

Green Pfandbrief

Bausparkasse Schwäbisch Hall AG

2025



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Bausparkasse Schwäbisch Hall at a Glance



One of the largest German mortgage lenders with a **loan book of >€67 billion** and the **largest German Bausparkasse** (home savings and loan association) with a market share of approximately **35%**



Distinctive statutory mandate §1 BauSparkG*
Residential real estate financing with a focus on private retail customers



Approximately **6 million customers** in Germany



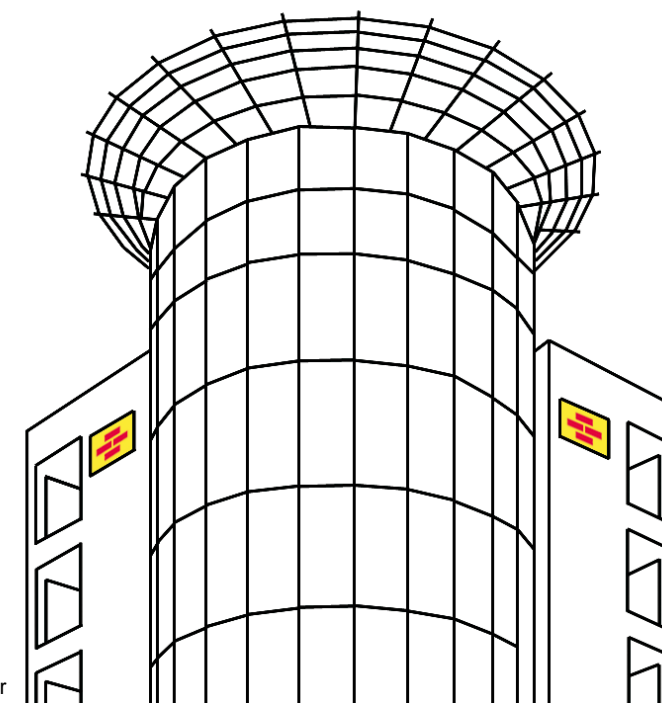
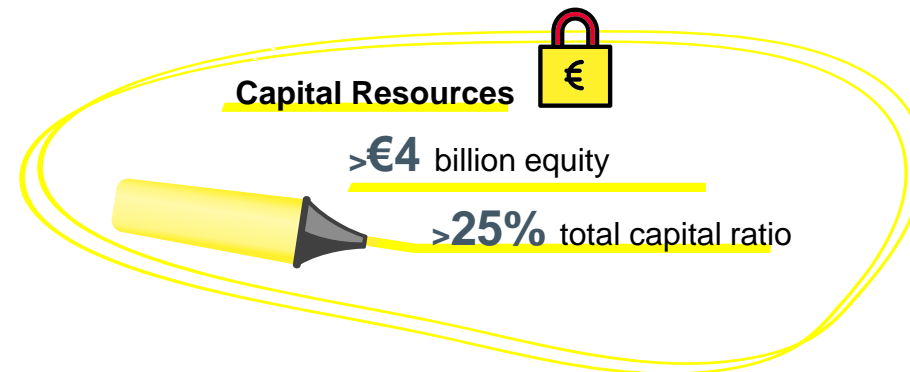
Since Pfandbrief license granted in 2019:
>€4.5 billion Mortgage Pfandbriefe issued – thereof **€1 billion Green**



Aaa Pfandbriefe **Aa2** bank
ratings by **Moody's Investors Service** – outlook: **stable**



Integral part of the German **Cooperative Financial Network** Volksbanken Raiffeisenbanken with approximately **670** cooperative banks and total assets of **>€1,500 billion** on a consolidated basis



