

# Bausparkasse Schwäbisch Hall AG

## Investor Presentation



<b>Vision</b>	<ul style="list-style-type: none"><li>- A leading provider of products and services in the cooperative Building and Living ecosystem in close cooperation with the cooperative banks</li></ul>
<b>Mission</b>	<ul style="list-style-type: none"><li>- To create and preserve homes</li></ul>
<b>Position</b>	<ul style="list-style-type: none"><li>- Sustainable real estate financing provider and part of the German Cooperative Banking Group</li><li>- New business: housing financing €15.8 billion and Bausparen €20.5 billion<sup>4</sup></li></ul>
<b>Earnings position/ Balance sheet</b>	<ul style="list-style-type: none"><li>- €122m profit before tax (IFRS consolidated)</li><li>- Total assets €80.8bn (IFRS consolidated)</li></ul>
<b>Sales network</b>	<ul style="list-style-type: none"><li>- Approximately 3,000 sales agents and almost 100% of cooperative banks</li></ul>
<b>Customers</b>	<ul style="list-style-type: none"><li>- Around 6m customers in Germany</li></ul>
<b>Cover pool/ Rating</b>	<ul style="list-style-type: none"><li>- Highly granular cover pool from purely residential loans</li><li>- Our Pfandbriefe have been awarded the top Aaa rating</li></ul>
<b>Funding</b>	<ul style="list-style-type: none"><li>- The issuance of Pfandbriefe serves to refinance housing financing</li></ul>
<b>Outlook</b>	<ul style="list-style-type: none"><li>- 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</li><li>- The energy renovation requirement is estimated at €80 billion p.a. in 2025<sup>1</sup></li><li>- The volume of (debt) financing in the housing financing business with private households in Germany is expected to be around €200 billion in 2025<sup>2</sup></li><li>- Stable Bauspar market expected at the level of 2024<sup>3</sup></li></ul>

<sup>1</sup> Report of the Working Group for Contemporary Building: “Housing construction - the future of the existing building”, February 2022, own calculations

<sup>2</sup> Housing financing: MAD - Research; German Bundesbank: MFI interest rate statistics as of 09/2023, own projections

<sup>3</sup> MAD - Research; Association of private building societies, own estimates

<sup>4</sup> New business Bausparen honoured

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1. Schwäbisch Hall at a Glance

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2. Business Strategy

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3. Balance Sheet and Income Statement Data

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4. Cover Pool

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5. Funding

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6. Rating

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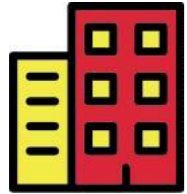
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# Bausparkasse Schwäbisch Hall at a glance



Largest German  
Bausparkasse with  
**33.4% market share**

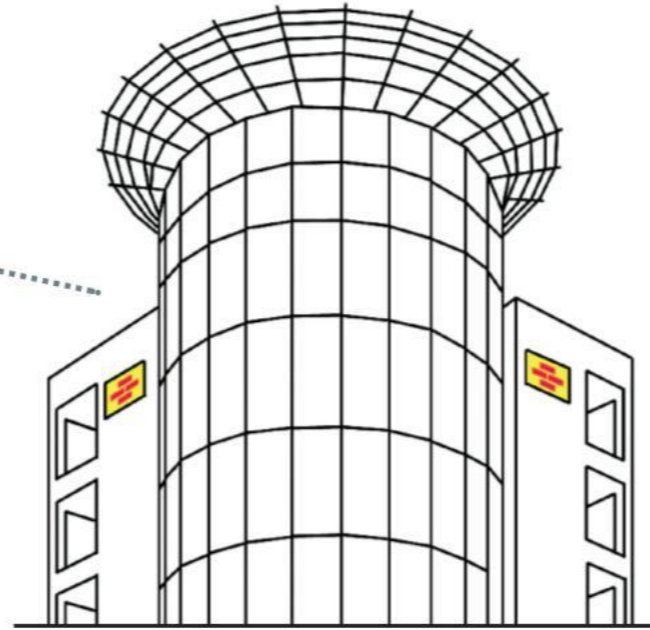


**Around 6m customers**  
in Germany



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

**Around €15.8bn new housing  
financing business\***



**Around 6.6m contracts**  
More than €330bn 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.

# 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

## Strategic domestic investments



Digital platform business / sales support

**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 **650** cooperative banks



Around **139,500** employees



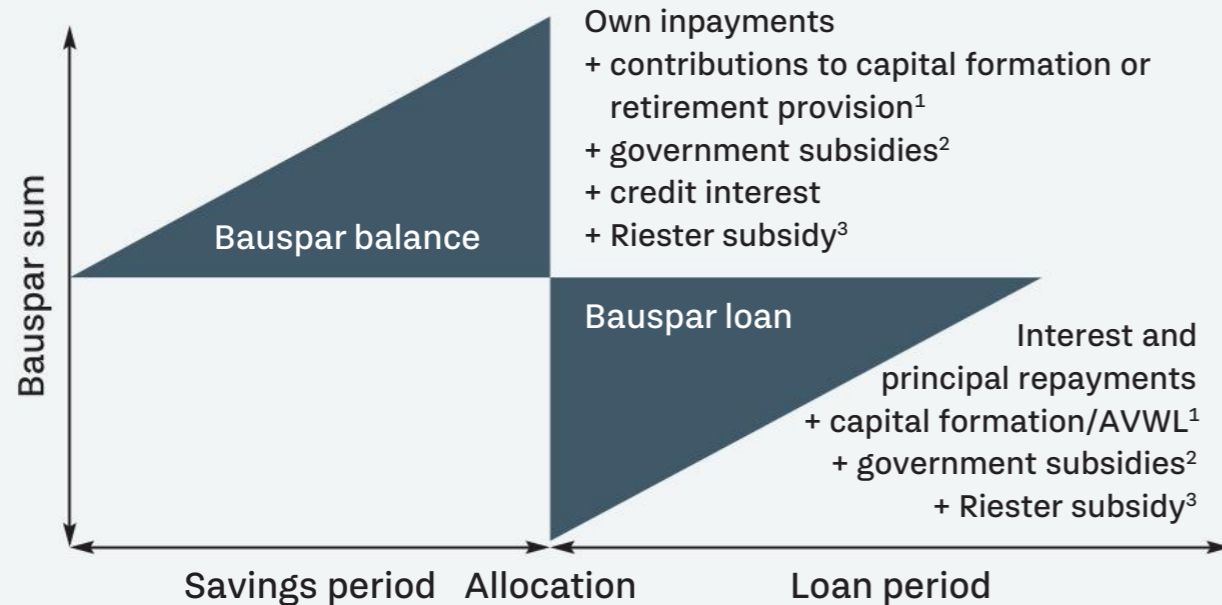
**17.5** million members



**A+/AA Network rating**  
by Standard & Poor's and Fitch Ratings

<b>finanzgruppe.de</b>		 Genossenschaftliche FinanzGruppe Volksbanken Raiffeisenbanken	
 Schwäbisch Hall	 Union Investment	 R+V	 e@sy Credit
 DZ PRIVATBANK	 Volksbanken Raiffeisenbanken		 DZ BANK
 VR Smart Finanz	 DZ HYP	 MünchenerHyp	 reisebank.

