Bausparkasse Schwäbisch Hall AG

Investor Presentation

Summary 2024

Vision	– A leading provider of products and services in the cooperative Building and Living ecosystem in close cooperation with the cooperative banks
Mission	– To create and preserve homes
Position	– Sustainable real estate financing provider and part of the German Cooperative Banking Group – New business: housing financing €13.6 billion and Bausparen €28.1 billion
Earnings position/ Balance sheet	– €64m profit before tax (IFRS consolidated) – Total assets €82.7bn (IFRS consolidated)
Sales network	– Approximately 3,000 sales agents and almost 100% of cooperative banks
Customers	– Around 6.1m customers in Germany – Almost 1m customers outside Germany
Cover pool/ Rating	– Highly granular cover pool from purely residential loans – Our Pfandbriefe have been awarded the top Aaa rating
Funding	– The issuance of Pfandbriefe serves to refinance housing financing
Outlook	– Private households continue to be very keen to buy homes, but the market environment is challenging (including high inflation and interest rates). High volume of energy-efficient refurbishments expected in future – The energy renovation requirement is estimated at €80 billion p.a. in 2025[1] – The volume of (debt) financing in the housing financing business with private households in Germany is expected to be around €200 billion in 2025[2] – Stable Bauspar market expected at the level of 2024[3]

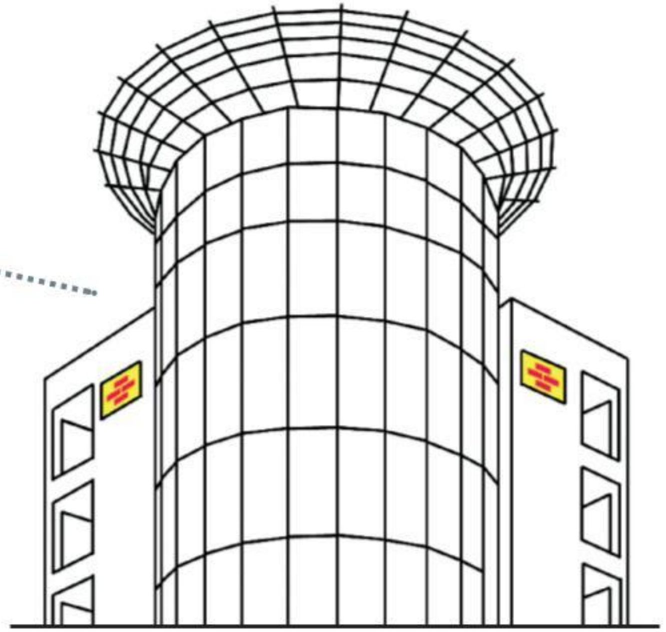
[1] Report of the Working Group for Contemporary Building: "Housing construction - the future of the existing building", February 2022, own calculations
[2] Housing financing: MAD - Research; German Bundesbank: MFI interest rate statistics as of 09/2023, own projections
[3] MAD - Research; Association of private building societies, own estimates

Agenda

Bausparkasse Schwäbisch Hall at a glance

Largest German
Bausparkasse with

34.7% market share



Around 7m customers

in Germany and abroad (around 6.1m in DE)

One of Germany’s largest providers
of housing finance with more than

Around €13.6bn new housing
financing business*

Around 7m contracts

More than €328bn Bauspar sum in the portfolio

*Includes other building loans, suspended repayment loans, bridging loans, *Bauspar* loans and housing financing brokered to institutions of the German Cooperative Banking Group.

Data as at: 31 Dec. 2024

Our Success Story

Continuous growth – for 90 years

1931 16 May: Established in Cologne as “Deutsche Bausparer AG, Bau-, Spar- und Entschuldungskasse”

1944 Schwäbisch Hall becomes the new head office due to wartime events

1956 Investment by “Raiffeisen-Zentralkassen” (agricultural credit cooperatives’ central institutions). New name: “Bausparkasse Schwäbisch Hall AG, Bausparkasse der Volksbanken und Raiffeisenkassen”

1975 The Schwäbisch Hall brand animal is born: The Bauspar fox takes the stage

from 1992 Establishment of in Eastern Europe (currently Slovakia) subsidiaries*

from 1994 Establishment of:
Schwäbisch Hall Training GmbH (SHT)
Schwäbisch Hall Kreditservice GmbH (SHK)
Schwäbisch Hall Facility Management GmbH (SHF)

2004 Bauspar starts in China (in four provinces since 2018)

2014 Evolution of business strategy: On the way to becoming a provider of housing finance with a Bausparen core business segment

from 2018 Establishment of: BAUFINEX: online sales platform Schwäbisch Hall Wohnen: digital sales Impleco: digital ecosystem for all aspects of “Building and Living“

2022 At €51.1 billion, best sales performance in the Company’s history

*minority interests

Bausparkasse Schwäbisch Hall AG in Germany

Strategic domestic investments

Schwäbisch Hall
Auf diese Steine können Sie bauen

Digital platform business / sales support

Schwäbisch Hall Kreditservice	Processing for Bauspar and lending business
VR KreditService – Wir sind Baufi FastLane!	Optimising housing financing processes
SHFM	Facilities management
BAUFINEX – Einfach. Vernetzt. Vor Ort.	Broker marketplace
Schwäbisch Hall Wohnen	Digital sales
Impleco – Implementing Ecosystems	Building and Living digital ecosystem
TRUUCO	Data-driven market cultivation solutions

