



Annual Report 2025

Financial Statements and Management Report

DEG – Deutsche Investitions-
und Entwicklungsgesellschaft mbH

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Report by the Supervisory Board

Advice to, and supervision of, the Management Board

The Supervisory Board held constructive and open talks with DEG's Management Board during 2025. The Management Board was a competent, functional unit and reported promptly, proactively and comprehensively to the Supervisory Board on all important developments at DEG, assuring it of the proper conduct of the Management Board's activities. The Management Board's prudent management helped ensure that DEG's risk situation remained stable, despite the continuing macroeconomic challenges.

The Supervisory Board fully performed its duties as required by law and the Articles of Association, including monitoring and advising the Management Board, in 2025. The Supervisory Board was involved whenever decisions were of crucial importance to DEG. Where necessary and following extensive consultation and scrutiny of specific cases, the Supervisory Board gave its consent to the relevant business transactions.

DEG's rules and regulations are based on the German Federal Public Corporate Governance Code (Public Corporate Governance Kodex des Bundes, PCGC) and meet the applicable governance standards.

Meetings of the Supervisory Board

The Supervisory Board held five meetings in 2025 and took further decisions on submissions via two circulation procedures. In carrying out its work, the Supervisory Board received effective assistance from its committees, membership of which is drawn from the board. These held 19 meetings in total. The Executive and Nomination Committee and the Audit Committee each met on four occasions. The Remuneration Control Committee met three times. The Risk and Credit Committee, which takes final decisions on measures and transactions of particular importance to DEG's financing business, held eight meetings. The work of the committees was reported regularly and in detail in subsequent meetings of the Supervisory Board. The recommendations made by the committees during the reporting year were confirmed by the Supervisory Board without exception.

No member of the Supervisory Board attended fewer than half of the meetings of the board in 2025. No conflicts of interest in connection with decision-making processes were reported by members of the Supervisory Board during the reporting period.

Key issues

During the period under review, the Supervisory Board addressed a range of key issues of particular importance to DEG and discussed these with the Management Board.

The Supervisory Board expressly welcomed the inclusion of DEG in the list of tax-exempt credit institutions under the

Corporation Tax Act (Körperschaftsteuergesetz, KStG) and the Trade Tax Act (Gewerbesteuerengesetz, GewStG) at the beginning of 2025, providing a legal basis for reducing the tax burden of DEG, which supports the development of developing country economies in the public interest.

The board regularly undertook activities under the new Scaling Impact & Shaping Transformation strategy cycle. In September 2025, members of the Supervisory Board and the Management Board participated in a strategy workshop to discuss DEG's scaling and mobilisation case for boosting impact. The members of the Supervisory Board welcomed both the continuation of the Impact.Climate>Returns. strategy associated with the scaling case and the opportunity to discuss this matter in depth at the workshop.

Building on these discussions, in November 2025 the Management Board informed the Supervisory Board of the planned scaling of DEG's business from 2026 to 2030 and of the capital measure planned by the shareholder. The Supervisory Board believes that DEG is strategically well positioned for the future. It approved the overall strategy during its meeting on 24 November 2025, including the risk strategy, the IT strategy, the HR strategy and financial planning for 2026, and affirmed that the scale had been properly taken into account in the target agreement system.

Given current developments, it was presented with a special economic report in June 2025 on the effects of and challenges arising from US policy for DEG's business. During its meetings, the Management Board regularly reported on how the depreciation of the US dollar, primarily in the first half of 2025, was affecting DEG's business. The Supervisory Board was also informed about the design and strategic relevance of EU EFSD+ (European Fund for Sustainable Development) guarantees for DEG. Regular reports on the two subsidiaries, DEG Impact and DEG Impulse, were also provided.

The Supervisory Board was regularly informed about the implementation of equal treatment and participation measures. The results of the 2025 DEG staff survey were also presented to the Supervisory Board.

The Supervisory Board engaged in dialogue about the development of the complaints mechanism with two members of the Independent Expert Panel when the panel's annual report was presented in March 2025. Some members of the Supervisory Board took the opportunity to participate in the public consultation on the new Independent Complaint Mechanism policy.

The Audit Committee was also informed about DEG's equity finance business and its importance for achieving development policy impacts.

The Supervisory Board conducted its annual self-evaluation as well as an efficiency review of the Management Board. The results of the self-evaluation continue to confirm that the assessment of the work and efficiency of the Supervisory Board and its committees in previous years as "good" has been maintained.

