 2,831 | 2,831 |
| Pension benefits paid | 13,526 | -13,526 | 0 |
| Lump-sum tax paid | 605 | | 605 |
| Actuarial losses/gains | 3,855 | 1,033 | 4,888 |
| *of which experience-based* | 2,426 | | 2,426 |
| *of which: due to change* | *1,428* | | 1,428 |
| **As at: 31 December 2024** | **-93,718** | **93,123** | **-596** |

The actuarial result for the 2024 financial year amounted to EUR +4.9 million (2023: EUR -0.9 million) and is comprised of the following:

- Defined benefit obligation of EUR +3.9 million (2023: EUR -3.4 million), of which EUR +2.5 million (2023: EUR +0.2 million) is based on experience and EUR +1.4 million (2023: EUR -3.6 million) is due to changes in interest rate assumptions
- Plan assets with EUR +1.0 million (2023: EUR +2.5 million)

The cumulative value of actuarial losses as of 31 December 2024 is EUR 25.6 million (2023: EUR 30.5 million).

In addition to the pension commitments explained above, there are additional individual commitments for senior employees of DZ PRIVATBANK S.A. in the amount of EUR 2.9 million (2023: EUR 2.6 million) with an actuarial result for the 2024 financial year of TEUR +153 (2023: TEUR -685) and an addition of TEUR 441 (2023: TEUR 327) recognised in profit or loss. The cumulative value of actuarial gains and losses as of 31 December 2024 is TEUR +1,832 (2023: TEUR +1,679).

## 87. Auditor's fee

The total fee calculated by the auditors PricewaterhouseCoopers, Société coopérative, Luxembourg, for the financial year, broken down by type of service for DZ PRIVATBANK S.A., is as follows:

| Figures in TEUR | 2024 | 2023 |
|---|---|---|
| Audit services | 582 | 412 |
| Other confirmation services | 208 | 63 |
| Other services | 141 | 114 |
| **Total** | **931** | **589** |

The fees for audit services include the expenses for the audit of the local annual financial statements in Luxembourg as well as the audit of the Group reporting package to DZ BANK AG as of 31 December 2024.

## 88. Remuneration of the Board of Management and the Supervisory Board

The remuneration of the Board of Management of DZ PRIVATBANK S.A. and the Supervisory Board is summarised in the following table (excluding benefits relating to the company pension scheme):

| Figures in TEUR | 2024 | 2023 |
|---|---|---|
| **Remuneration of the Board of Management** | **2,827** | **2,051** |
| Fixed benefits | 2,442 | 1,752 |
| Variable benefits | 385 | 299 |
| **Total remuneration of former members of the Board of Management** | **79** | **91** |
| of which variable benefits | 79 | 91 |
| **Remuneration of the Supervisory Board** (short-term benefits) | **138** | **155** |

The transfer to the GENO pension fund as part of the company pension plan amounts to TEUR 227 for the Board of Management (2023: TEUR 147).

## 89. Share-based payment

The share-based payment is explained in section 24.

The following overview shows the development of share-based remuneration components not paid out to the Board of Management at DZ PRIVATBANK S.A.:

| Figures in TEUR | 2024 | 2023 |
|---|---|---|
| **Share-based payment not paid out as of 1 January** | **3,486** | **2,616** |
| Remuneration granted in the reporting period | 1,058 | 1,266 |
| Payment of remuneration granted in the 2023 financial year | -125 | -128 |
| Payment of remuneration granted in previous years | -339 | -268 |
| Reduction in share-based payment | 0 | 0 |
| **Share-based payment not paid out as of 31 December** | **4,080** | **3,486** |

In addition, risk takers have an unpaid share-based payment of TEUR 354 (2023: TEUR 456) within the meaning of the regulatory requirements.

## 90. Relationships with related companies and persons

The Bank considers related companies to be all group companies of DZ PRIVATBANK S.A. and DZ BANK Group.