* German Building and Loan Associations Act

Data as of 12/31/2024 or later

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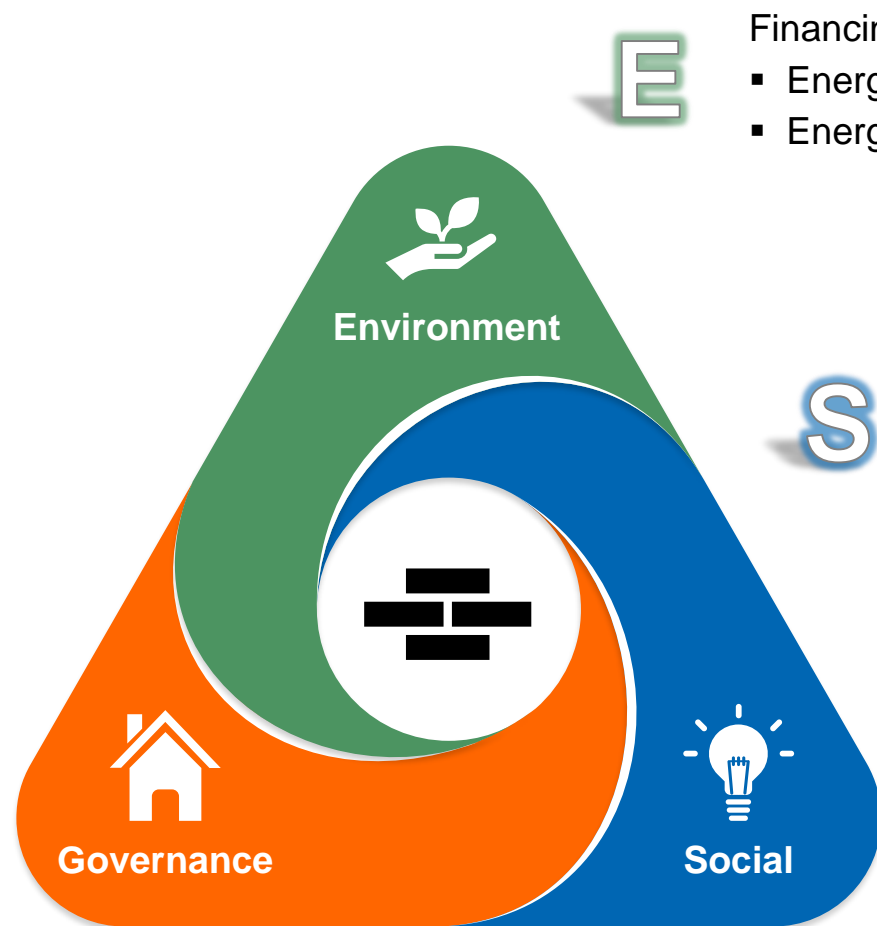
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Sustainability is Part of the DNA of a Cooperative Bausparkasse



E

Financing of...

- Energy-efficient **residential real estate**
- Energy-efficient **renovations & modernisations**

S

- Easy-accessible, secure and long-term **wealth creation** by promoting private home ownership
- Access to **government support** (e.g. housing subsidy) for broad sections of the population
- Property-based private **retirement provision**

