

Non-financial statement

- 418 The DZ BANK Group as part of the cooperative financial network**
- 418 Sustainability within the DZ BANK Group / Group Corporate Responsibility Committee**
- 419 Materiality of the report content**
- 419 Environmental protection**
- 421 Treatment of employees**
- 423 Social responsibility**
- 423 Respect for human rights**
- 424 Anti-corruption and bribery**
- 426 Independent auditor's report on the limited assurance engagement**

Non-financial statement

The non-financial statement combines the non-financial report of DZ BANK AG and the non-financial report of the DZ BANK Group. In accordance with section 315c in conjunction with section 289c of the German Commercial Code (HGB), the non-financial statement for 2018 is divided into five sections: environmental protection, treatment of employees, social responsibility, respect for human rights, and anti-corruption and bribery.

Because none of the sustainability reporting frameworks use the definition of materiality contained in the German CSR Directive Implementation Act (CSR-RUG), the DZ BANK Group has opted not to use a framework for the preparation of the non-financial statement.

DZ BANK Group entities report on sustainability information that is outside the scope of the non-financial statement in their sustainability reports and on their websites. Since 2009, the DZ BANK Group has also published an annual progress report on the UN Global Compact.

This non-financial statement covers the following management units of the DZ BANK Group:

- DZ BANK
- BSH
- DVB
- DZ HYP
- DZ PRIVATBANK
- R+V
- TeamBank
- UMH
- VR LEASING.

The section of the 2018 group management report entitled ‘DZ BANK Group fundamentals’ contains information on the management units of the DZ BANK Group and their business models. Supplementary, sustainability-related information on the business models of the management units is outlined in this statement under the relevant sections of the report.

1. The DZ BANK Group as part of the cooperative financial network

The DZ BANK Group forms part of the German cooperative financial network, which includes around 900 cooperative banks and is one of Germany’s largest private-sector financial services organizations measured in terms of total assets. Within the cooperative financial network, DZ BANK AG functions as the central institution and is responsible for supporting the business of the cooperative banks in their regions and strengthening their competitiveness. It also operates as a corporate bank and acts as the holding company for the DZ BANK Group.

The DZ BANK Group includes Bausparkasse Schwäbisch Hall, DZ HYP, DZ PRIVATBANK, R+V Versicherung, TeamBank, the Union Investment Group, the VR LEASING Group, and various other specialized institutions. The collaboration within the DZ BANK Group is based on the cooperative principles: mutuality, partnership, and social responsibility.

The DZ BANK Group entities support the local cooperative banks and their 11,000 or so branches in retail banking, corporate banking, capital markets business, and transaction banking with their comprehensive range of financial products and services.

The success of the cooperative financial network is evidenced by its more than 30 million customers, around 18.5 million of whom are also members and thus owners of a cooperative.

2. Sustainability within the DZ BANK Group / Group Corporate Responsibility Committee

The entities within the DZ BANK Group have been pooling their sustainability activities since 2010. The Group Corporate Responsibility Committee was set up at DZ BANK Group level in 2014. The Group CRC covers the management units and ReiseBank, and is a standing committee made up of the sustainability coordinators of the individual entities.

The Group CRC focuses on working together on key areas, although management of the activities remains decentralized. The key areas are determined on the

basis of the findings of the stakeholder survey (see section 3). The requirements of sustainability rating agencies and current political and regulatory developments are also taken into account in the choice and prioritization of topics by the Group CRC.

In 2018, the participants of the Group CRC developed methods to strengthen the committee and make it more efficient. In addition, work has begun on the revision of the groupwide code of conduct.

The Group CRC is coordinated by DZ BANK's Communication, Marketing, CR division. The Group CRC coordinators report to the Chief Executive Officer of DZ BANK and, where appropriate, to the Group Coordination Committee.

3. Materiality of the report content

Successful management of sustainability activities within the DZ BANK Group requires an understanding of the social, environmental, and economic interests, experiences, and expectations of the stakeholders. The first groupwide online survey on CSR engagement, carried out among internal and external stakeholders in 2015, provides important information in this respect.