# How Does Bausparen Work?



<sup>1</sup>AVWL: payments by employer in addition to salary depending on industry  
<sup>2</sup>Income limits and other conditions apply  
<sup>3</sup>If eligible/conditions are satisfied  
<sup>4</sup>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

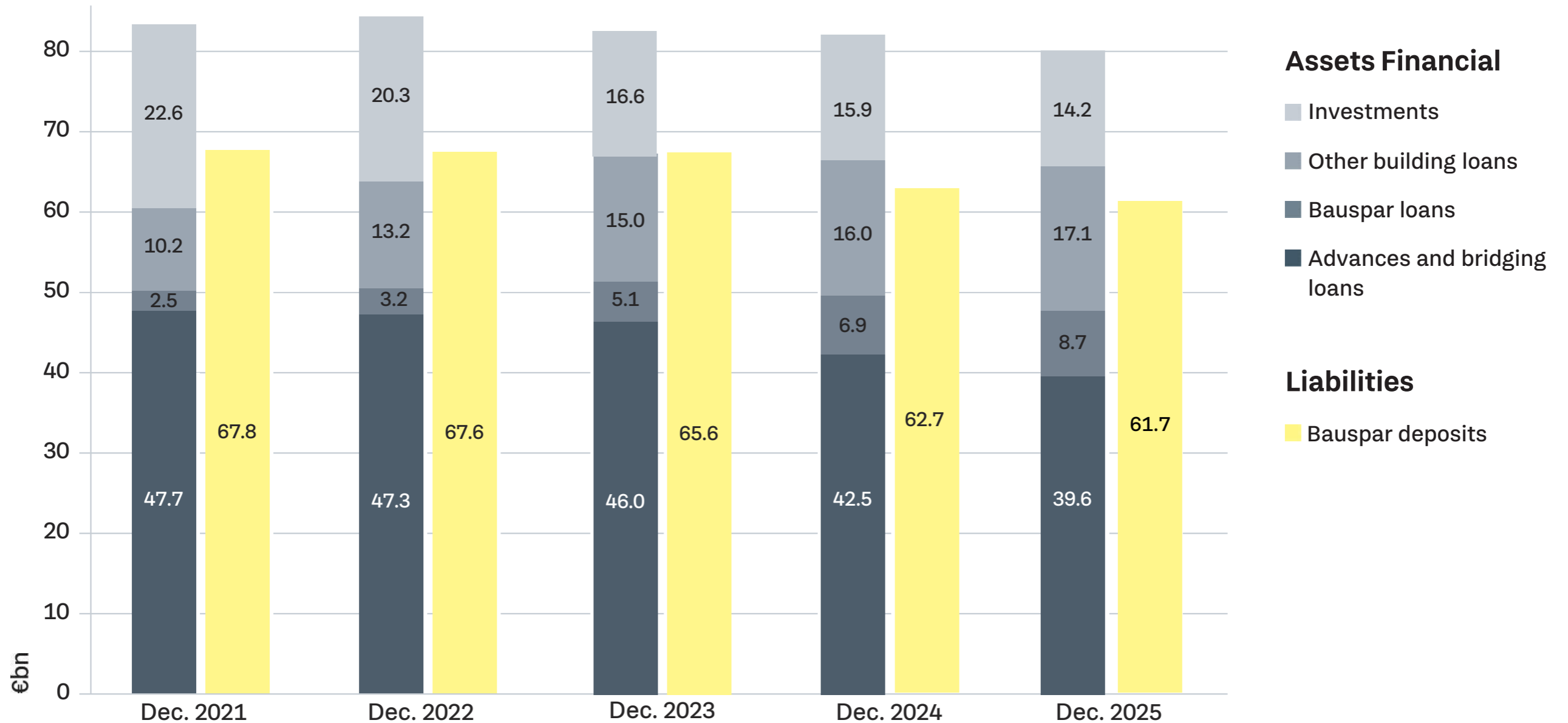
Once the agreed portion of the Bauspar sum has been saved<sup>4</sup>, a **low-interest Bauspar loan** can be taken out for the remainder