Transactions with Group companies mainly consist of holding securities in safekeeping, money market and foreign exchange trading and the purchase and sale of derivative instruments. Compliance with the arm's-length principle is mandatory.

Relationships with related companies were as follows as of the balance sheet date:

| Figures in TEUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Assets** | **440,436** | **232,560** |
| Receivables from banks | 440,436 | 232,558 |
| incl. DZ BANK AG | 432,528 | 232,528 |
| of which: subsidiaries | 7,908 | 30 |
| Loans and advances to clients | 0 | 2 |
| **Liabilities** | **2,122,758** | **2,315,128** |
| Liabilities to banks | 115,768 | 28,409 |
| of which to DZ BANK AG | 99,367 | 4 |
| of which to subsidiaries of DZ PRIVATBANK S.A. | 16,401 | 28,405 |
| Liabilities to clients | 239,322 | 172,640 |
| of which to subsidiaries of DZ PRIVATBANK S.A. | 32,391 | 38,848 |
| Securitised liabilities | 1,767,669 | 2,114,078 |
| of which to DZ BANK AG | 1,696,910 | 2,044,324 |
| of which to subsidiaries of DZ PRIVATBANK S.A. | 70,758 | 69,755 |
| **Off-balance sheet transactions** | **0** | **0** |
| **Total** | **2,563,194** | **2,547,687** |

The following expenses and income were incurred in connection with transactions with related companies:

| Figures in TEUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Income** | **88,786** | **69,272** |
| Interest income | 14,318 | 7,300 |
| of which to DZ BANK AG | 12,861 | 6,665 |
| of which to subsidiaries of DZ PRIVATBANK S.A. | 1,346 | 224 |
| Commission income | 65,285 | 56,585 |
| of which to subsidiaries of DZ PRIVATBANK S.A. | 20,796 | 19,325 |
| Income from Group services | 9,183 | 5,388 |
| of which to subsidiaries of DZ PRIVATBANK S.A. | 8,697 | 4,976 |
| | | |
| **Expenses** | **19,375** | **30,376** |
| Interest expense | 5,758 | 17,459 |
| of which to DZ BANK AG | 2,498 | 13,538 |
| of which to subsidiaries of DZ PRIVATBANK S.A. | 2,155 | 2,342 |
| Commission expenses | 13,098 | 12,664 |
| Expenses from Group services | 519 | 253 |

Related parties are persons in key positions who are directly or indirectly responsible for planning, managing and monitoring the activities of DZ PRIVATBANK S.A. and their close family members. At DZ PRIVATBANK S.A., the members of the Board of Management and the Supervisory Board are counted as key management personnel for the purposes of IAS 24. At the end of the financial year, there were no credits, loans and loan commitments (2023: TEUR 20) to related parties.

In addition, persons in key positions and their close family members as well as non-related persons have the opportunity to make use of further financial services of DZ PRIVATBANK S.A. Where use was made of this option, transactions were concluded at market conditions.

## 91. Events after the reporting period

No events of particular significance occurred after the balance sheet date.

# COMMITTEES

## SUPERVISORY BOARD

### JOHANNES KOCH

CHAIRMAN

Member of the Board of Management

DZ BANK AG

Deutsche Zentral-Genossenschaftsbank,

Frankfurt am Main

(since 09.04.2024)

### UWE FRÖHLICH

CHAIRMAN

(until 09.04.2024)

### DR CHRISTIAN BRAUCKMANN

VICE-CHAIRMAN

Member of the Board of Management

DZ BANK AG

Deutsche Zentral-Genossenschaftsbank,

Frankfurt am Main

### KLAUS KÖNIGS

Chairman of the Board of Management

VR Bank Lahn-Dill eG,

Dillenburg

### RALF BAUMBUSCH

Member of the Board of Management

VR-Bank Ostalb eG,

Aalen

### HANS-PETER LECHNER

Member of the Board of Management

VR Bank Metropolregion Nürnberg eG,

Neustadt an der Aisch

STEPHAN HEINISCH

Member of the Board of Management

Volksbank Freiburg eG

Freiburg

(since 09.04.2024)