Our Partners – the Basis of our Success

The German Cooperative Banking Group

Around **700** cooperative **banks**

Around **135,400** **employees**

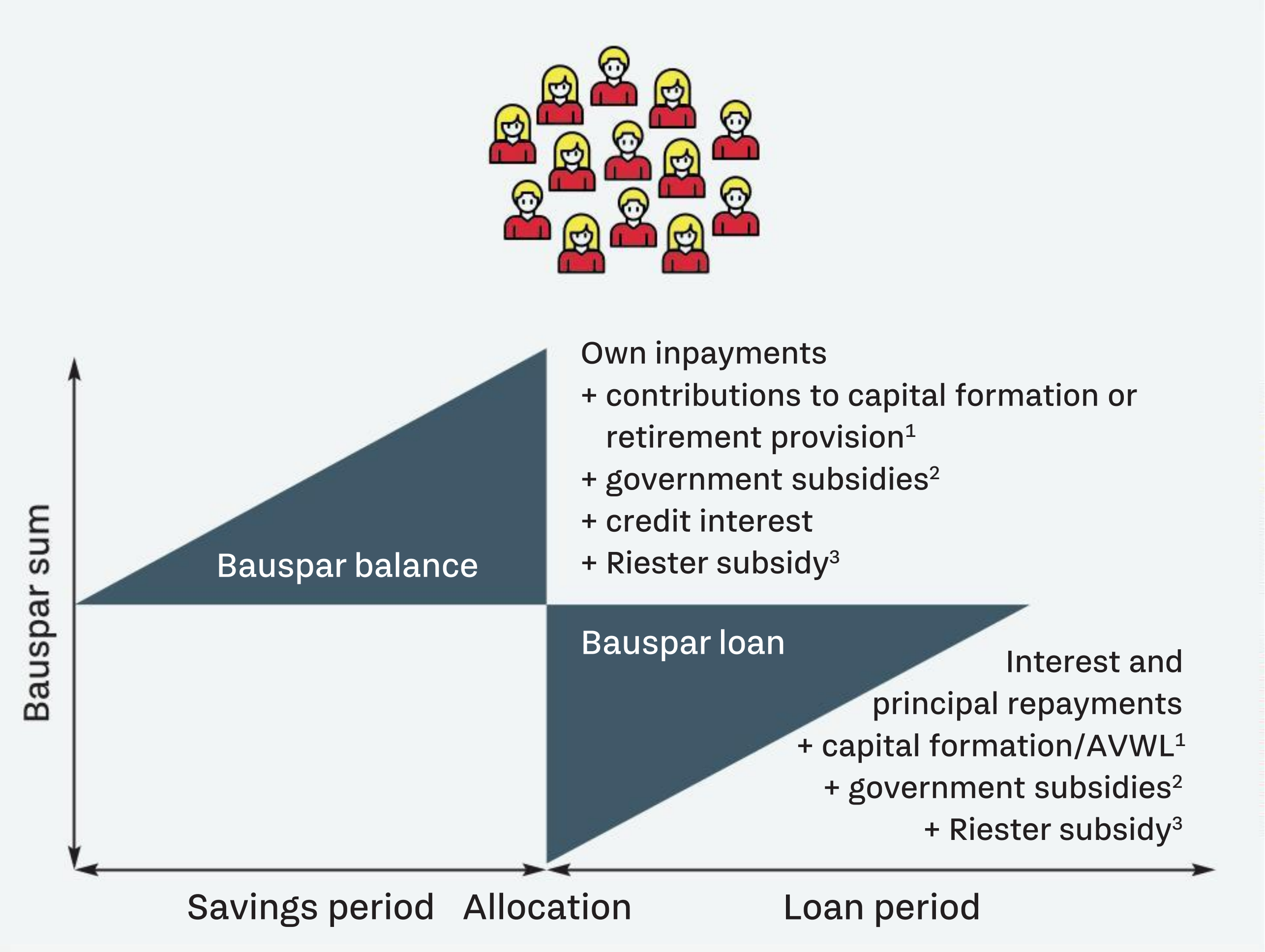
17.6 million **members**

A+/AA – Network rating
by Standard & Poor´s and Fitch Ratings

finanzgruppe.de
Genossenschaftliche FinanzGruppe Volksbanken Raiffeisenbanken

Schwäbisch Hall
Union Investment
R+V
easyCredit
DZ PRIVATBANK
Volksbanken Raiffeisenbanken
DZ BANK
VR Smart Finanz
DZ HYP
MünchenerHyp
reisebank

How Does Bausparen Work?



[1]AVWL: payments by employer in addition to salary depending on industry
[2]Income limits and other conditions apply
[3]If eligible/conditions are satisfied
[4]Other allocation conditions apply

Saving equity capital

For Bausparen, the customer enters into a **Bauspar contract** for a specific Bauspar sum and saves about half of this amount in regular instalments

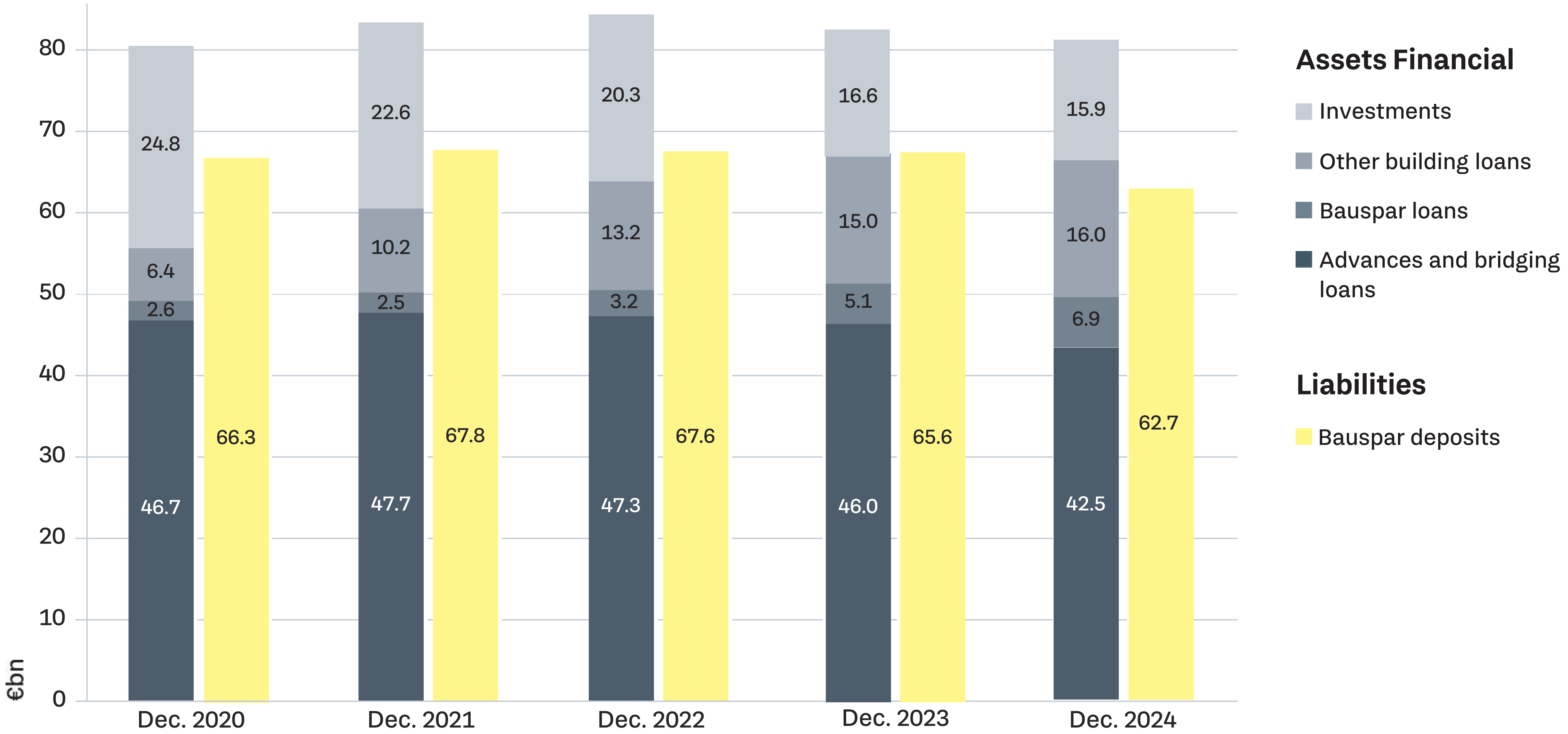
Taking out loans

Once the agreed portion of the Bauspar sum has been saved[4], a **low-interest Bauspar loan** can be taken out for the remainder