## Paying back convenient instalments

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

# Solid business development



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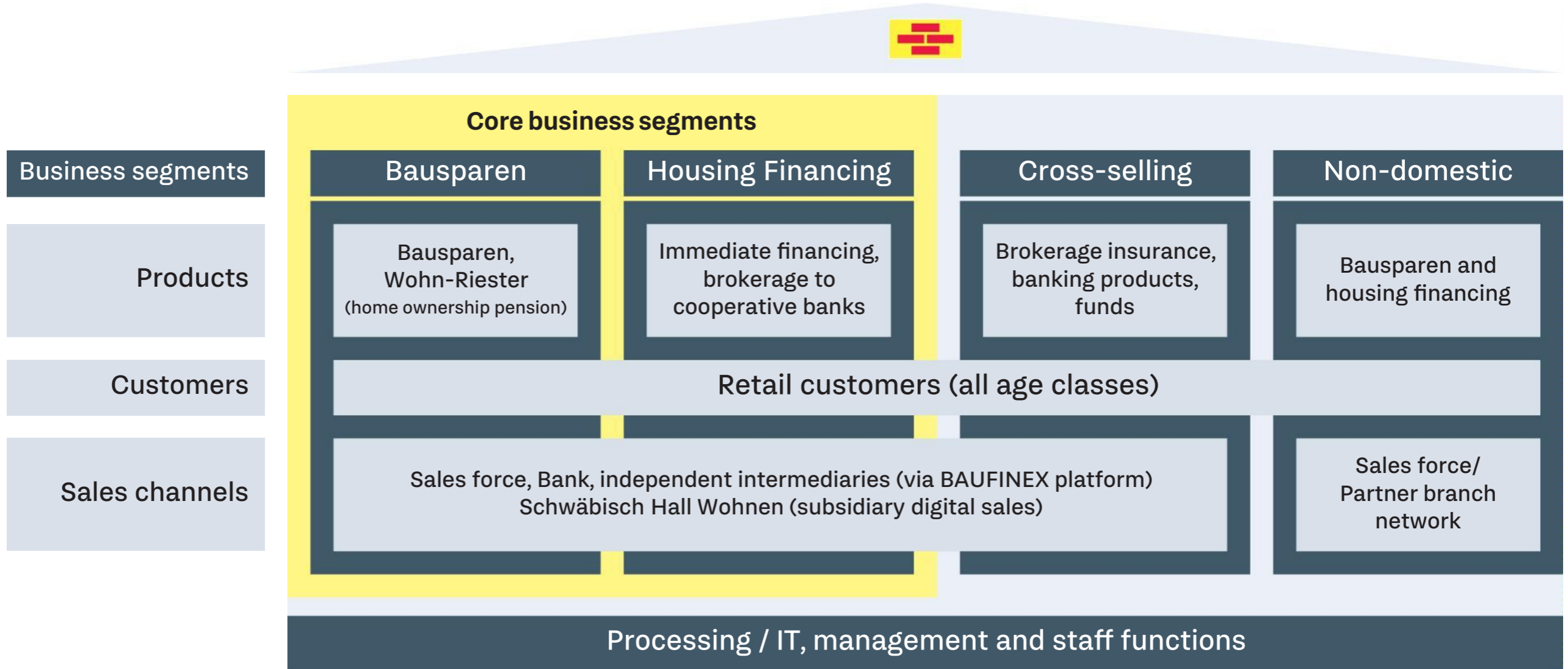
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# Business Model and Business Segments



# Our Ambition: No. 1 Provider of Housing Finance

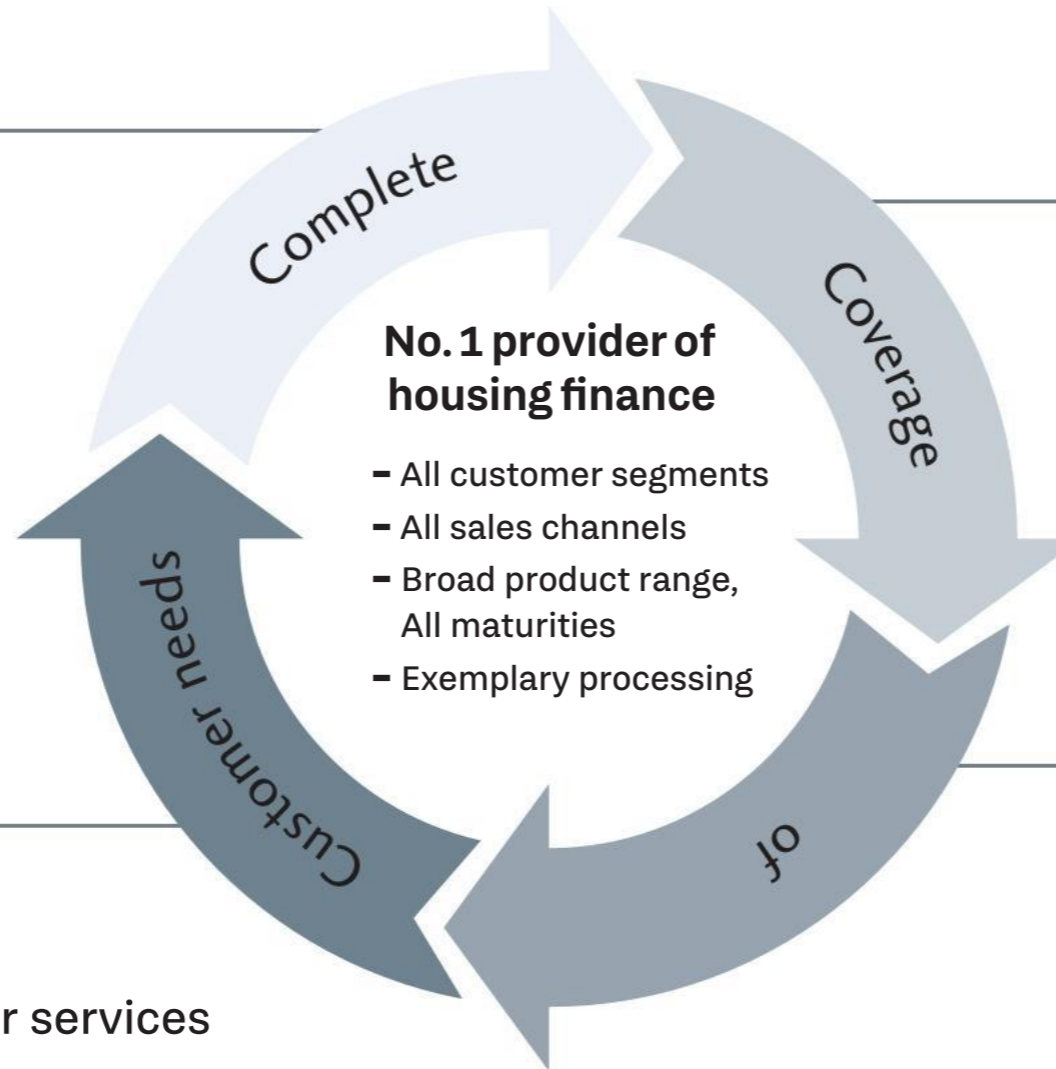


## Sales/customer care

- 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)



## Powerful sales organisation

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

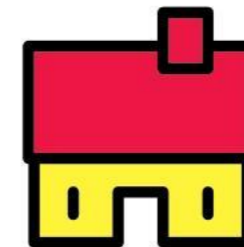
## Broad customer base

BSH: ~ 6m customers  
GCBG: ~ 30m customers



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

Strong market share in Bausparen  
33.4%\*



## High brand recognition

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



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

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## Schwäbisch Hall Group: selected financial data (IFRS)

	31 Dec 2025	31 Dec 2024
Balance sheet total in €m	80,823	82,648
Equity in €m	4,394	4,412
Common Equity Tier 1 capital ratio in %	27.6	25.4
Profit before tax in €m	122	64*
Cost/income ratio in %	77.7	85.5
RORAC in %	3.9	1.5
LCR in % (only Bausparkasse SHA AG)	237.1	267.4
LTV in % (only Bausparkasse SHA AG)	54.3	55
NPL in %**	0.87	0.81
HQLA in €m (only Bausparkasse SHA AG)	4,074	2,512
DZ BANK AG and Bausparkasse Schwäbisch Hall have entered into a profit and loss transfer agreement		