TANJA MÜLLER-ZIEGLER

Member of the Board of Management

German Volksbanken Raiffeisenbanken

cooperative financial network e.V. (BVR)

Berlin

ANDREAS OTTO

Chairman of the Board of Management

Volksbank im Bergischen Land eG

Remscheid

JÜRGEN PÜTZ

Chairman of the Board of Management

Volksbank Köln Bonn eG,

Bonn

JÜRGEN WACHE

Chairman of the Board of Management

Hannoversche Volksbank eG,

Hanover

## BOARD OF MANAGEMENT

**PETER SCHIRMBECK**

CHAIRMAN

**STEFAN BIELMEIER**

**ARASCH CHARIFI**

**DR FRANK MÜLLER**

## ADVISORY BOARD

As of: 31 December 2024

### JÖRG LINDEMANN

CHAIRMAN OF THE ADVISORY BOARD

Member of the Board of Management

Volksbank Darmstadt Mainz eG,

Mainz

### MARCO BECKBISSINGER

Member of the Board of Management

VR Bank Heilbronn Schwäbisch Hall eG,

Heilbronn

### CHRISTINA OPITZ

VICE-CHAIRMAN

Member of the Board of Management

GLS Gemeinschaftsbank eG,

Bochum

### CARSTEN CLEMENS

Chairman of the Board of Management

VR-Bank Landau-Mengkofen eG,

Landau

### MATTHIAS BATTEFELD

Member of the Board of Management

Hannoversche Volksbank eG,

Hanover

### ERWIN EINZIGER

Deputy Chairman of the Board of Management

VR-Bank Mittelfranken Mitte eG,

Ansbach

STEPHAN HEINISCH

Member of the Board of Management

Volksbank Freiburg eG,

Freiburg

(until 09.04.2024)

PETRA KALBHENN

Member of the Board of Management

VR Bank Main-Kinzig-Büdingen eG,

Büdingen

JÜRGEN HELD

Chairman of the Board of Management

Volksbank Leonberg-Strohgäu eG,

Leonberg

ROLAND KREBS

Chairman of the Board of Management

Volksbank in Südwestfalen eG,

Siegen

STEFAN HOFFMANN

Chairman of the Board of Management

Volksbank Beckum-Lippstadt eG,

Lippstadt

MICHAEL C. KUCH

Member of the Board of Management

VR Bank RheinAhrEifel eG,

Koblenz

CLIFFORD JORDAN

Member of the Board of Management

VR Bank Südpfalz eG,

Landau

DIMITRIOS MELETOUDIS

Deputy Chairman of the Board of Management

Volksbank Kraichgau eG,

Wiesloch

ARNOLD MILLER

Chairman of the Board of Management

Volksbank Bodensee-Oberschwaben eG,

Tettnang

THOMAS RUFF

Member of the Board of Management

Volksbank eG Bad Laer-Borgloh-Hilter-Melle,

Hilter

CLAUS REDER

Deputy Chairman of the Board of Management

Volksbank Raiffeisenbank Würzburg eG,

Wurzburg

MANFRED SCHÄTZ

Member of the Board of Management

Volksbank Raiffeisenbank Fürstenfeldbruck eG,

Fürstenfeldbruck

MICHAEL REITZ

Member of the Board of Management

Volksbank Sauerland eG,

Arnsberg

CARLO SEGETH

Chairman of the Board of Management

Bank 1 Saar eG,

Saarbrücken

HANS-CHRISTIAN REUß

Member of the Board of Management

Volksbank Kassel Göttingen eG,

Kassel

ROLAND SEIDL

Member of the Board of Management

meine Volksbank Raiffeisenbank eG,

Rosenheim

REMO TEICHERT

Member of the Board of Management

Volksbank Dresden-Bautzen eG,

Dresden

DR EKKEHARD THIESLER

Chairman of the Board of Management

Bank für Kirche und Diakonie eG – KD Bank,

Dortmund

MARK UHDE

Member of the Board of Management

Volksbank eG Braunschweig Wolfsburg,

Wolfsburg

(until 16.01.2024)