Paying back convenient instalments

In the **interest/principal repayment phase**, the customer pays back the loan in regular monthly instalments

Solid business development



Business Model and Business Segments

Core business segments

Business segments	Bausparen	Housing Financing	Cross-selling	Non-domestic
Products	Bausparen, Wohn-Riester (home ownership pension)	Immediate financing, brokerage to cooperative banks	Brokerage insurance, banking products, funds	Bausparen and housing financing
Customers	Retail customers (all age classes)			
Sales channels	Sales force, Bank, independent intermediaries (via BAUFINEX platform) Schwäbisch Hall Wohnen (subsidiary digital sales)			Sales force/ Partner branch network

Processing / IT, management and staff functions

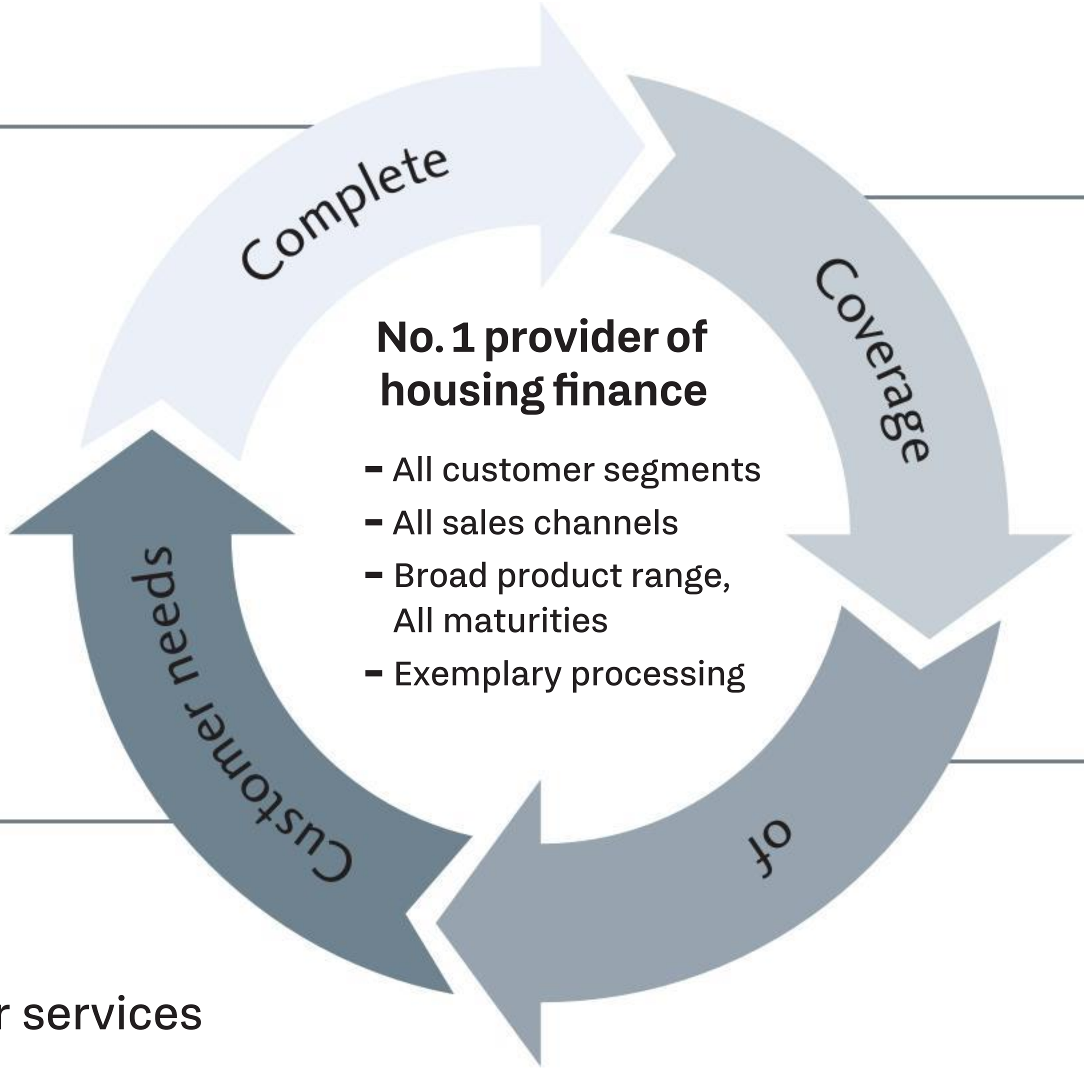
Our Ambition: No. 1 Provider of Housing Finance

Sales/customer care

- Large number of expert housing finance advisers
- Nationwide cooperation with the banks of the German Cooperative Banking Group
- Expansion platform business

Service

- Ongoing enhancement of advisory systems
- Further expansion of customer services (Customer Journey)



Products, conditions/commissions

- End-to-end cover of customer needs
- Wohn-Riester as a unique selling point
- Attractive conditions

Processes

- Cost-effective loan processing (economies of scale)
- Expansion of process automation (E2E)

Our Unique Selling Points

Powerful sales organisation

- ~ 3.000 force employees
- Nationwide cooperation with the cooperative banks
- BAUFINEX B2B-platform

Broad customer base

BSH: ~ 6.1m customers

GCBG: ~ 30m customers

Funding by collective independent of capital markets New: supplemented by Pfandbriefe (covered bonds)

Increase in market share in Bausparen to 34.7%*

High brand recognition

„Auf diese Steine können Sie bauen“ (You can build on these stones)

*Source: Association of German Pfandbrief Banks (vdp), own calculations

Figures and Facts 2024

Schwäbisch Hall Group: selected financial data (IFRS)

	31 Dec 2024	31 Dec 2023
Balance sheet total in €m	82,684	84,369
Equity in €m	4,412	4,454
Common Equity Tier 1 capital ratio in %	25.4	24.1
Profit before tax in €m*	64	20
Cost/income ratio in %	85.5	93.4
RORAC in %	1.5	0.7
LCR in % (only Bausparkasse SHA AG)	267.4	254.8
LTV in % (only Bausparkasse SHA AG)	55	56
NPL in %**	0.81	0.67

DZ BANK AG and Bausparkasse Schwäbisch Hall have entered into a profit and loss transfer agreement

*Financial report page 206 + 229, ** Financial report page 15

Schwäbisch Hall Consolidated Balance Sheet

Assets

€m	31 Dec 2024	31 Dec 2023
Loans and advances to banks	3,333	4,460
Loans and advances to customers*	67,390	66,989
Positive fair values of hedging instruments	11	15
Investments	11,028	10,226
Investments accounted for using the equity method	98	88
Intangible assets	138	154
Property, plant and equipment and right-of-use assets	91	95
Income tax assets (current + deferred)	746	766
Other assets	77	47
Loss allowances	-228	-204
Non-current assets and disposal groups classified as held for sale**	-	1,733
Total assets	**82,684**	**84,369**