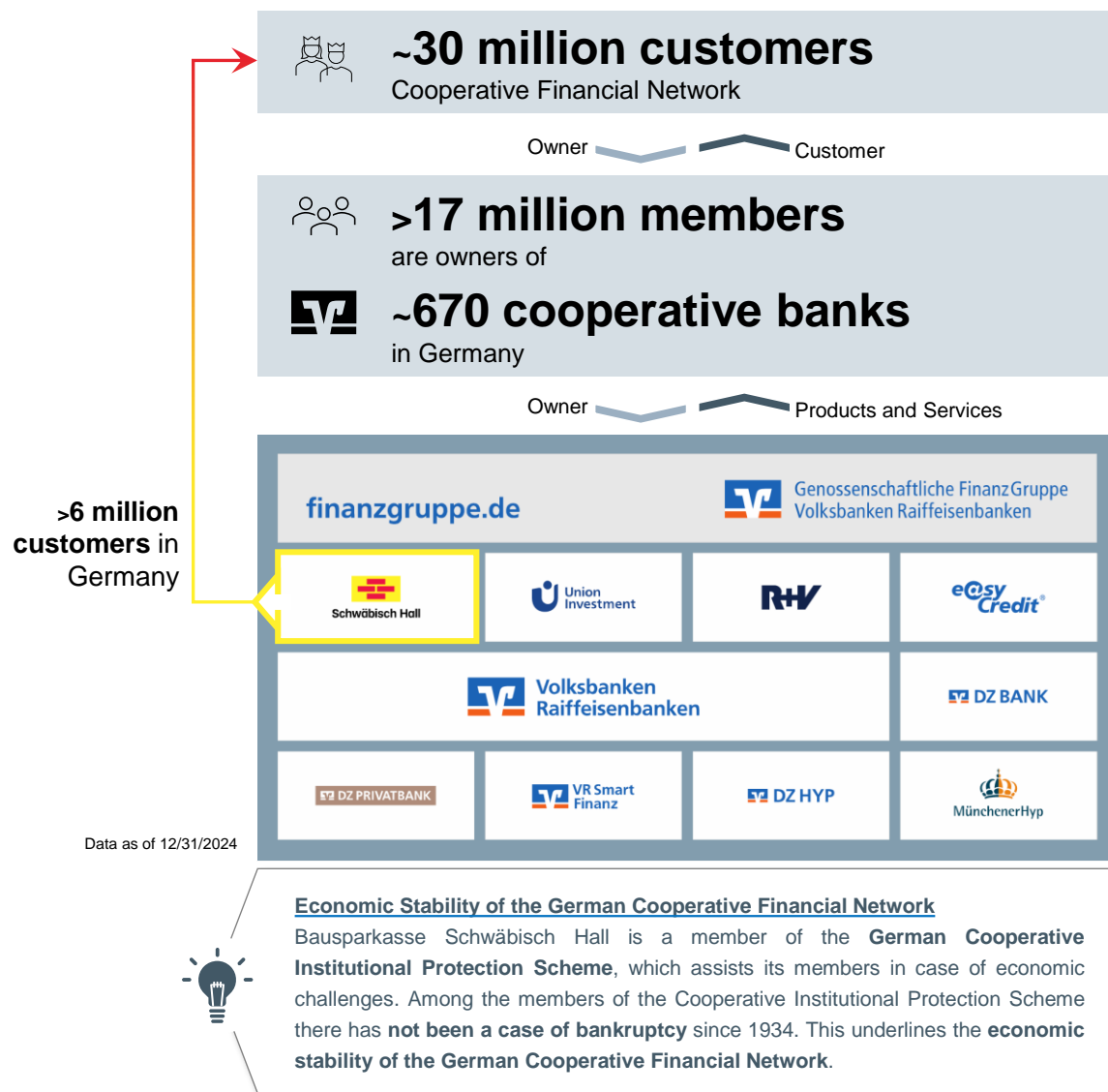
G

- **Value-based business model** for the benefit of the cooperative bank members as ultimate owners
- **Bauspar collective**: Strong community of Bauspar customers enables mutual real estate savings

Commitments



The Sustainable Values of the Cooperative Financial Network are an Integral Part of Schwäbisch Hall



Stronger Together

We belong to the Volksbanken Raiffeisenbanken Cooperative Financial Network - Did you know? The cooperative idea is UN World Heritage

Our Customers are our Owners

We are committed to 17 million members of cooperative banks that own our parent company DZ BANK

Creating and Preserving Homes

We support our clients in long-term wealth creation and private retirement provision through owner-occupied residential property

Awareness of the Impact of Sustainable Living

We finance the climate and energy transition in private residential real estate in order to enable future generations to live in harmony with our environment