# Schwäbisch Hall Consolidated Balance Sheet



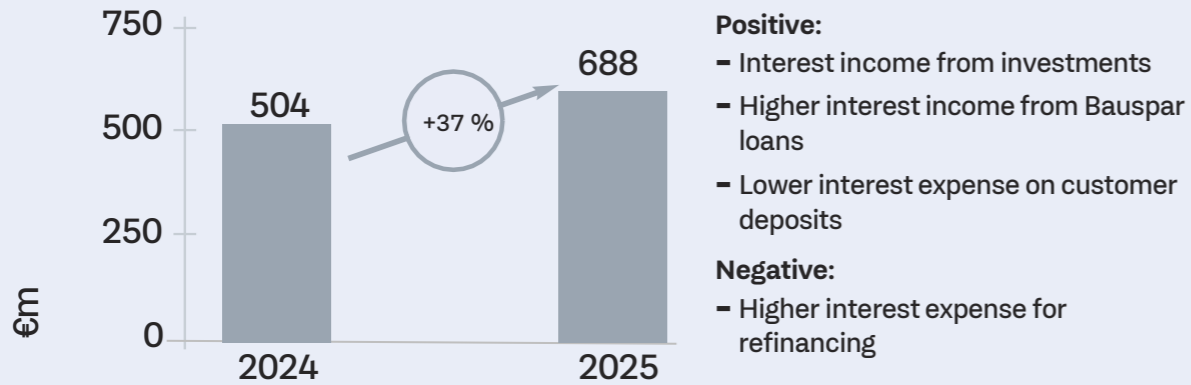
<b>Assets</b>					
€m	31 Dec 2025	31 Dec 2024	€m	31 Dec 2025	31 Dec 2024
Loans and advances to banks	2,068	3,333	Deposits from banks	8,089	9,685
Loans and advances to customers*	67,034	67,390	Deposits from customers	62,003	62,855
Positive fair values of hedging instruments	55	11	Fair value changes of hedged items in portfolio hedges of interest rate risk	-101	-95
Investments	10,859	11,028	Issued bonds	5,121	4,110
Investments accounted for using the equity method	94	98	Negative fair values of hedging instruments	104	139
Intangible assets	122	138	Provisions	958	1,058
Property, plant and equipment and right-of-use assets	84	91	Income tax liabilities (current + deferred)	52	8
Income tax assets (current + deferred)	635	746	Other liabilities	203	512
Other assets	127	77	Equity	4,394	4,412
Loss allowances	-255	-228	<b>Total equity and liabilities</b>	<b>80,823</b>	<b>82,684</b>
<b>Total assets</b>	<b>80,823</b>	<b>82,684</b>			

\*incl. country borrower's note loans

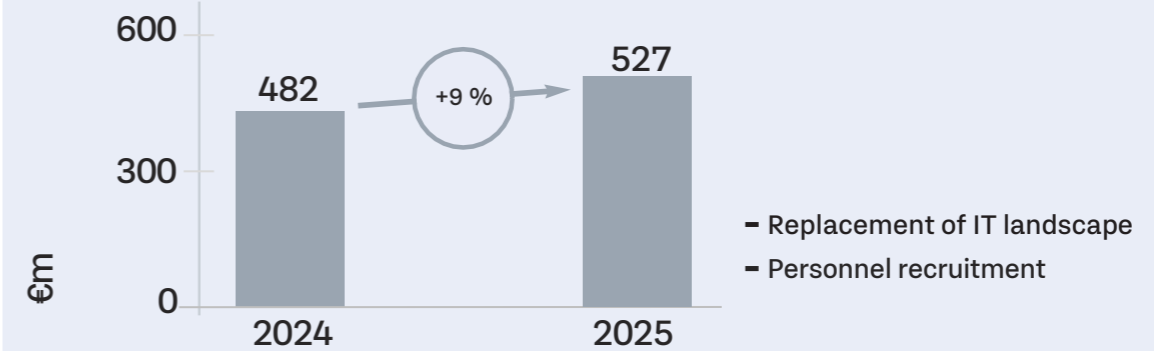
# Income, Expense and Earnings Trends



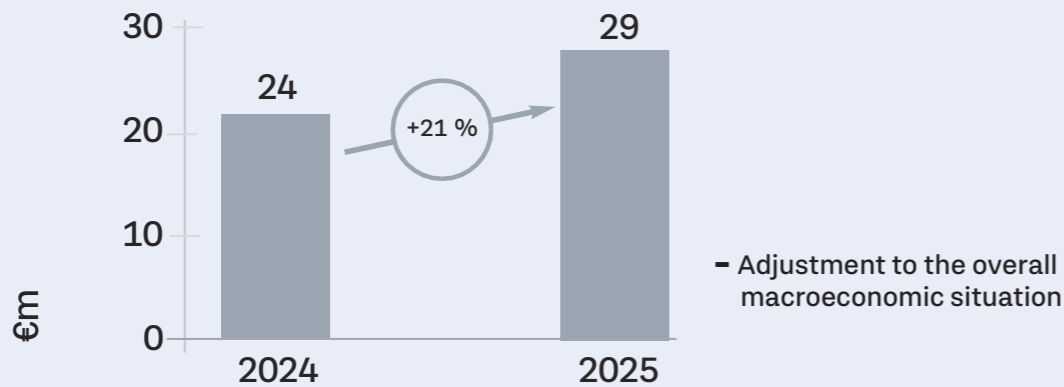
## Net interest income / Net fee and commission income