When selecting stakeholder groups for the survey, the diversity of the groups and their relevance for the entities of the DZ BANK Group were taken into account. The following aspects were key. Cooperative banks as customers and owners, corporate and retail customers of the entities of the DZ BANK Group, and their employees are among the most important stakeholders. Suppliers and service providers along with industry organizations and investors are very important financially to the entities of the DZ BANK Group. Critical voices from non-governmental organizations, rating agencies, and the worlds of business and politics were also taken on board.

The findings of the groupwide stakeholder survey were compared against the DZ BANK Group entities' own perspective in internal workshops. This produced a materiality matrix that shows the relevance of the various action areas to internal and external stakeholders. The materiality matrix forms the basis of the sustainability activities of the DZ BANK Group.

Against the background of the statutory requirements for a non-financial statement, the sustainability issues that are of relevance from a stakeholder perspective were re-evaluated by the DZ BANK Group entities in 2017. In early 2019, this assessment was reviewed by the group entities and found to still be applicable. This non-financial statement discusses the matters that were identified as important for the understanding of business performance, operating performance, and the position of the DZ BANK Group, and the effects of its activity on the aspects required to be included in the report: environmental protection, social responsibility, and treatment of employees, respect for human rights, and anti-bribery and corruption.

DZ BANK and the DZ BANK Group have a comprehensive risk management system. In 2018, no disclosable risks within the meaning of section 289c (3) HGB were identified. Information on risks associated with the aspects set out in this report, such as compliance risks and HR risks, can be found in the 2018 combined opportunity and risk report of DZ BANK and the DZ BANK Group.

The DZ BANK Group promotes sustainable economic and social development through various sustainability management activities. The entities of the DZ BANK Group have established various products, concepts, and processes that include environmental, social, and ethical criteria. Below, the report outlines the applicable principles and then describes the concepts and measures used for each aspect. Where a concept applies to several aspects, it will be explained upon first occurrence and then simply referred to subsequently.

4. Environmental protection

Various concepts are used within the DZ BANK Group to minimize the potential environmental impact of business activities and to limit possible risks such as reputational risk and credit risk. Examples include the 'Sustainable lending within the DZ BANK Group' policy and DZ BANK's sustainability checklist for lending. The DZ BANK Group also offers funding solutions and investment opportunities with an environmental or social benefit.

Sustainable lending

The credit risk strategy specifies that the entities in the Bank sector of the DZ BANK Group must treat their partners fairly and, as part of the sustainability strategy, not enter into any lending arrangement that could prejudice the reputation of the group. A sustainable lending policy developed on the basis of this strategy is applied in the majority of the management units involved in lending.

The policy contains rejection criteria for controversial asset types, business sectors, and business practices in order to exclude transactions that do not meet the minimum criteria in relation to environmental, social, and governance aspects or that are associated with a higher risk of reputational damage for the DZ BANK Group. Individual DZ BANK Group entities may apply additional rejection criteria. For example, DZ BANK stopped providing project funding for new coal-fired power plants in 2018.

DZ BANK systematically assesses loan applications (traditional lending business, project finance, and customer-specific trading limits) against relevant sustainability criteria as part of the credit check process. All factors relevant to the financing arrangement in question are assessed in relation to environmental and social risks using a sustainability checklist based on the 10 principles of the UN Global Compact and the Equator Principles, the latter forming a global project finance standard for evaluating environmental and social risks. Loans to cooperative banks and to entities in the DZ BANK Group are exempt from the checks, as are exposures that are being restructured. Further exemptions apply to certain product types in the joint credit business with the cooperative banks, to loans under blanket approval agreements, and to exposures that are below the rating threshold.

At DZ BANK, industry-related principles are used in addition to the sustainability checklist when reviewing loan applications from sensitive industries (forestry, commodities mining/extraction, dam construction, fishing, and maritime industries). These principles specify the details to be reviewed with reference to international industry-specific conventions, recognized standards, certification, and optimum production processes.

DZ BANK signed up to the Equator Principles in January 2013. Since then, project finance with a total investment volume of more than US\$ 10 million and project-specific corporate finance with an investment volume of more than US\$ 100 million has been subject to an environmental and social impact assessment in accordance with these principles. In the year under review, 18 projects assessed in this way reached financial close: 4 A-projects (potentially significant adverse environmental and social impact), 6 B-projects (potentially limited adverse social and environmental impact), and 8 C-projects (low or no environmental and social impact).