Since 1931

...we have been acting sustainably and are focused on long-term success

Bausparen Promotes Sustainability in the Society

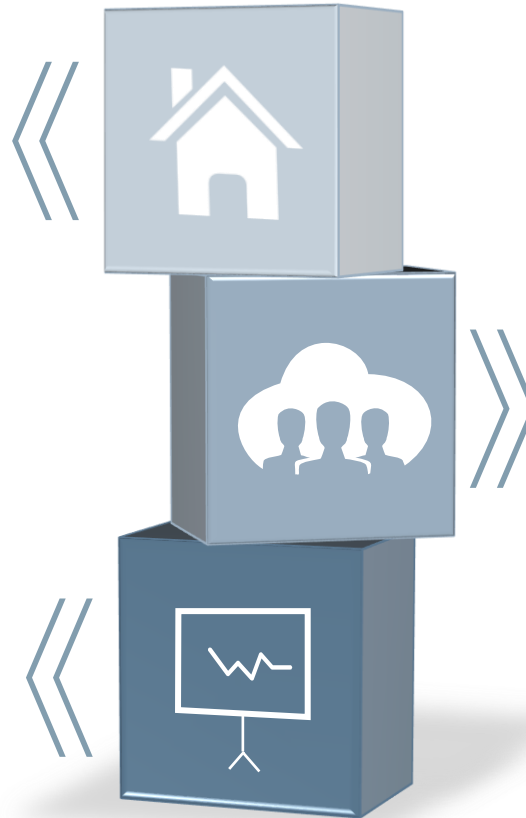


Bausparen as Enabler of Home Ownership

- **Bauspar savings** system enables **targeted savings** for housing
- Encouraging home ownership through **predictable low-interest** mortgage loans
- Owner-occupied housing provides **financial security** and wealth creation for individuals and society

Bausparen as Market Stabilizer

- Bausparen offers the opportunity to **build up capital** and fix **interest rates** on mortgage loans **long-term**
- Improving **creditworthiness** through **regular savings plans**
- Bausparen contributes to the long-term **stability of the residential real estate market** (this is also a reason for government subsidies for Bausparen)



Bausparen as Source of Wealth – Across Generations

- Secure **retirement provision** through robust property values of owner-occupied homes
- Long-term wealth creation through **higher savings rate of households with home ownership** supported by Bausparen
- **Rent-free owner-occupied housing** during retirement phase and intergenerational wealth transfer through **inheritance** of real estate properties

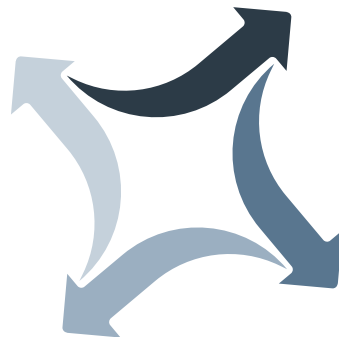
BSH's Sustainability Goals Support the Path to Net-Zero



Buildings account for
>30% of all CO2 emitted
in the EU



We have defined the
following actions:



BSH can make a difference:

As one of Germany's largest mortgage lenders BSH can make a difference by financing the climate and energy transition of private residential buildings.

BSH has set ambitious goals
for the future:



75% reduction in the **carbon footprint** of the
loan portfolio by 2040



Climate neutral business operations by 2043, with the interim target
of reducing CO2 emissions by 50% compared to 2019 levels until 2030



Targeted customer advice to drive modernization
(certified modernisation and subsidy advisors)



Targeted products, e.g. "FuchsEco" Bauspar tariff
and benefits for energy-efficient mortgages



Modernization of the headquarters
office buildings in the town of Schwäbisch Hall