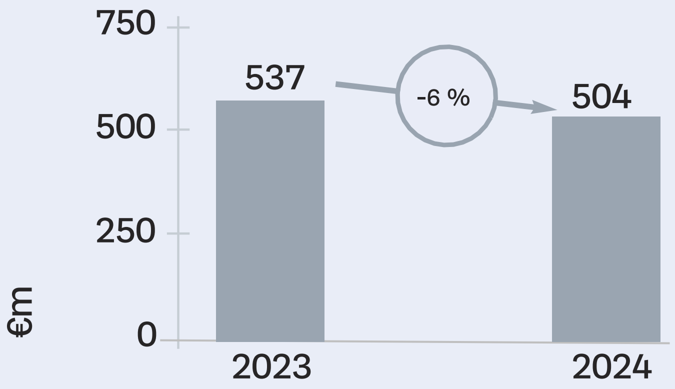
Equity and liabilities

€m	31 Dec 2024	31 Dec 2023
Deposits from banks	9,685	9,470
Deposits from customers	62,855	64,152
Fair value changes of hedged items in portfolio hedges of interest rate risk	-95	-138
Issued bonds	4,110	3,031
Negative fair values of hedging instruments	139	176
Provisions	1,058	1,210
Income tax liabilities (current + deferred)	8	264
Other liabilities	512	217
Liabilities included in disposal groups qualifying as held for sale**	-	1,533
Equity	4,412	4,454
Total equity and liabilities	**82,684**	**84,369**

*incl. country borrower's note loans; **Sale of Fundamenta see number 29 (page 229f financial report 2024)

Income, Expense and Earnings Trends

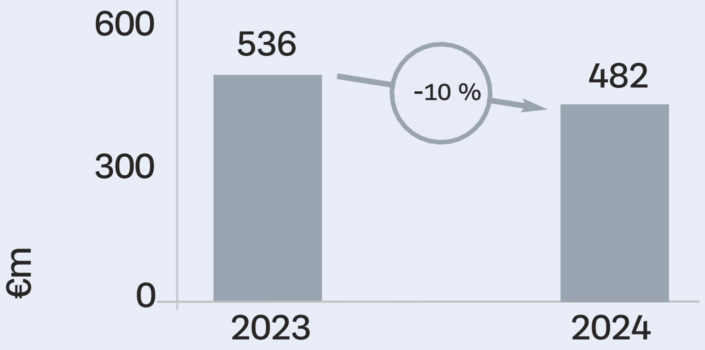
Net interest income / Net fee and commission income



Positive:
- Higher interest income from investments
- Higher interest income from Bauspar loans

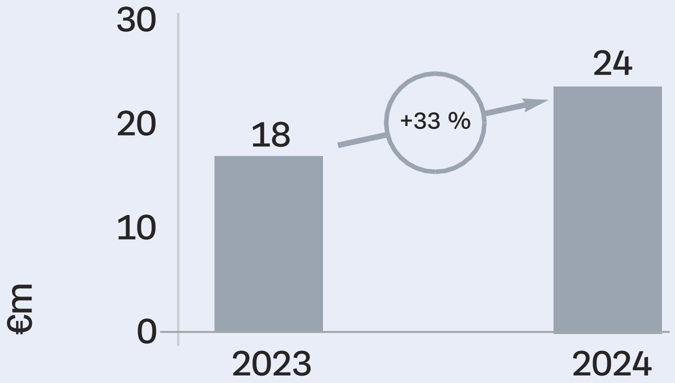
Negative:
- Termination of Fundamenta’s Interest Surplus
- Higher interest expense for refinancing

Administrative expenses



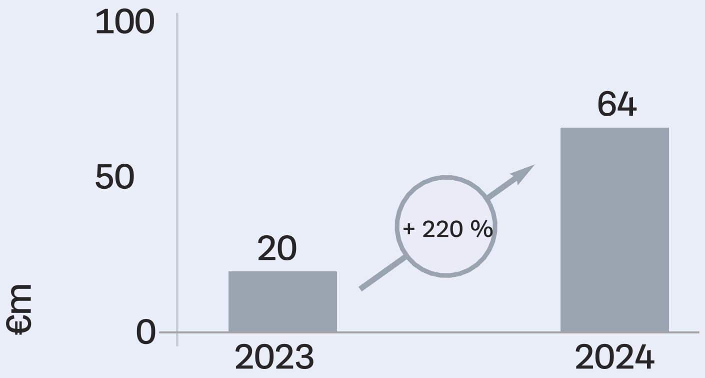
- Replacement of IT landscape
- Sale of the Fundamenta subsidiary
- Introduction of a capital option in the company pension plan

Loss allowances



- Effects of parameter adjustment

Profit before tax



- Higher interest income
- Administative cost reduction
- Optimised fee structure

IFRS Income Statement* (condensed)

€m	31 Dec 2024	31 Dec 2023
Net interest income	519	550
Net fee and commission income	-15	-13
Other gains or losses on valuation of financial instruments	-4	1
Gains or losses on derecognition of financial assets measured at amortised cost	-	-2
Loss allowances	-24	-18
Administrative expenses	-481	-536
Other net operating income	62	38
Gains or losses from discontinued business segments	7	-
Profit before taxes	**64**	**20****
Income taxes	-2	14
Net profit	**62**	**34**

*BSH-Group; **Sale of Fundamenta see number 29 (page 229f financial report 2024)

You Can Build on This Cover Pool

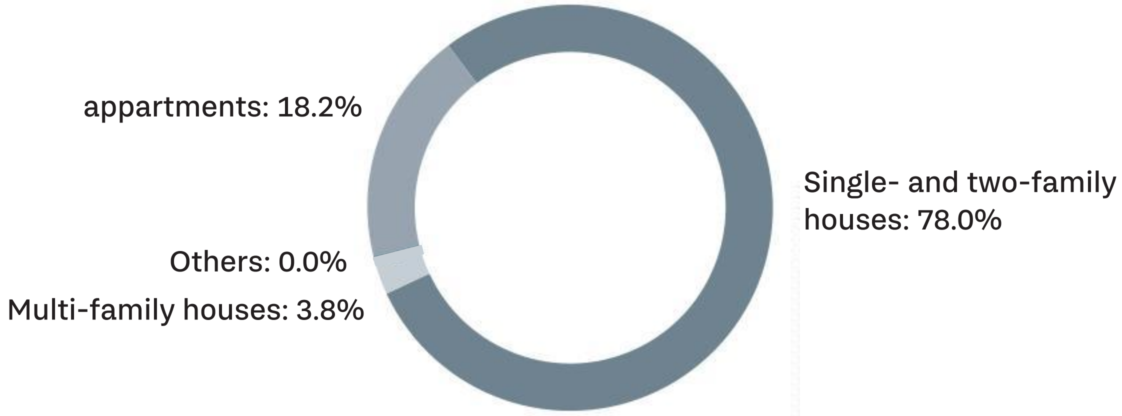
Cover Pool:
Private residential property finance