Financing for renewable energies

The DZ BANK Group's range of products covering renewable energies extends from finance for energy-saving solutions in construction and renovation projects to support for small and medium-sized enterprises using wind power, biomass, or solar energy and finance for large-scale projects such as solar farms, as well as suitable insurance solutions. DZ BANK's lending in the area of renewable energies stood at around €4.5 billion as at December 31, 2018. It is used to fund the expansion of infrastructure and the development of new, more efficient technologies. As well as traditional bank loans funded from the bank's own liquidity and the arrangement of development loans, the provision of project finance is a major focus of activity in the renewable energies business.

VR Smart Finanz – the core business of VR LEASING (leasing, hire purchase, and lending) has been marketed under the VR Smart Finanz brand since July 2018 – supports investment projects in the area of renewable energies such as photovoltaic systems and mobile elements of biogas systems, as well as investment projects in the area of energy efficiency, such as combined heat and power units. R+V Versicherung's renewable energies center of excellence develops made-to-measure insurance solutions for operators of plants producing green electricity.

Sustainable investments

Union Investment is one of Germany's largest providers of socially responsible investments, with around €41.4 billion of assets under management in this category. It offers a broad spectrum of fund and client account solutions that are managed in

compliance with sustainability requirements. All investment processes are based on its company-specific guidelines for responsible investment. This, in turn, is based on leading German and international standards that are adhered to above and beyond the statutory and regulatory requirements. The following standards and principles are the most important: the UN Global Compact, the Oslo Convention prohibiting the use of cluster munitions and landmines, the Principles for Responsible Investment – an investor initiative in partnership with the UNEP Finance Initiative and the UN Global Compact –, the code of conduct of the Bundesverband Investment und Asset Management (BVI) [German Investment Funds Association], and the sustainability code of the real estate sector.

Union Investment also uses ESG aspects as an additional risk filter in its internal risk management. This focus here is on regulatory risks, reputational risks, event risks, litigation risks, and technology risks. ESG factors relating to companies, governments, and other securities issuers are analyzed as part of investment decisions. At sector level too, the importance of ESG factors for the sector concerned is incorporated into the analysis.

Sustainability criteria and environmental impacts are taken into account at all stages of the value chain in the real estate fund business, too, as well as in the securities business. When purchasing, leasing, or managing buildings, and when developing and renovating them, the objective is to maintain the value and the future viability of the property and to secure long-term economic performance. External service providers are integrated into the internal processes. A property may only be purchased if it achieves a certain score on the internal sustainable investment checklist, otherwise measures have to be agreed. Sustainability aspects are taken into account in leasing, management, and development of the real estate portfolio, and in the selection of property managers. The self-imposed obligation to structure business processes in accordance with the principles of the code of the Zentraler Immobilien Ausschuss (ZIA) [German Property Federation] is thus met.

As part of its engagement activities, Union Investment takes a proactive approach to its shareholdings on behalf of its clients. It specifically raises ecological, social, and corporate governance issues in discussions

with investors and at annual general meetings, and in many cases is able to exercise influence on decision-making processes within companies. Union Investment publishes an annual engagement report.

DZ PRIVATBANK offers an ethical asset management service to its high-net-worth customers (monetary assets of more than €250,000) and private banking clients (monetary assets of more than €500,000). Coordinated social, environmental, and ethical filters define a broad investment universe of bonds and equities. Manufacturers of anti-personnel mines and cluster munitions are strictly excluded.

Green bonds

At the end of September 2018, DZ BANK placed the very first issue of its own green bond, with a volume of €250 million. The design of the bond complies with the Green Bond Principles of the International Capital Markets Association (ICMA) and was given the highest overall score of E1 by sustainability experts from Standard & Poor's Global Ratings. The capital raised by the placement will be used to finance onshore wind power projects in Germany. A pool of 60 projects in need of funding is linked to the green bond. These projects should reduce harmful CO₂ emissions by around 790,000 tonnes per year. DZ BANK has been active in the sustainable bonds segment since 2013 and is one of the leading European underwriters for these assets. In 2018, the total volume of bond issues with green, social, and sustainable objectives that were supported by DZ BANK as the lead underwriter amounted to around €7 billion. Issuance activity is focused on investment projects in the areas of renewable energies and climate change.