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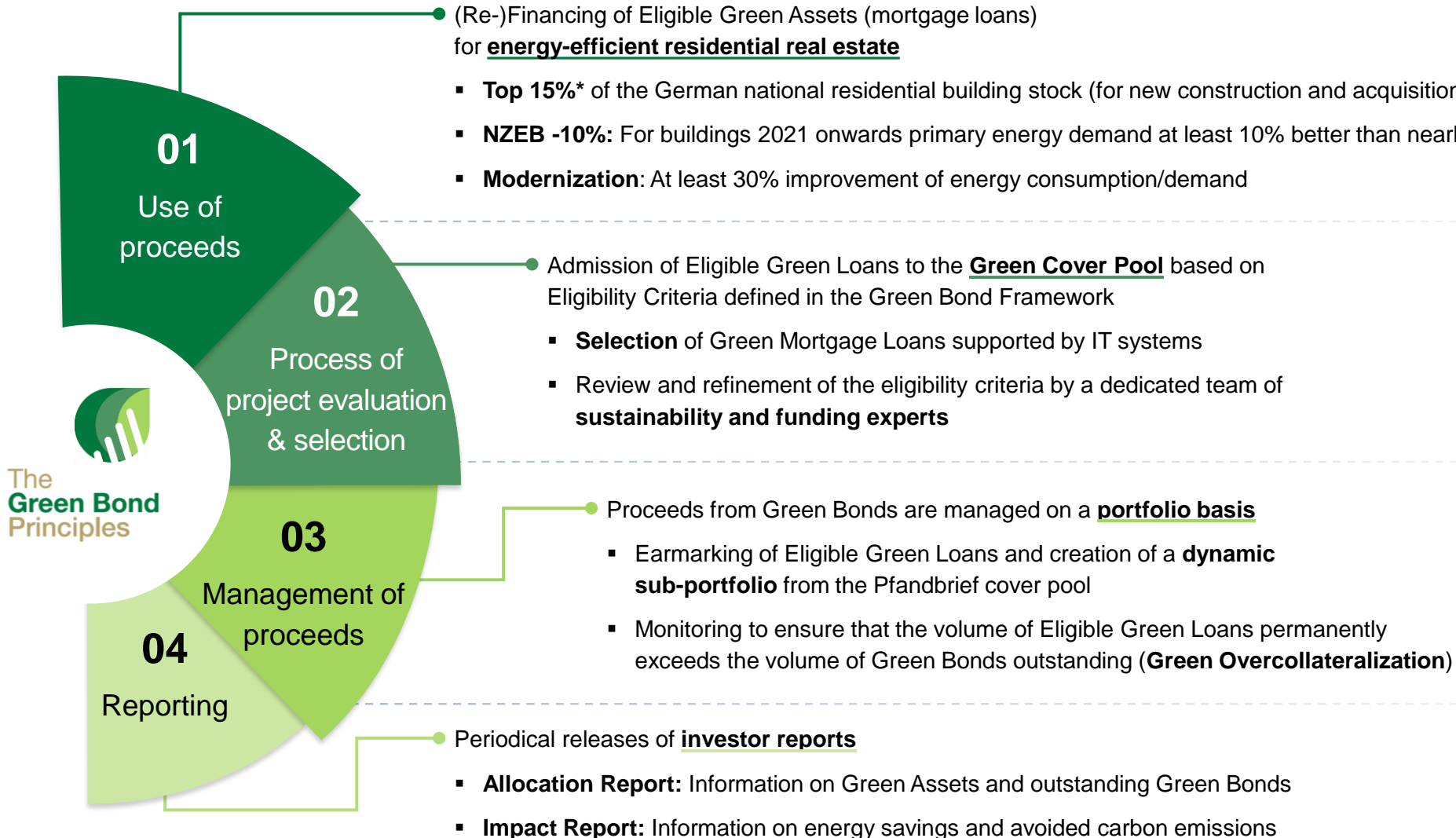
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Green Bond Framework Based on ICMA Green Bond Principles