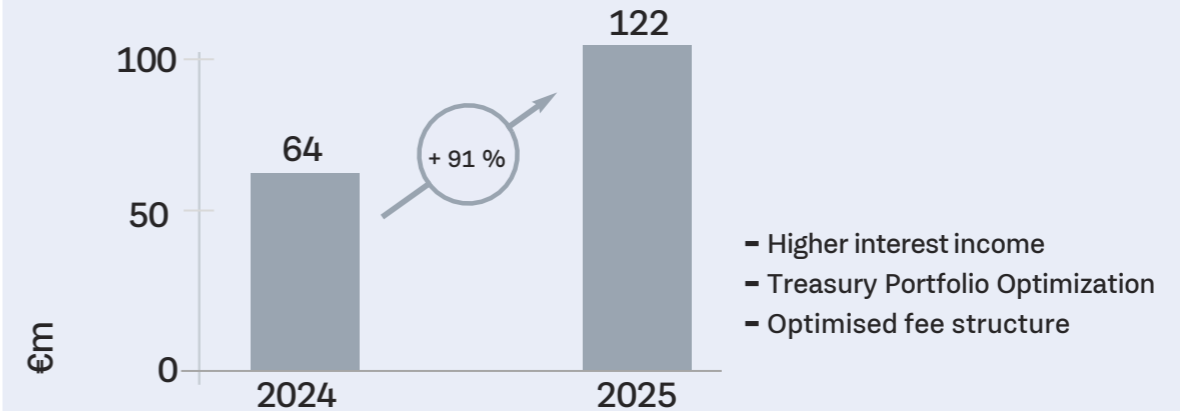
## Administrative expenses



## Loss allowances



## Profit before tax



# IFRS Income Statement\* (condensed)



€m	31 Dec 2025	31 Dec 2024
Net interest income	684	519
Net fee and commission income	4	-15
Gains and losses on investments	-29	-
Other gains or losses on valuation of financial instruments	-3	-4
Gains or losses on derecognition of financial assets measured at amortised cost	-42	-
Loss allowances	-29	-24
Administrative expenses	-527	-481
Other net operating income	64	62
Gains or losses from discontinued business segments	-	7
<b>Profit before taxes</b>	<b>122</b>	<b>64</b>

\*BSH-Group

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# You Can Build on This Cover Pool



## Cover Pool: Private residential property finance



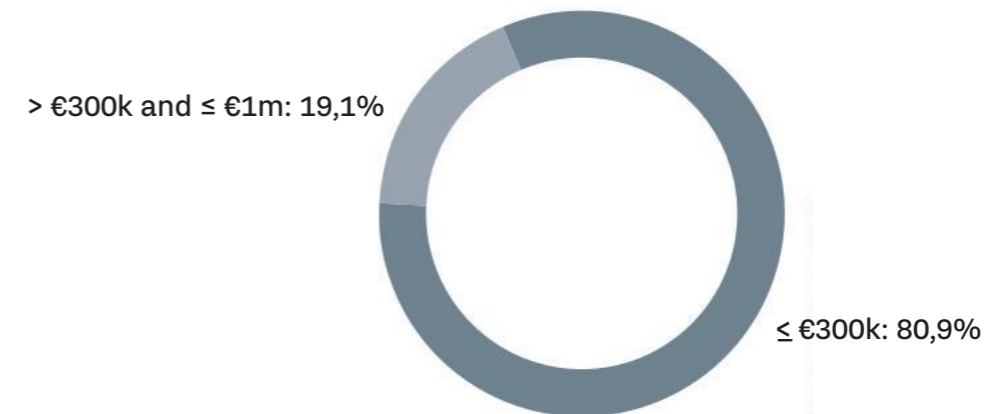
as of: 31 March 2026

- 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 78% single- and two-family houses
  - All collateral located in Germany
  - No foreign currencies

### Usage category of regular cover assets

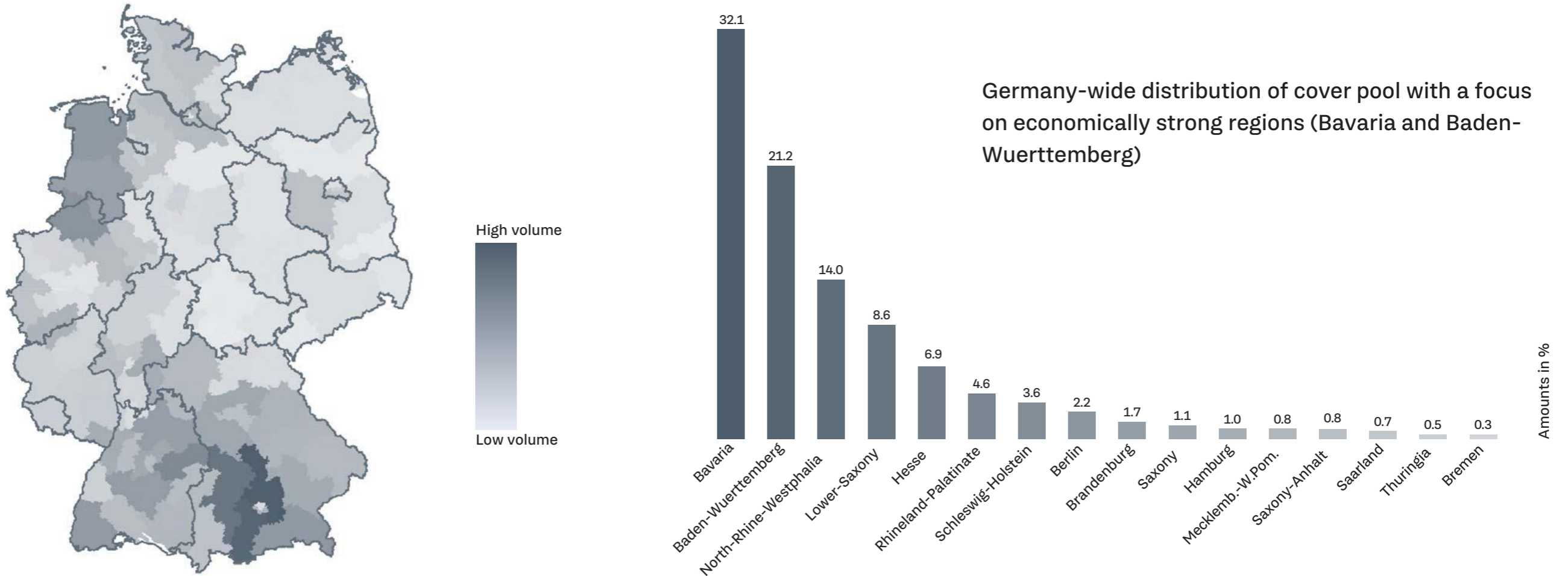


### Granular cover assets: Size classes of mortgage cover



## Regional distribution of regular cover pool assets

as of: 31 Dec 2025



# A Sustainable Business



## Living and encouraging corporate responsibility

We voluntarily publish our annual sustainability report with CSRD/ 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 headquarter
- 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"

### 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

For new housing business, actual Energy Performance Certificates (EPCs) are collected as part of the loan process.  
For the existing business, energy and refurbishment data for the loan portfolio at the portfolio and individual borrower level were collected by an external service provider.