as of: 30 Sept 2025

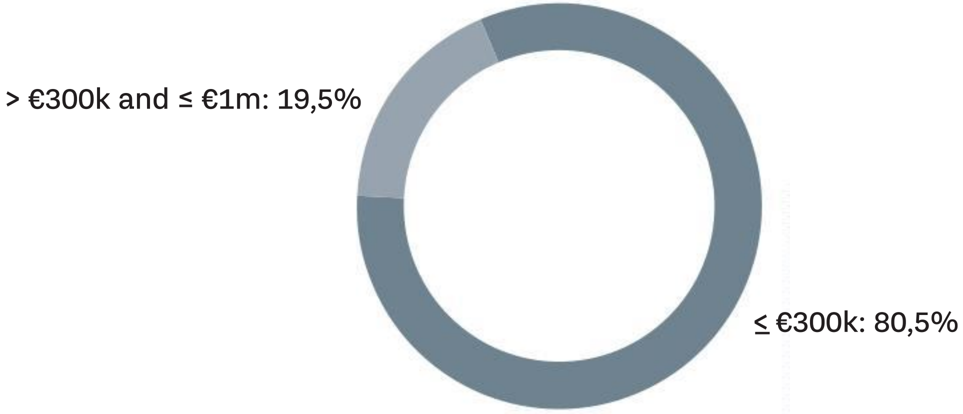
- **Residential property cover pool**
  due to Bausparkassen Act
  (significant restrictions for commercial lending)

- Granular, Germany-wide **diversified loan portfolio**
  - Around 87% owner-occupied property
  - Around 77% single- and two-family houses
  - All collateral located in Germany
  - No foreign currencies

Usage category of regular cover assets



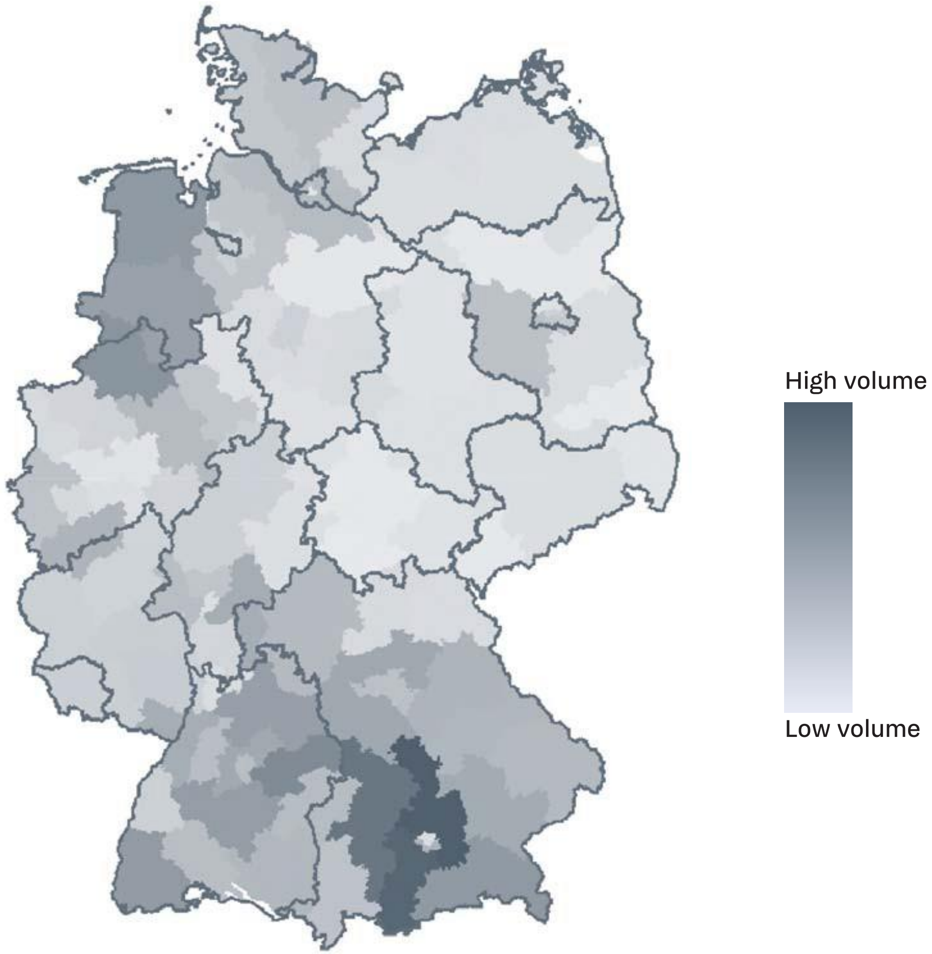
Granular cover assets: Size classes of mortgage cover