New:
Framework 06/30/25



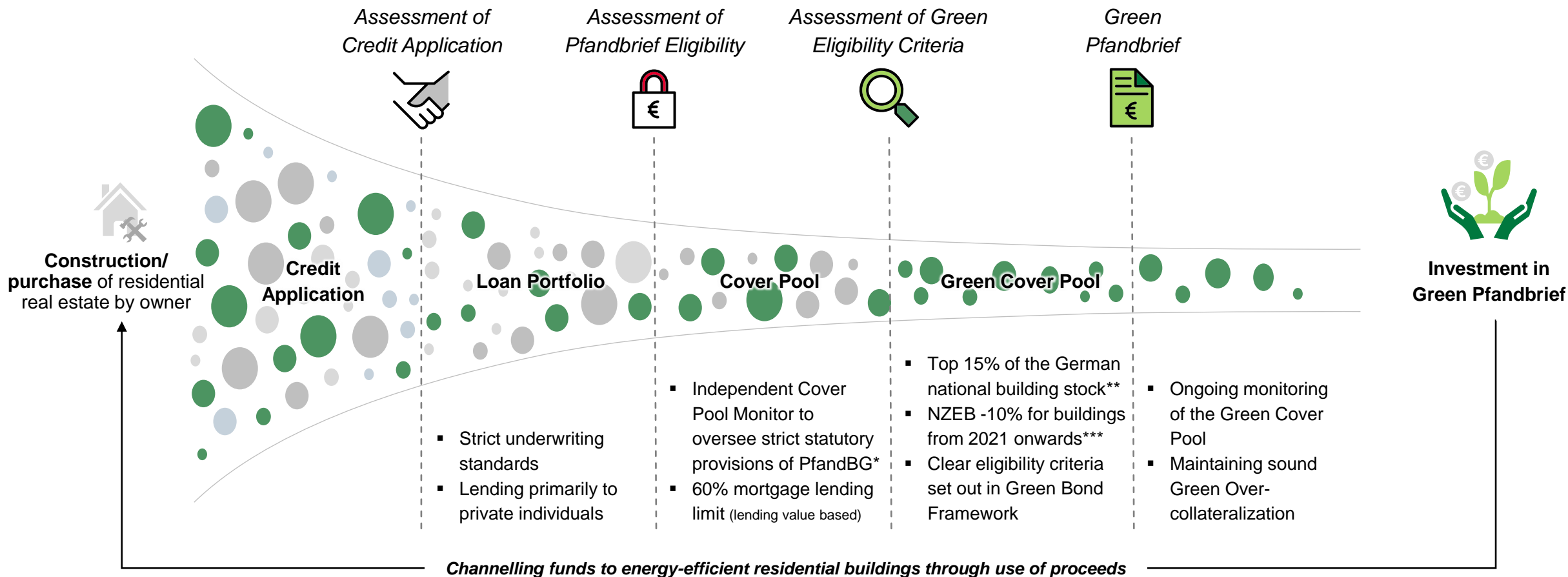
BSH issues Green Bonds solely as **Mortgage Pfandbriefe** in accordance with the Minimum Standards for Green Pfandbriefe of the Association of German Pfandbrief Banks (vdp) and the German Pfandbrief Act

* Drees & Sommer study for member institutes of the Association of German Pfandbrief Banks (vdp)

Sound Process for Admitting Loans to the Green Cover Pool



Credit Underwriting: From Residential Building to Green Bond Investment



* PfandBG: German Covered Bond Act (Pfandbriefgesetz)

** Drees & Sommer study for member institutes of the Association of German Pfandbrief Banks

*** NZEB: nearly zero energy building (NZEB criterium included with update of Green Bond Framework dated 06/30/2025)



Second Party Opinion by ISS-Corporate Confirms the Framework's Alignment With ICMA Green Bond Principles

Eligibility Criteria for Energy-Efficient Residential Properties

...that are (re-)financed by mortgage loans via Green Bonds

Construction / Acquisition

At least one of the criteria must be met



Buildings 2012 or newer (complying with German Building Energy Standard of **EnEV 2009** or newer)



Energy Efficiency Class **A or better**



Energy use/demand of **50 kWh/m²a or less**



Primary energy demand at least **10% below** nearly zero energy buildings national standard (**NZEB**)*



Reduction of energy consumption/demand of at least **30%**

Buildings
2020 and
earlier

Buildings
2021 and later

Renovation / Modernization



Contribution to the UN Sustainable Development Goals



UN SDG 7:
Affordable and clean energy



UN SDG 13:
Climate action

Second Party Opinion on BSH's Green Bond Framework

ISS-Corporate confirms:

- Compliance of Green Bond Framework with ICMA Green Bond Principles (GBP)
- Sustainability impact contribution to the UN SDGs



The environmental and social risks associated with the use of proceeds categories and the financial institution are managed.

The Issuer can contribute to the achievement of the SDGs by providing specific services/products that help address global sustainability challenges.

”

ISS-Corporate, Second Party Opinion (SPO), 07/23/2025

* NZEB criterium included with update of Green Bond Framework dated 06/30/2025

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Proceeds Primarily (Re-)Finance Single-Family Detached Homes



Symbol pictures - for data protection reasons, no actual (re-)financed properties are shown.