### ESG KPIs:



#### CO<sub>2</sub> footprint

Co-financed CO<sub>2</sub> emissions through our lending business: approx. **1.07 million t CO<sub>2</sub>** as of 12/31/2025



#### Physical risks

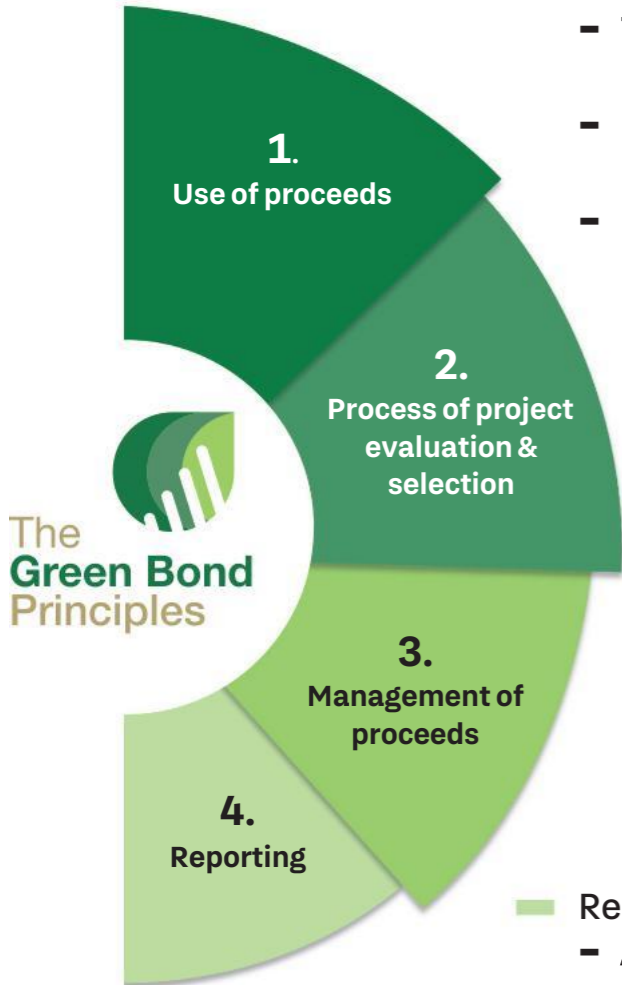
Schwäbisch Hall's customer loan portfolio is characterized by **low physical risks<sup>1</sup>** of **15,88%** as of 11/30/2025

<sup>1</sup>Based on the IPCC climate scenario RCP8.5 to the time horizon 2050

# 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

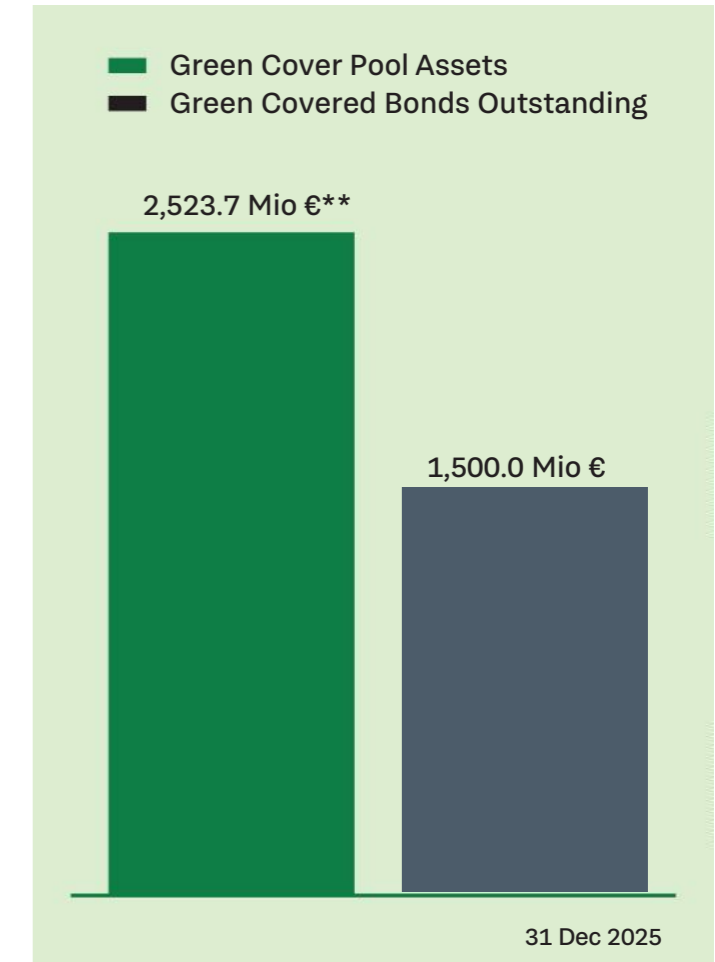
\*\*NZEB criterion included with the update of the Green Bond Framework as of June 30, 2025

# Highlights Green Cover Pool



Overview Green Cover Pool and Green Mortgage Covered Bonds Outstanding		31 Dec 2025
Green Mortgage Covered Bonds	€m	1,500.0
Green Cover Pool	€m	2,523.7**
Green Cover Ratio	%	252

- 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-efficient 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)

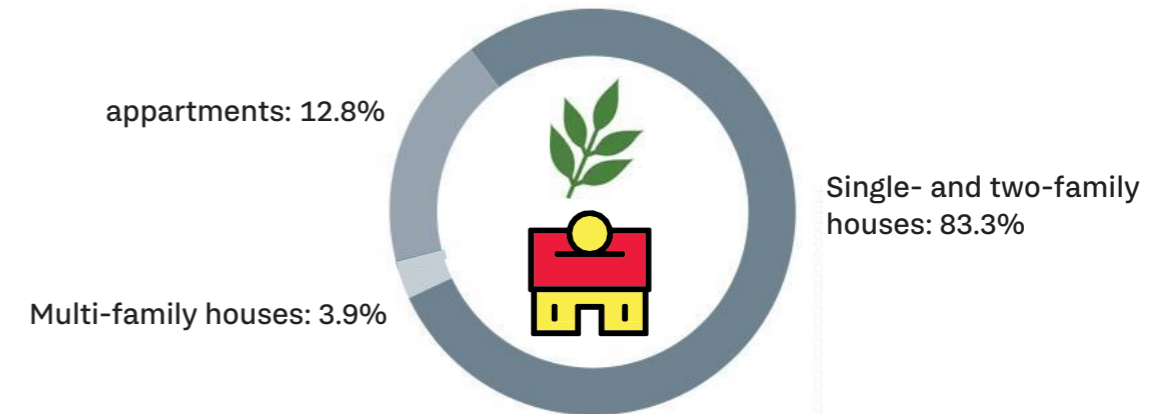
\*\*this figure does not reflect the future issuing potential of green covered bonds/ green Pfandbriefe