5. Treatment of employees

Skilled employees are an invaluable resource for the DZ BANK Group. The competition for highly capable professionals and managerial staff is increasing, so it is important for the DZ BANK Group entities to offer established employees attractive prospects and also to recruit well-qualified specialists and young people.

Employer branding

A key objective of the HR activities within the DZ BANK Group is to increase the group's attractiveness as an employer. The Group HR Committee initiates and coordinates activities relating to overarching HR issues while at the same time exploiting potential synergies. The board members responsible for HR and the HR directors of the DZ BANK Group entities sit on this committee. Examples of the committee's activities include a common remuneration strategy initiated to take account of the regulatory requirements and, in 2014, the launch of a company-wide employer branding campaign.

The objective of the employer branding campaign is to establish the DZ BANK Group as an employer in the marketplace, thereby attract suitable candidates and retain existing employees over the long term, and thus safeguard the future viability of the DZ BANK Group. Following the success of the internal communications and information-sharing platform set up in 2014, a joint external careers website featuring vacancies across the group was launched two years later. Various public relations activities supported the launch of the employer brand in the external job market. In 2017, these activities included a nationwide bike-sharing campaign that was promoted on relevant social media. The focus widened to internal communications channels, for example with articles about individual employees in a feature entitled 'A day in the life of...'. In the year under review, employer branding responsibilities were transferred from the entities to the relevant line functions, where they are now a firmly established element of HR policy.

In 2011, the entities in the DZ BANK Group had issued a letter of intent declaring their intention to provide active support for the advancement of women in their careers, a further measure necessary to safeguard the competitiveness of the group over the long term. The initiative is supported by joint events such as the 'Success strategies for women in business' training.

The joint cross-mentoring program is offered to heads of department throughout the group and in 2017 was taken up by 15 mentor and mentee pairings from eight companies, each comprising a head of division as mentor and a head of department as mentee. The

program, which was running for the third time, aims to develop professional expertise through individual mentoring. Appropriate measures in the future will put the focus more firmly on the networking of all mentors and mentees beyond the groups and pairing arrangements.

As well as groupwide measures for managers, the project entitled 'Information week: Experiencing the sense of belonging in the DZ BANK Group' was continued. Successfully piloted in 2016, the project saw three events staged in 2017 and two in 2018, each in a different entity. For 2019, the next three events at three different entities have already been planned.

These information events actively help to nurture group identity. Such events offer new perspectives, promote an understanding of particular requirements in other entities, encourage a greater depth of professional dialog, and thereby produce employees capable of spreading the message among others. As well as expanding networks within the entities, the events support overarching succession and career planning and secure long-term employee loyalty.

The entities in the DZ BANK Group offer their staff a wide range of internal training and development opportunities.

The entities of the DZ BANK Group regularly undergo the 'berufundfamilie' audit in order to promote a good work-life balance. The Hertie Foundation recognizes companies with family-friendly and life-stage-oriented HR policies. The auditberufundfamilie® quality seal has to be renewed every three years and is contingent on the auditing of specific measures. In 2018, the majority of entities were certified by auditberufundfamilie®. Flexible working hours and part-time working models, together with other measures aimed at improving work-life balance, form a permanent part of HR policy in each entity.

The DZ BANK Group entities offer health management services in order to boost their employees' performance. In 2018, staff could choose to participate in a variety of preventive health measures such as company sports groups or special courses focusing on preventive healthcare.

6. Social responsibility

The future viability of the DZ BANK Group rests on its ability to satisfy its customers. That is why the DZ BANK Group entities actively seek dialog with their customers and other stakeholders in order to engage them in the group's business processes to everyone's advantage. This regular and intensive dialog helps the DZ BANK Group's owners and customers to build trust in the quality of the products and services on offer.

Dialog events with cooperative banks

The most important customer group is the cooperative banks. As they are also the owners of DZ BANK, DZ BANK feels particular solidarity and a sense of partnership with them. DZ BANK facilitates communication and information sharing with the cooperative banks through various dialog events, including five regional Banking Advisory Councils and the autumn conferences.