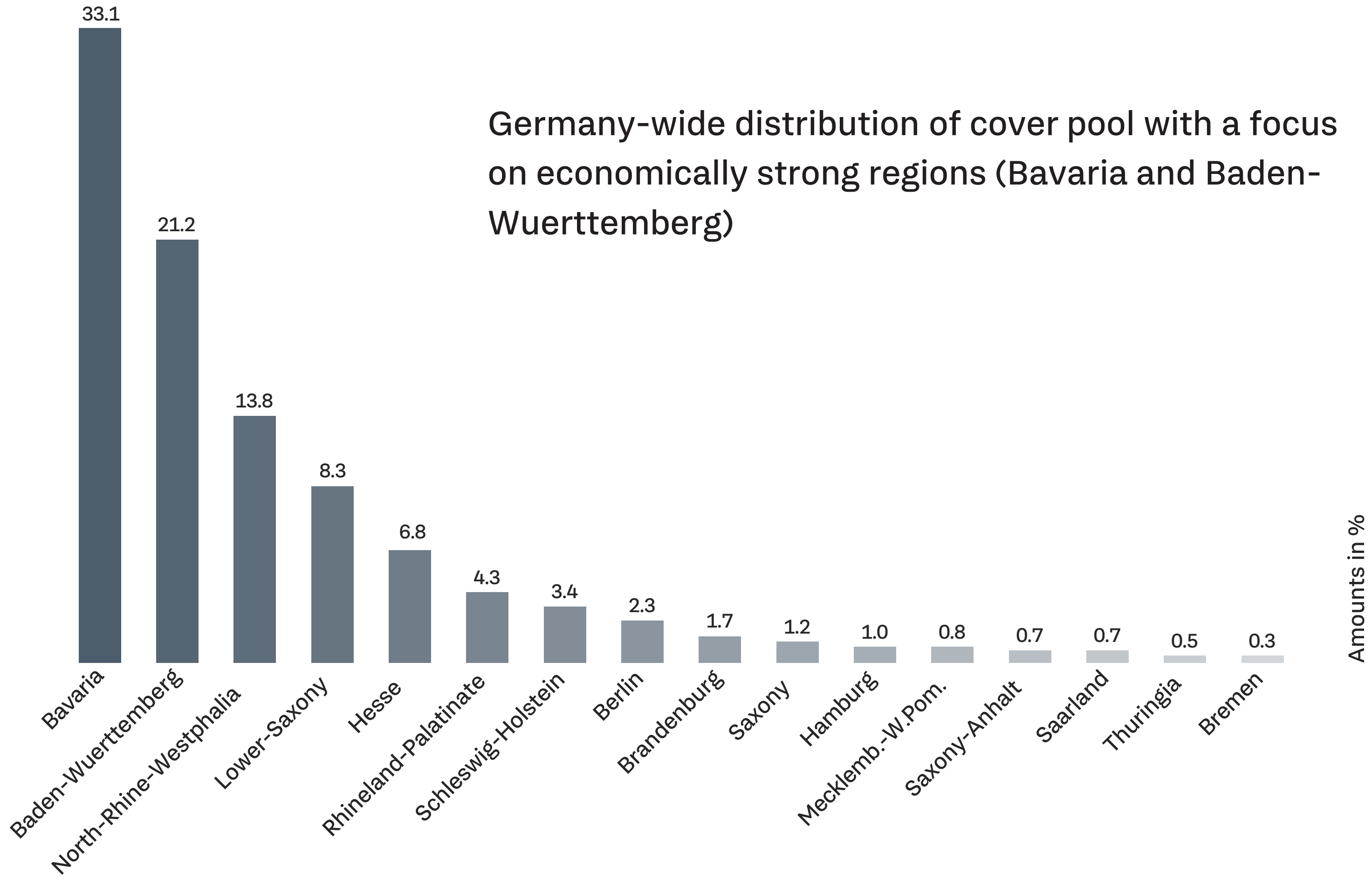


Overview of Cover Pool for Schwäbisch Hall's Pfandbriefe

Regional distribution of regular cover pool assets

as of: 31 Dec 2024





Germany-wide distribution of cover pool with a focus on economically strong regions (Bavaria and Baden-Wuerttemberg)

A Sustainable Business

Living and encouraging corporate responsibility

We voluntarily publish our annual sustainability report with CSDR/ ESRS. Furthermore, we are active in the following fields of action:

Products and services

- Supporting our customers with sustainable asset formation and private retirement provision using home ownership
- Products and services for sustainable building and living
- Measuring the ESG performance of the credit portfolio

Sustainable banking

- Climate strategy in the DZ BANK Group and the Schwäbisch Hall climate course
- Climate-friendly operation of Schwäbisch Hall's
- head office External commitments (e.g. Stiftung KlimaWirtschaft, Association for environmental management and sustainability in financial institutions)

Responsible employer

- HR policy based on stages of the employee life cycle with many additional benefits High level of employee
- satisfaction and identification with employer
- Regular awards, e.g. "Top Employer 2024"

Social commitment

- Active role as a corporate citizen in the region
- Specific support for volunteering and social and cultural projects
- Engagement with foundations and alliances

We determine ESG-related KPIs for the credit portfolio (bottom-up)

The bottom-up method is based on detailed real estate data.[1]

ESG KPIs (31.12.2024):

SDG impact

Proportion of Schwäbisch Hall financing that positively impacts the United Nations Sustainable Development Goals (SDGs): **approx. 41,6%**

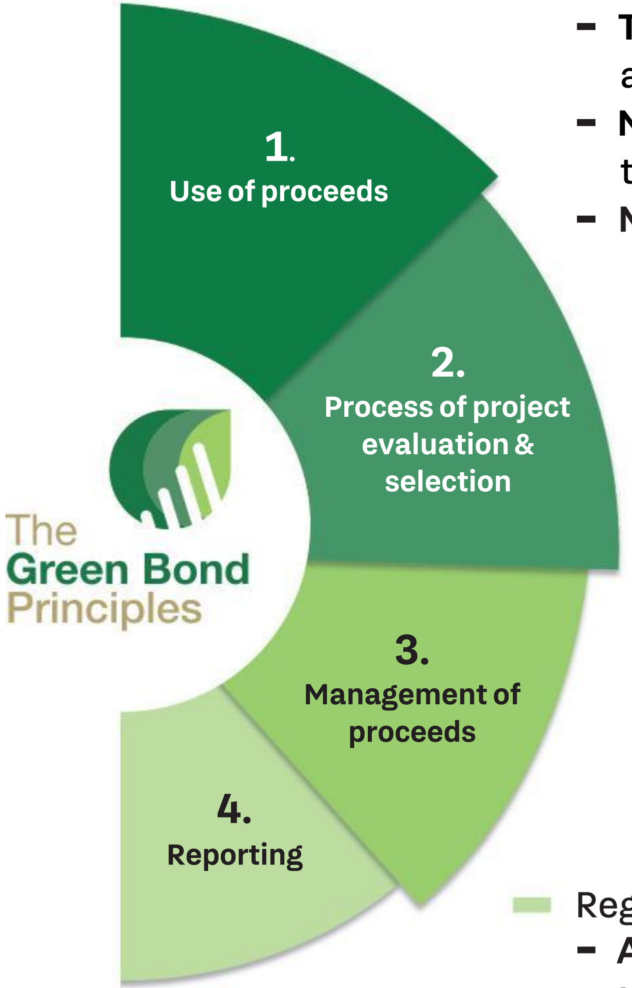
CO_2 footprint

Co-financed CO2 emissions through our lending business: approx. **1.18 million t CO_2**

[1] For the residential real estate financing business, approximate bottom-up EPC classifications are availble. For new transactions, we have been collecting actual energy performance certificates since January 1, 2024.

Green Bond Framework Based on ICMA Green Bond Principles

Green Pfandbriefe by Schwäbisch Hall:



- (Re-)Financing of Eligible Green Assets (mortgage loans) for **energy-efficient residential real estate:**
  - **Top 15%*** of the German national residential building stock (for new construction and acquisition of buildings)
  - **NZEB -10%:** For buildings 2021 onwards primary energy demand at least 10% better than nearly zero energy buildings (NZEB)
  - **Modernization:** At least 30% improvement of energy consumption/demand

- **Admission of Eligible Green Loans to the Green Cover Pool** based on the Eligibility Criteria defined in the Green Bond Framework:
  - Selection of Green Mortgage Loans supported by IT systems
  - Review and refinement of the eligibility criteria by a dedicated team of sustainability and funding experts

- Proceeds from Green Bonds are managed on **a portfolio basis:**
  - Earmarking of Eligible Green Loans and creation of a sub-portfolio from the Pfandbrief cover pool
  - Monitoring to ensure that the volume of Eligible Green Loans permanently exceeds the volume of Green Bonds outstanding (“Green Overcollateralization”)

- Regular publication of **investor reports** :
  - **Allocation Report:** Information on Green Assets and outstanding Green Bonds
  - **Impact Report:** Information on energy savings and avoided carbon emissions

BSH issues Green Bonds exclusively 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