# Overview of the structure and quality of the Green Cover Pool



Green Allocation Indicators	31 Dec 2025
Over-Collateralization of Green Mortgage Covered Bonds Outstanding	102 %
Eligible Green Cover Pool Currently not Allocated to Outstanding Green Bonds	1,023.7 €m
Percentage of Eligible Green Cover Pool Allocated to Outstanding Green Bonds	59 %

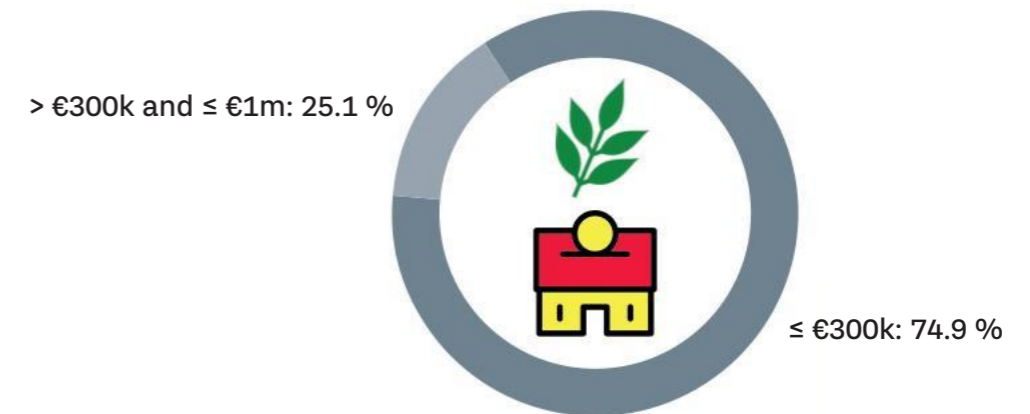
## Usage category of green cover assets



## Additional Informationen About the Mortgage Loans of the Green Cover Pool

Loan Purpose	€m	Loan Balance Cover Assets	€m
Acquisition of Residential Real Estate	636.3	≤ €300.000	1,890.3
New Residential Builds	1,883.9	> €300.000 ≤ €1m	633.4
Other	3.5	> €1m ≤ €10m	0.0
Total	2,523.7*	> €10m	0.0

## Granular cover assets: Size classes of mortgage cover



\*this figure does not reflect the future issuing potential of green covered bonds/ green Pfandbriefe

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# Our Target Vision for the Funding Structure



Asset	Liabilities	Note
Bauspar loans	Bauspar deposits	- The <b>new lending business</b> increases total assets
Own investments		- Issuance of <b>Pfandbriefe</b> as an additional, sustainable and low-cost source of funding in line with the business model
Non-collective loans	Pfandbriefe	- Future <b>growth in cover pool</b> will enable regular issuances in sub-benchmark and benchmark formats
	Borrowings and other liabilities	- <b>Bauspar deposits</b> will remain an important source of funding - Additional requirements will be met by borrowing

Future funding via Bauspar deposits and **Pfandbriefe**

# Membership in vdp, ECBC and acquisition of covered bond label



Die deutschen  
Pfandbriefbanken



COVERED BOND  
· L A B E L ·

Issuer	Kind of Pfandbrief	Maturity	Volume	Coupon	ISIN	ESG
BAUSCH	Hyp. Pfandbrief	01/16/2029	500 Mio. EUR	2.875	DE000A3824G4	Green
BAUSCH	Hyp. Pfandbrief	09/13/2029	500 Mio. EUR	2.375	DE000A30VN02	-
BAUSCH	Hyp. Pfandbrief	10/22/2030	500 Mio. EUR	0.01	DE000A3H24G6	-
BAUSCH	Hyp. Pfandbrief	01/22/2031	500 Mio. EUR	2.875	DE000A4DFCH4	-
BAUSCH	Hyp. Pfandbrief	10/28/2031	500 Mio. EUR	0.20	DE000A3MP6H1	-
BAUSCH	Hyp. Pfandbrief	06/24/2032	500 Mio. EUR	2.875	DE000A30V8H6	-
BAUSCH	Hyp. Pfandbrief	04/27/2033	500 Mio. EUR	0.20	DE000A3E5S18	-
BAUSCH	Hyp. Pfandbrief	11/16/2033	500 Mio. EUR	3.00	DE000A383JG8	Green
BAUSCH	Hyp. Pfandbrief	05/17/2034	500 Mio. EUR	2.00	DE000A30VH59	-
BAUSCH	Hyp. Pfandbrief	10/09/2035	500 Mio. EUR	3.00	DE000A460GR7	Green
BAUSCH	Hyp. Pfandbrief	01/27/2038	500 Mio. EUR	3.25	DE000A46Z8K8	-

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MOODY'S

S&P Global  
Ratings

FitchRatings



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

Rating provider	Rating	Date of Rating
ISS ESG	Prime/ C+	2024

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.