The founding of the DZ BANK Group's Central Advisory Council in 2018 is of particular strategic importance. The Central Advisory Council aims to ensure that the cooperative banks are involved in the DZ BANK Group's important strategic decisions (to the extent permitted by the German Stock Corporation Act). The Central Advisory Council comprises around 35 members from the Boards of Managing Directors of cooperative banks plus other important representatives from within the cooperative financial network. The purpose of the Central Advisory Council is to facilitate in-depth discussion and dialog on key strategic issues in the DZ BANK Group. It also addresses the design of new products and services and the way these are marketed to cooperative banks and their customers. The Central Advisory Council meets twice a year and is able to make recommendations to the various Boards of Managing Directors in the DZ BANK Group. The constituent meeting of the Central Advisory Council took place in March 2018.

7. Respect for human rights

As a signatory to the UN Global Compact, the DZ BANK Group is committed to ten globally applicable principles covering the areas of human

rights, labor standards, the environment, and anti-corruption. Together with the DZ BANK Group's code of conduct, these principles form a binding frame of reference for the practices of the DZ BANK Group entities. Human rights aspects are also taken into account in the business activities of the group entities, for example in the portfolio management of Union Investment and the procurement processes of the DZ BANK Group.

Code of conduct of the DZ BANK Group

The code of conduct provides the basis for the ethical, legally compliant, and socially responsible corporate culture within the DZ BANK Group. The DZ BANK Group's code of conduct provides its employees with principles and rules on how to behave properly and responsibly, particularly in their dealings with customers, business partners, and other members of staff. The entities of the DZ BANK Group do not tolerate any discrimination against employees or third parties on the basis of age, gender, ethnic background, nationality, religion, political views, worldview, race, disability, or sexual identity.

Sustainability agreement with suppliers

When selecting suppliers and service providers, respect for and protection of human rights are important to the DZ BANK Group. In 2017, the DZ BANK Group developed guidelines entitled 'Sustainability in Procurement'. The procurement processes incorporate social and ecological standards that cover aspects relating to human rights and working practices. DZ BANK, Bausparkasse Schwäbisch Hall, R+V Versicherung, Union Investment, and VR LEASING use a sustainability agreement requiring their suppliers to comply with the DZ BANK Group's minimum standards, the principles of the United Nations Global Compact, and the fundamental conventions of the International Labour Organization. A breach of this agreement may ultimately result in a supplier being suspended.

Guidelines for responsible investment

The statements on sustainable lending and sustainable asset management in the DZ BANK Group set out in the section on environmental protection are also of importance for the aspect of 'respect for human rights'. Social and ethical factors are taken into

account, alongside environmental aspects, in both sustainable lending and sustainable asset management.

Union Investment has systematically integrated the issue of human rights violations into the portfolio management assessment guidelines by implementing the principles of the UN Global Compact. Information is available to all fund managers in Union Investment's proprietary information system SIRIS. Human rights aspects are also proactively raised with companies as part of the engagement process.

R+V Versicherung follows clear ethical guidelines in its investments. It does not invest in companies that manufacture mines and anti-personnel mines, atomic, biological, and chemical weapons (ABC weapons), depleted uranium munitions, or cluster munitions. Financial products for agricultural commodities are also excluded. Since 2018, the insurance company no longer invests in companies that generate 30 percent or more of their revenue from the mining or use of coal. The rejection criteria apply to all asset classes (equities, interest-bearing securities such as bonds and Pfandbriefe, loans, and real estate) over which R+V's investors have a direct influence.

Bausparkasse Schwäbisch Hall has defined rejection criteria for the investment of its own funds. Bonds from defined sectors (such as certain armaments or pornography) or from companies with ethically dubious business practices (child labor and forced labor, human rights violations, controversial environmental practices) are excluded. Since 2015, BSH has also excluded bonds from companies that earn more than 25 percent of their total consolidated revenue from coal-fired power plants (brown and hard coal) or uranium mining.

8. Anti-corruption and bribery

Ensuring compliance is essential to responsible corporate governance. An effective compliance management system ensures that business practices are legitimate and serves to protect against reputational risks and financial loss. This includes combating corruption and bribery, preventing money laundering, the financing of terrorism, market manipulation, and insider trading, and ensuring compliance with financial sanctions.