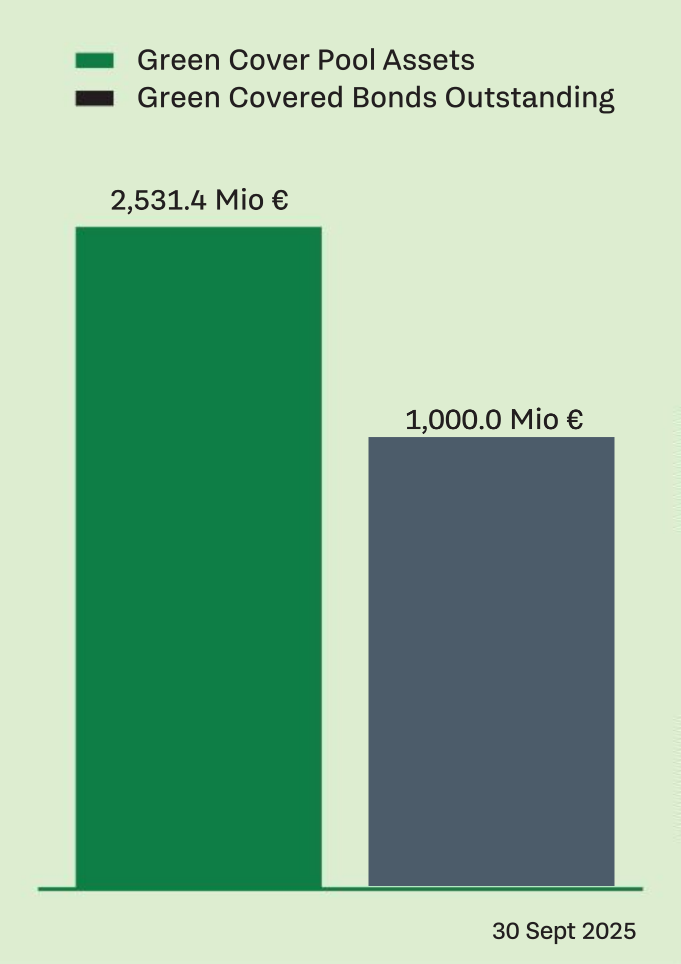
as of: 30 June 2025

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

Highlights Green Cover Pool

Overview Green Cover Pool and Green Mortgage Covered Bonds Outstanding		30 Sept 2025
Green Mortgage Covered Bonds	€m	1,000.0
Green Cover Pool	€m	2,531.4
Green Cover Ratio	%	253

- The proceeds of the Green Bonds are used for financing and refinancing **energy-efficient buildings**
- Green cover pool assets comprise eligible **mortgage loans** as defined in the Green Bond Framework of Bausparkasse Schwäbisch Hall
- The Eligibility Criteria are defined with the aim that the energy-efficent buildings represent a selection of the **top 15%** of the national building stock in Germany*

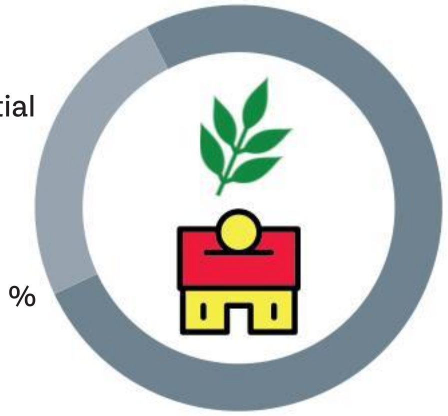


*based on a study conducted by Drees & Sommer for the Association of German Pfandbrief Banks (Verband deutscher Pfandbriefbanken –vdp)

Overview of the structure and quality of the Green Cover Pool

Green Allocation Indicators	30 Sept 2025
Over-Collateralization of Green Mortgage Covered Bonds Outstanding	153 %
Eligible Green Cover Pool Currently not Allocated to Outstanding Green Bonds	1,531.4 €m
Percentage of Eligible Green Cover Pool Allocated to Outstanding Green Bonds	40 %

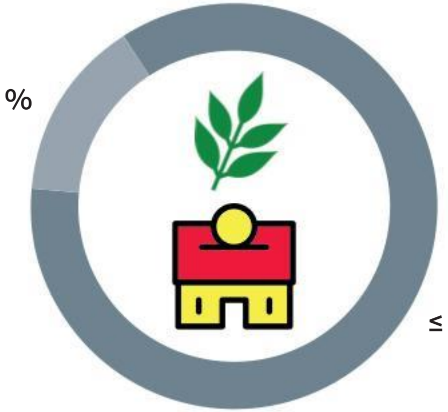
Usage category of green cover assets



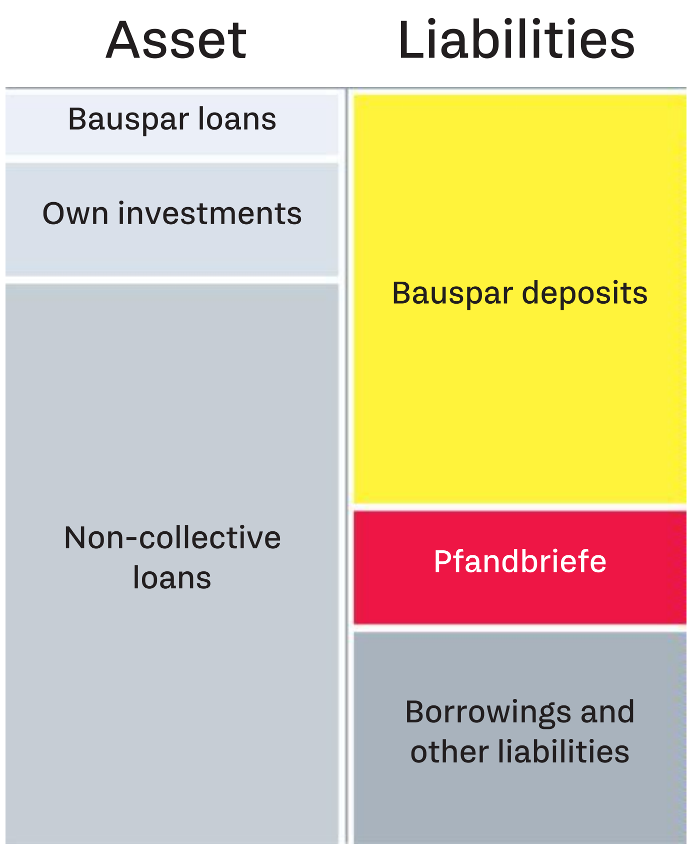
Additional Informationen About the Mortgage Loans of the Green Cover Pool

Loan Purpose	€m	Loan Balance Cover Assets	€m
Acquisition of Residential Real Estate	636.2	≤ €300.000	1,895.8
New Residential Builds	1,893.1	> €300.000 ≤ €1m	635.6
Other	2.1	> €1m ≤ €10m	0.0
Total	2,531.4	> €10m	0.0

Granular cover assets: Size classes of mortgage cover



Our Target Vision for the Future Funding Structure



Note

- The **new lending business** increases total assets
- Issuance of **Pfandbriefe** as an additional, sustainable and low-cost source of funding in line with the business model
- Future **growth in cover pool** will enable regular issuances in sub-benchmark and benchmark formats
- **Bauspar deposits** will remain an important source of funding
- Additional requirements will be met by borrowing