# DIVISIONS OF DZ PRIVATBANK

BUSINESS RISK & B2C-MANAGEMENT

Georg Röder

SUSTAINABILITY (CSR)

Corinna Frank

COMPLIANCE / MONEY LAUNDERING / DATA PROTECTION / INFORMATION SECURITY & RISK

Christian Brüne

OPERATIONS/SERVICES

Ayhan Güler

FUND SERVICES
BUSINESS DEVELOPMENT / CLIENTS

Silvia Mayers

ORGANISATION / IT / ADMINISTRATION

Alexander Neumann

FUND ADMINISTRATION DEPOSITARY

Ulrich Juchem

HUMAN RESOURCES

Anja Kayser-Cieciora

FUND SERVICES KVG SERVICES / REGTA / DATA & PROCESSES

Marco Onishchenko

PORTFOLIO MANAGEMENT

Barbara Landau

BUSINESS AREA DEVELOPMENT AND PROCESSES PRIVATE BANKING & LUXCREDIT

Alexander Stoll

PROJECT PORTFOLIO MANAGEMENT

Ruth Kremer

GROUP STRATEGY, COMMITTEES & MARKETING

Dr Dominique Lammer

LAW / CLIENT TAXES

Bernd Wagner

INTERNAL AUDIT

Axel Rau

TREASURY / BROKERAGE

Thomas Gehlen

CREDIT RISK MANAGEMENT

Christian Deisenhofer

CORPORATE PLANNING

Dr Christian Elbert

SALES VRB & ADVISORY MANAGEMENT

Michael Lemke

WEALTH MANAGEMENT SOLUTIONS'

Mathias Semar

PRIVATE BANKING & LUXCREDIT SALES

Alexander Stoll (com.)

## MANDATES OF THE BOARD OF MANAGEMENT

| **Peter Schirmbeck** | **Mandate** | **Company** |
|---|---|---|
| Chairman of the Board of Management<br><br>DZ PRIVATBANK S.A. | Chairman of the Board of Directors | DZ PRIVATBANK (Schweiz) AG |
| | Member of the Board of Directors | GENO-Pensionsfonds (assep) |

| **Stefan Bielmeier** | **Mandate** | **Company** |
|---|---|---|
| Member of the Board of Management<br><br>DZ PRIVATBANK S.A. | Chairman of Board of Directors | GENO-Pensionsfonds (assep) |

| **Dr Frank Müller** | **Mandate** | **Company** |
|---|---|---|
| Member of the Board of Management<br><br>DZ PRIVATBANK S.A. | Member of the Board of Directors | DZ PRIVATBANK (Schweiz) AG |
| | Chairman of the Supervisory Board | IPConcept (Luxemburg) S.A. |
| | Chairman of the Board of Directors | IPConcept (Schweiz) AG |
| | Member of the Board of Directors | GENO-Pensionsfonds (assep) |

**Audit report**

To the Board of Managers of
**DZ PRIVATBANK S.A.**

## Report on the audit of the financial statements

### Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of DZ PRIVATBANK S.A. (the "Bank") as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

*What we have audited*

The Bank's financial statements comprise:

- the balance sheet as at 31 December 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the cash flow statement for the year then ended; and
- the annex to the financial statements, including material accounting policy information and other explanatory information.

### Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

The non-audit services that we have provided to the Bank and its controlled undertakings, if applicable, for the year then ended, are disclosed in Note 87 to the financial statements.

*PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg*
*T : +352 494848 1, F : +352 494848 2900, www.pwc.lu*

*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)*
*R.C.S. Luxembourg B 65 477 - TVA LU25482518*

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| *Valuation of shares in subsidiaries* | |
| DZ PRIVATBANK S.A. reports in its balance sheet, under the item "Financial assets," shares in subsidiaries with a carrying amount of EUR 223.1 million (previous year: EUR 223.1 million), which are accounted for at cost in accordance with IAS 27. The bank's disclosures regarding the valuation of shares in subsidiaries are included in the annex to the financial statements under Note 17 "Financial assets" A breakdown of this balance sheet item is presented in Note 44 "Financial assets" The main component of this item is the shares held in DZ PRIVATBANK (Switzerland) AG (the "PBCH") (carrying amount: EUR 215.1 million). The impairment of the share in PBCH is reviewed annually and as required as part of an internal company valuation.<br><br>The valuation is determined by the Board of Managers based on the expected net cash flows, which are derived from the subsidiary's operational and strategic planning and discounted using a risk-free interest rate adjusted for a risk premium and a growth factor.<br><br>The values contained in these plans are based on assumptions that require the Bank's Board of Managers to exercise discretion or make estimates. In particular, current uncertainties regarding future economic developments impact these assumptions.<br><br>Furthermore, when determining the capitalized value, assumptions must be made, particularly regarding the return on an alternative investment with an adequate risk and maturity profile, in order to derive the capitalization rate and growth rate to be applied to the net cash flows in the budget. | We reviewed the net cash flows and key valuation assumptions underlying the applied valuation model, maintaining a critical approach with regard to their methodological appropriateness and mathematical accuracy. To assess the appropriateness of the forecasted net cash flows, we conducted a historical assessment of PBCH's performance and financial development and, taking into account other, supplementary information, verified the plausibility of the other parameters and planning assumptions. In this context, we assessed the reliability of the planning accuracy through a historical comparison of planned and actual figures.<br><br>With regard to the capitalization rate used and the parameters underlying it, we examined whether these were consistent with external sources and studies on market risk premiums in Switzerland. To assess the adequacy of the distributable equity included in the budget, we retraced the capital planning modeling and, in addition to assessing the regulatory capital requirements, also approximated the necessary economic equity.<br><br>Overall, we verified the appropriateness of the earnings value determined by the bank based on our own sensitivity calculations. |

During the audit, we identified this matter as a key audit matter because the valuation of the shares in subsidiaries is based to a large extent on assumptions made by management, which involve estimates or judgments. Our focus was on the valuation of the investment in PBCH, which had a carrying amount of EUR 215.1 million as at 31 December 2024.

**Other information**

The Board of Managers is responsible for the other information. The other information comprises the information stated in the operations report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Board of Managers for the financial statements**

The Board of Managers is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Managers is responsible for assessing the Bank’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

**Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. 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 financial statements.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, 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 opinion. 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 control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers;

- conclude on the appropriateness of the Board of Managers' 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 Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Bank to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

## Report on other legal and regulatory requirements

The operations report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

We have been appointed as “Réviseur d’Entreprises Agréé” by the Supervisory Board on 12 March 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 4 years.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 13 March 2025

Björn Ebert

**Disclaimer**

Only the German version of the present financial statements has been reviewed by the Auditor. Consequently, the audit report refers to the German version, other versions result from a conscientious translation made under the responsibility of the Board of Directors. In case of differences between the German version and the translation, the German version shall prevail.

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HANOVER

MUNICH

NUREMBERG

STUTTGART

LUXEMBOURG

ZURICH

DZ PRIVATBANK is the cooperative private bank of the Volksbanken Raiffeisenbanken and specialises in the revenue business segments Private Banking, Fund Services, LuxCredit and Treasury / Brokerage in all common currencies.
We offer our customers service-driven and cooperative values such as partnership, stability and security.