Compliance function

The main tasks of the compliance function are to identify, manage, and mitigate compliance risk in order to protect customers, DZ BANK, the other entities in the DZ BANK Group, and their employees against breaches of legal provisions and requirements. The compliance function is also responsible for monitoring compliance with the legal provisions and requirements, keeping senior management and the departments informed of changes to the legal situation, and advising them on implementing new provisions and requirements.

The compliance framework of the DZ BANK Group centers on the compliance policy, which sets out the requirements for the establishment/organization of the compliance functions and details of their duties. The framework is supplemented by compliance standards, which specify how to implement these requirements at an operational level.

The Head of Compliance at DZ BANK reports at least once a year on the activities and key findings of the compliance function in relation to DZ BANK, including its international branches and its subordinated group entities. The tasks of the Compliance division are based on the requirements of the German Banking Act (MaRisk, money laundering and other criminal offenses), the German Securities Trading Act (MaComp), MAR, MAD, the German Anti-Money Laundering Act (GwG), and the corresponding legislation at European level.

Money laundering and fraud prevention

By signing up to the UN Global Compact, the DZ BANK Group has undertaken to respect and comply with the ten principles of corporate responsibility. Principle 10 commits companies to work against corruption in all its forms, including extortion, bribery, and passive corruption. The DZ BANK Group's code of conduct is based on the principles of the UN Global Compact. It also addresses undesirable business practices and makes reference to various fraud prevention tools.

To prevent white-collar crime and protect the group's reputation and assets, procedures have been introduced to allow employees to report potentially illegal or damaging practices. The entities of the

DZ BANK Group have set up a whistleblowing system that enables employees to report possible criminal acts internally, without having to disclose their own identity.

All DZ BANK Group entities have policies in place for dealing with gifts. Gifts should generally be given for altruistic motives – for example to express thanks – or to celebrate events such as birthdays or service anniversaries. However, such well-intended gestures could be misinterpreted and could lead to improper influence over the recipient of the gift. The line between a well-intended gesture and an attempt at bribery is blurred. The DZ BANK guidelines for dealing with gifts and invitations contain binding provisions designed to rule out conflicts of interest and crimes, with the aim of protecting employees, customers, and DZ BANK itself.

The entities of the DZ BANK Group provide regular training for their employees on compliance, anti-money laundering, and fraud prevention. The training is intended to ensure ethical business conduct by informing and educating employees.

At DZ BANK, the web-based training tools on anti-money laundering and fraud prevention are mandatory for all employees and also include a test at the end. Employees must complete these programs soon after joining the organization. The modules are tailored to the business activities and the special needs of DZ BANK and are repeated by all employees at all locations in Germany on a two-yearly cycle. Employees who have not completed the training within the specified timeframe receive an automated reminder from the training tool, giving them 15 days to complete the program in question. The internal reminder system consists of a total of three warning levels, each of which also sends a notification to the employee's immediate line manager. To prevent white-collar crime and to protect the assets and reputation of the organization, two new web-based training tools on corporate security and the General Data Protection Regulation in banks were developed in 2018 and made mandatory for employees.

The DZ BANK Group entities also provide anti-money laundering training to their employees. Depending on the size of the entity, classroom-based training may also be provided in addition to the online training programs.

Independent auditor's report on the limited assurance engagement

To DZ BANK AG, Frankfurt am Main

We have performed a limited assurance engagement on the non-financial report of DZ BANK AG, Frankfurt am Main, in accordance with section 340a in conjunction with section 289b of the German Commercial Code (HGB), which is combined with the group non-financial report in accordance with section 340i in conjunction with section 315b HGB and also comprises and incorporates by reference the qualified section 'DZ BANK Group fundamentals' of the 2018 group management report (hereinafter referred to as the non-financial report) for the period January 1, 2018 to December 31, 2018. Our engagement did not include any disclosures for prior years.

A. Responsibility of the executive directors

The executive directors are responsible for the preparation of the non-financial report in accordance with section 340a in conjunction with sections 289c to 289e HGB and section 340i in conjunction with 315c HGB.