as of: June 2026

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

# Details of the Rating Profile



## Moody's Pfandbrief rating: Aaa

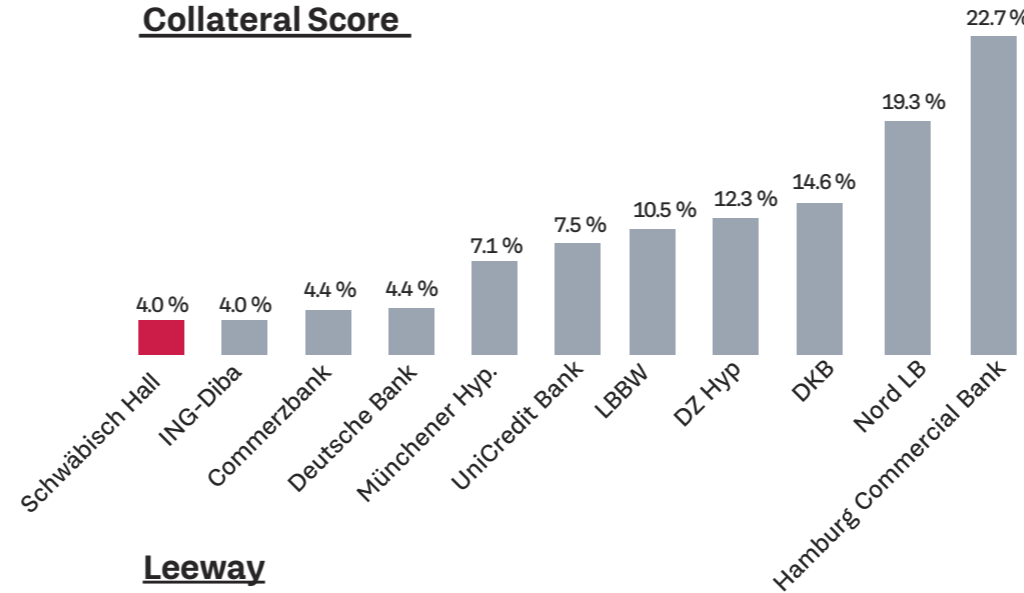
- Bausparkasse Schwäbisch Hall is rated **Aa2** (high quality and subject to very low credit risk)
- BSH's Pfandbriefe have been awarded the **top Aaa** rating (highest quality, with minimal credit risk)

Aaa  
+6 Leeway

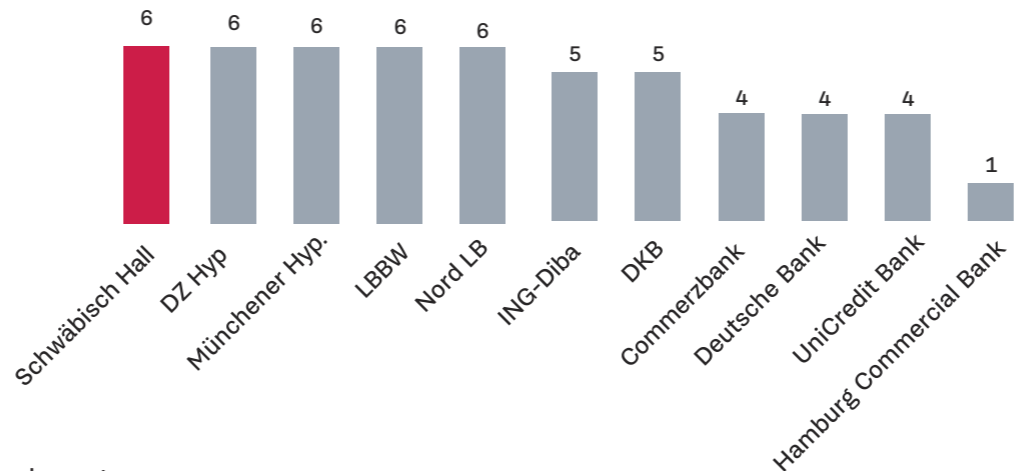
Very good combination of leeway and collateral score in the market

## Selected rating details

### Collateral Score

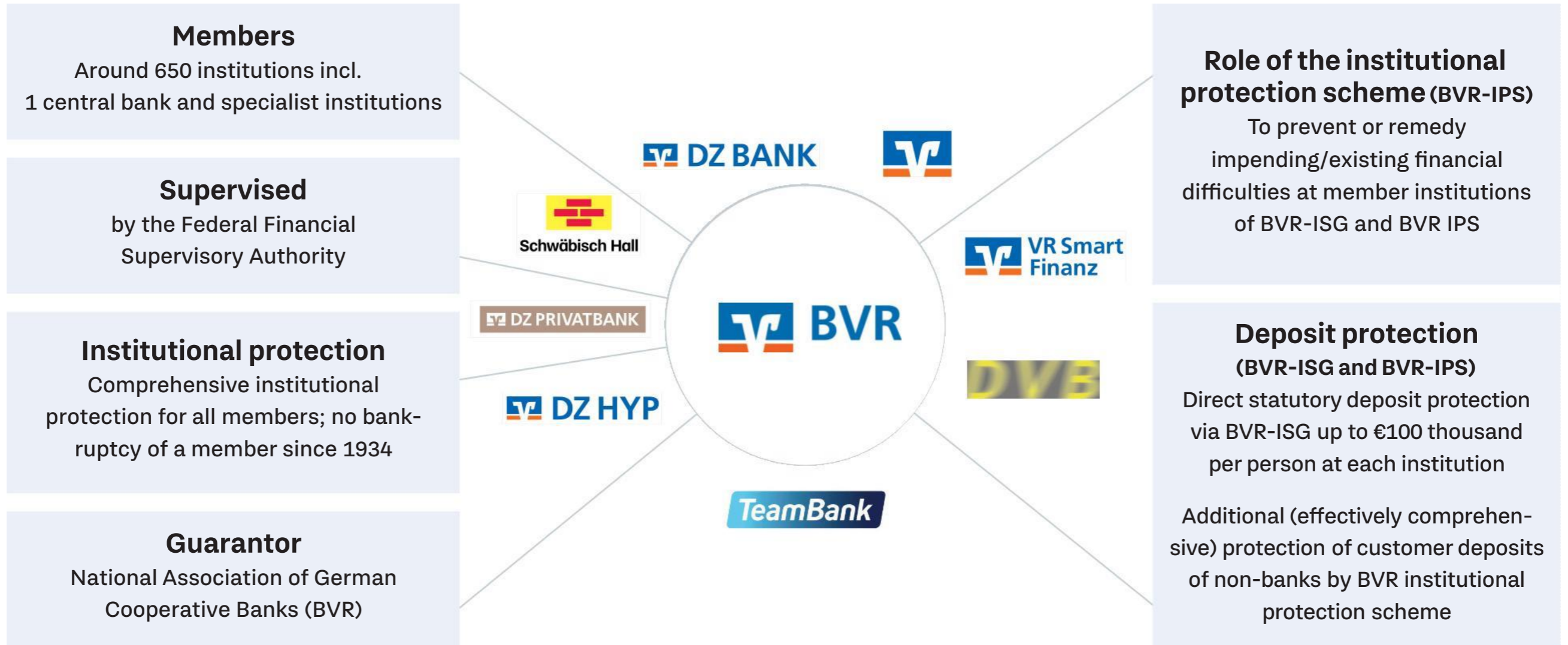


### Leeway



- 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%**
- **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**

# BVR Cooperative Institutional Protection Scheme



**Any questions?  
– We're happy to help!**

## Bausparkasse Schwäbisch Hall AG

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