Total Assets

Mortgage Loans

Pfandbrief Cover Pool

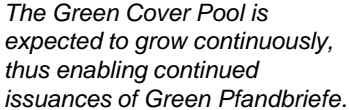
Green Pfandbrief Cover Pool



Loans for Single-family Homes are Primary Cover of the Green Pool

...in line with the corporate strategy

- "Creating and preserving homes" (corporate mission)
- Strategic focus on financing "building and living" with high social relevance
- ~80% of the green loan portfolio (re-)finances energy-efficient **single- and two-family houses**



Information related to the entire
Green Covered Bond Programme
of Bausparkasse Schwäbisch Hall
(Green Bond Framework dated
06/30/2023 & Green Bond
Framework dated 06/30/2025)

Data as of 06/30/2025

** NZEB: nearly zero energy building (NZEB criterium included with update of Green Bond Framework dated 06/30/2025)

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BSH Green Bonds Enable Energy-Savings and Avoidance of CO₂ Emissions



Step 1: Determining the Footprint



What are the energy consumption and CO₂ emissions of the energy-efficient residential buildings (re-)financed by Green Bonds?



Step 2: Determining the Baseline for Comparison



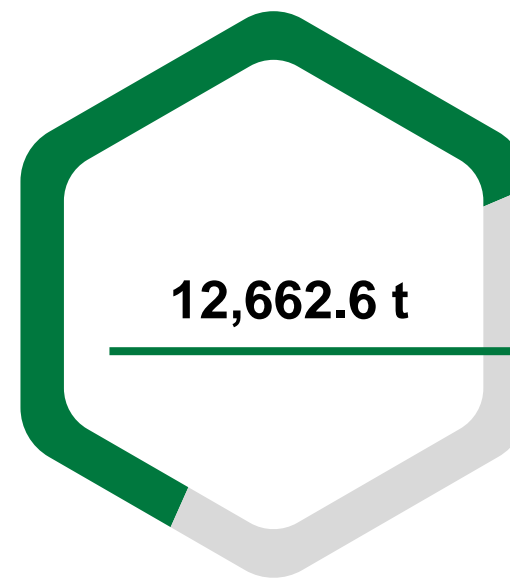
What are the energy consumption and CO₂ emissions of an average comparable building?



Step 3: Determining the Impact Contribution



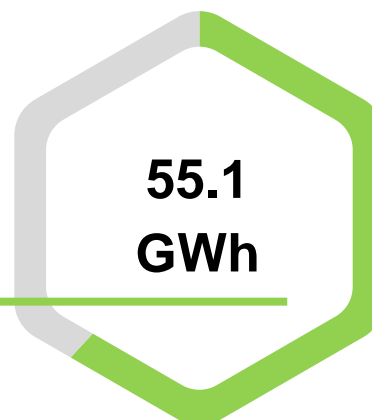
How much energy and CO₂ do the energy-efficient residential properties (re-)financed by Green Bonds save compared to the baseline?



Annual
Avoidance of
CO₂ emissions

Approximately equals carbon emission equivalents* of

- 12,000 cruises
- or
- 50 million kilometres by car
- or
- 8,500 transatlantic flights



Annual
Energy Savings

The contribution to CO₂ avoidance and energy savings has been estimated using a data-based model. This model reflects established industry-wide methodologies where appropriate, such as those suggested by the **Partnership of Carbon Accounting and of Financials Initiative (PCAF)**.



You can find detailed information in our impact report (dated 12/31/2024)

* Comparisons for illustration purposes only, based on the CO₂ calculator of the German Federal Environment Agency (https://uba.co2-rechner.de/de_DE/)

Use of Proceeds



Green Building

- 🌱 Energy savings
- 🌱 Avoidance of CO2 emissions



Real Estate Owner

- 🌱 Acquisition / construction / renovation of energy-efficient residential buildings
- 🌱 Takes out loan



Bausparkasse Schwäbisch Hall

- 🌱 Underwrites loans
- 🌱 (Re-)finances loans through Green Bonds



Green Bond Investor

- 🌱 Invests in Green Bonds
- 🌱 Provides funds for energy-efficient buildings



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