This responsibility includes selecting and applying appropriate methods to prepare the non-financial report as well as making assumptions and estimates relating to individual disclosures that are reasonable in the circumstances. The executive directors are also responsible for the internal controls that they have specified as necessary for the preparation of a non-financial report that is free of material misstatements, whether due to fraud or error.

B. Auditor's declarations relating to independence and quality assurance

We are independent from the entity in accordance with the provisions of German commercial law and professional regulations, and we have fulfilled our other professional responsibilities in accordance with these requirements.

Our audit firm applies the national statutory regulations and professional pronouncements for quality assurance, in particular the by-laws regulating the rights and duties of Wirtschaftsprüfer and vereidigte Buchprüfer [German public auditors and certified public accountants] in the exercise of their profession as well as the quality assurance standard of the Institut der Wirtschaftsprüfer (IDW) [Institute of Public Auditors in Germany]: Requirements for quality assurance in auditing practice (IDW QS 1).

C. Auditor's responsibility

Our responsibility is to express a limited assurance opinion on the non-financial report based on our limited assurance engagement.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board (IAASB). This standard requires us to plan and conduct the assurance engagement to obtain limited assurance as to whether the Company's non-financial report has been prepared, in all material respects, in accordance with section 340a in conjunction with sections 289c to 289e HGB and section 340i in conjunction with 315c HGB. In a limited

assurance engagement, the assurance procedures carried out are less comprehensive than those for a reasonable assurance engagement and therefore a substantially lower level of assurance is obtained. The auditor exercises professional discretion when selecting the assurance procedures.

During our assurance engagement, the majority of which was conducted between December 2018 and February 2019, we carried out the following assurance procedures and other activities:

- Inquiries of employees regarding the selection of topics for the non-financial report, the risk assessment, and the strategies for the areas identified as material
- Inquiries of employees responsible for the capture and consolidation of data and for preparing the non-financial report, on their assessment of the reporting system, the methods of data extraction and preparation, and the internal controls, so far as they are relevant for the examination of the disclosures in the non-financial report
- Identification of likely risks of material misstatements in the non-financial report
- Inspection of the relevant documentation of the systems and processes for compiling, analyzing, and aggregating data from the relevant divisions such as Compliance and Human Resources during the reporting period, and inspection of these on a sample basis
- Inquiries and inspection of documents on a sample basis with regard to the collection and reporting of selected data
- Analytical assessment of disclosures in the non-financial report at the level of the parent entity and of the group
- Assessment of the presentation of the disclosures in the non-financial report.

D. Opinion

Based on the assurance procedures carried out and the evidence obtained, we are not aware of any facts that would lead us to believe that the non-financial report of DZ BANK AG for the period January 1, 2018 to December 31, 2018 has not been prepared, in all material respects, in accordance with section 340a in conjunction with sections 289c to 289e HGB and section 340i in conjunction with section 315c HGB.

E. Intended use of the report

We are issuing this report on the basis of the engagement agreed with DZ BANK AG. The assurance engagement has been conducted for the purposes of the Company, and the report is intended purely to inform the Company of the results of the engagement. It must not be used other than for the intended purpose. This report is not intended for use by third parties as a basis for making (financial) decisions.

F. Engagement terms and liability

Our General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] dated January 1, 2017 (www.de.ey.com/IDW-Auftragsbedingungen) apply to this engagement, and to our relations with third parties in connection with this engagement. We refer in addition to the liability provisions contained in section 9 of the General Engagement Terms and to the exclusion of liability vis-à-vis third parties. We accept no responsibility, liability, or other obligations vis-à-vis third parties unless otherwise stipulated in the provisions of a written agreement we have entered into with the third party, or if the liability disclaimer is ineffective.

We explicitly point out that we do not update the report to reflect events or circumstances arising after it was issued, unless required to do so by law. Anyone taking cognizance of the results of our assurance engagement summarized in the above report is responsible for deciding whether and in what form they consider these results useful and suitable for their purposes and whether they should carry out their own investigations to add to, verify, or update these results.

Munich, March 7, 2019

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft



Nicole Richter
Wirtschaftsprüferin
(German Public Auditor)



Dr. Patrick Albrecht