Future funding via Bauspar deposits and **Pfandbriefe**

ECBC membership and acquisition of covered bond label

Issuer	Kind of Pfandbrief	Maturity	Volume	Cupon	ISIN	ESG
BAUSCH	Hyp. Pfandbrief	16.01.2029	500 Mio. EUR	2.875	DE000A3824G4	Green
BAUSCH	Hyp. Pfandbrief	13.09.2029	500 Mio. EUR	2.375	DE000A30VN02	-
BAUSCH	Hyp. Pfandbrief	22.10.2030	500 Mio. EUR	0.01	DE000A3H24G6	-
BAUSCH	Hyp. Pfandbrief	22.01.2031	500 Mio. EUR	2,875	DE000A4DFCH4	-
BAUSCH	Hyp. Pfandbrief	28.10.2031	500 Mio. EUR	0.20	DE000A3MP6H1	-
BAUSCH	Hyp. Pfandbrief	24.06.2032	500 Mio. EUR	2.875	DE000A30V8H6	-
BAUSCH	Hyp. Pfandbrief	27.04.2033	500 Mio. EUR	0.20	DE000A3E5S18	-
BAUSCH	Hyp. Pfandbrief	16.11.2033	500 Mio. EUR	3.00	DE000A383JG8	Green
BAUSCH	Hyp. Pfandbrief	17.05.2034	500 Mio. EUR	2.00	DE000A30VH59	-
BAUSCH	Hyp. Pfandbrief	09.10.2035	500 Mio. EUR	3.00	DE000A460GR7	Green

Rating

	Moody's	S&P	Fitch
Issue ratings			
Hypothekenpfandbrief (German mortgage covered bonds)	Aaa	–	–
Bank ratings*			
Long-term	Aa2	A+*	AA-*
Outlook	stable	stable*	stable*
Short-term	P-1	A-1*	F1+*

as of: June 2025

Rating provider	Rating	Date of Rating
ISS ESG	Prime/ C+	2022

Schwäbisch Hall organises its sustainability activities under the umbrella of the DZ BANK Group. The results receive regular recognition: ISS ESG, one of the leading rating agencies for sustainable investments, has confirmed the corporate rating of **„Prime-Status C+"** awarded to the DZ BANK Group and therefore also to Bausparkasse Schwäbisch Hall.

This means that Schwäbisch Hall remains in the top group of particularly sustainable companies.

*S&P and Fitch: collective rating for the German Cooperative Banking Group

Details of the Rating Profile

Moody's Pfandbrief rating: Aaa

- **Bausparkasse Schwäbisch Hall** is rated **Aa2** (high quality and subject to very low credit risk)
- BSH's **Pfandbriefe** have been awarded the **top Aaa** rating (highest quality, with minimal credit risk)

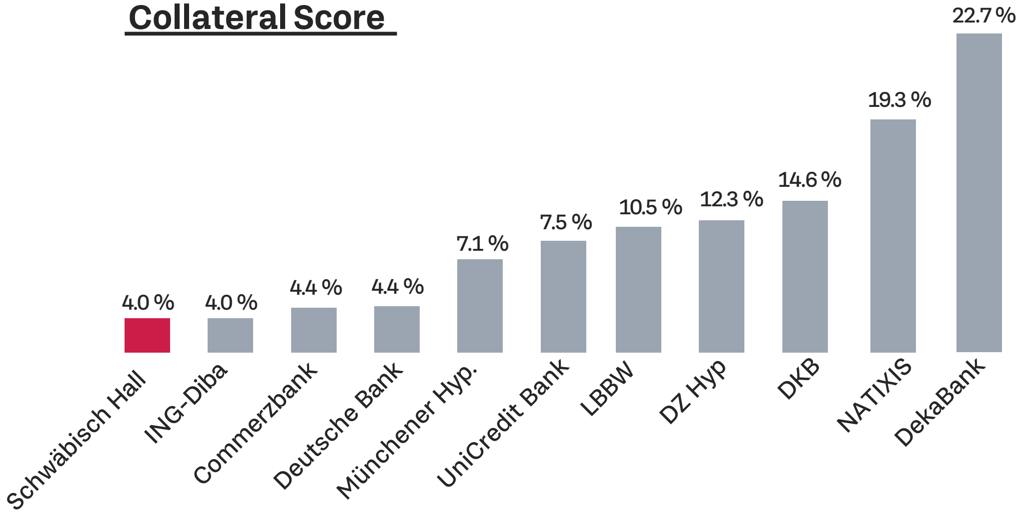
Aaa

+6 Leeway

Very good combination of leeway and collateral score in the market

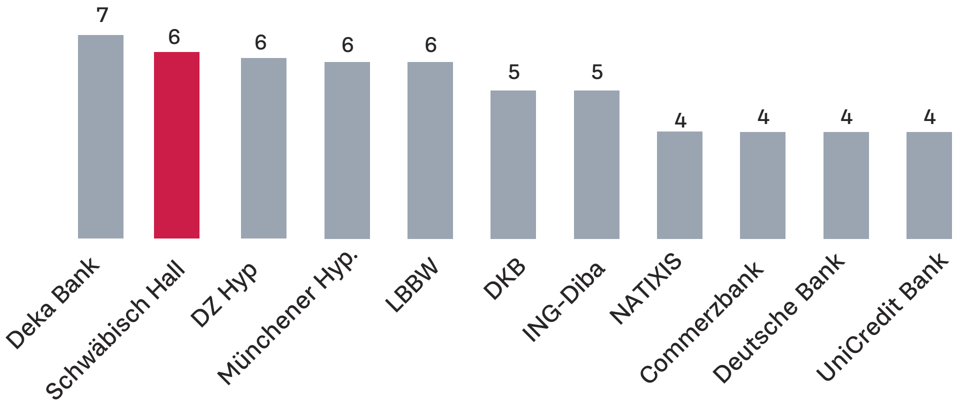
Selected rating details

Collateral Score



- Moody's assesses the **credit risk of the Pfandbrief cover pool** based on the "collateral score"
- The better the **credit quality**,the **lower** the collateral score
- Schwäbisch Hall's Pfandbriefe have a **collateral score** of **4.0%**

Leeway



- **Another indicator** has also become established for Pfandbriefe: How many notches can the institution's rating fall before the Pfandbrief rating is cut (under otherwise identical conditions)? (= leeway)
- For Bausparkasse Schwäbisch Hall, the **leeway is 6 notches**

Data: Moody's Covered Bonds Sector Update – Q4 2024 – Excel Supplement

BVR Cooperative Institutional Protection Scheme

Members
Around 700 institutions incl.
1 central bank and specialist institutions

Supervised
by the Federal Financial
Supervisory Authority

Institutional protection
Comprehensive institutional protection for all members; no bankruptcy of a member since 1934

Guarantor
National Association of German Cooperative Banks (BVR)

Role of the institutional protection scheme (BVR-IPS)
To prevent or remedy impending/existing financial difficulties at member institutions of BVR-ISG and BVR IPS

Deposit protection
(BVR-ISG and BVR-IPS)

Direct statutory deposit protection via BVR-ISG up to €100 thousand per person at each institution

Additional (effectively comprehensive) protection of customer deposits of non-banks by BVR institutional protection scheme

Contacts

Any questions?
– We’re happy to help!

Bausparkasse Schwäbisch Hall AG

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