Annual financial statements and management report

The annual financial statements, as drawn up in accordance with statutory regulations, have been audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, along with the management report. The annual financial statements were awarded an unqualified audit opinion.

Based on the auditor's report, the Audit Committee appointed by the Supervisory Board reviewed and discussed the annual financial statements along with the management report, and recommended that they be approved by the members of the Supervisory Board. During a final detailed review by the Supervisory Board, the board members agreed with the Audit Committee's recommendations and approved the findings of the auditor's report and the annual financial statements, including the management report.

The Supervisory Board recommended that the shareholders' meeting adopt the annual financial statements for 2025 and grant the Management Board discharge from liability.

Training

In 2025, DEG offered members of the Supervisory Board training events on corporate governance for supervisory and advisory board members, as well as on current regulatory developments. Introductory training courses were offered to new Supervisory Board members on these matters.

Changes in membership of the Supervisory Board

The representatives of the German Federal Government on DEG's Supervisory Board changed in 2025 owing to a new government being formed following the early German Bundestag elections. Chair Niels Annen, Prof. Dr Luise Hölscher, Anja Hajduk and Deike Potzel resigned from their mandates in mid-2025.

In September 2025, in agreement with the Federal Ministry for Economic Cooperation and Development, Johann Saathoff, Dr Eva Wimmer, Dr Janina Jänsch and Dr Julia Monar were appointed as representatives of the Federal Government by the shareholders' meeting.

Following the resignation of Mr Niels Annen from his mandate and as Chair, Christiane Laibach was elected as Chair of the Supervisory Board, and Prof. Dr Christiane Weiland was elected as First Deputy Chair. Since 22 September 2025, Johann Saathoff has been Chair, Christiane Laibach has been First Deputy Chair and Prof. Dr Christiane Weiland has been Second Deputy Chair of the Supervisory Board.

Membership of the committees was redrawn to include the representatives of the Federal Government in accordance with the provisions of the Rules of Procedure of the Supervisory Board and its committees.

Thanks and appreciation

The Supervisory Board notes with approval that, despite a still challenging environment, efforts are being made to consistently develop the strategy and to seize opportunities for growth to strengthen the private sector in developing and emerging market countries in the coming years; that the new business volume generated in 2025 is significantly above the planned value; and that, against the backdrop of the global economic situation and following a substantial loss at the half-year point, the IFRS annual result reached a respectable, positive figure at the year's end. The Supervisory Board especially welcomes the significant impact made by DEG financing.

The Supervisory Board extends its thanks to members who left the board during the financial year, including in particular the former Chair, Mr Niels Annen, for his valuable contribution and unwavering dedication to the company's interests.

The Supervisory Board would like to express its gratitude and appreciation to the Management Board for its highly constructive and excellent cooperation at all times.

Special thanks also go to all DEG employees for their hard work. Their exceptional commitment and expertise were key to supporting the transformation pathways of private sector customers in developing and emerging market countries, consolidating DEG's pioneering role in the field of climate action and generating positive development impact.

Cologne, 16 March 2026

Johann Saathoff
Chair of the Supervisory Board

Corporate Governance Report

As a member of KfW Group, DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH has made a commitment to act responsibly and transparently in an accountable manner. DEG's Management Board and Supervisory Board accept the principles of the German Federal Government's Public Corporate Governance Code (Public Corporate Governance Kodex des Bundes, PCGC) on behalf of DEG. The company's first Declaration of Conformity, detailing compliance with the PCGC's recommendations, was made on 30 March 2011. Since then, any departures from the code have been declared and elucidated annually.

DEG has operated as a legally independent, wholly owned subsidiary of KfW since 19 June 2001. Its rules and regulations (Articles of Association, Rules of Procedure of the Supervisory Board and its committees, and Rules of Procedure of the Management Board) specify the basic features of the system via which it is managed and controlled by its corporate bodies.

Declaration of Conformity

The Management Board and Supervisory Board of DEG make the following declaration:

"Since the last Declaration of Conformity issued on 24 March 2025, the recommendations of the PCGC have been and are being fulfilled, with the exception of the following departures."

Delivery of documents to the Supervisory Board

In a departure from paragraph 4.1.3 PCGC, the documents required in order to make a decision were not delivered in full to members of the Supervisory Board 14 days in advance of two meetings, due to extensive coordination efforts. These did not include the documents explicitly mentioned in paragraph 4.1.3 PCGC (annual financial statements, management report or auditor's report).

Deductible for D&O insurance

KfW has arranged D&O insurance policies that, as group insurance, also extend protection to the members of DEG's Supervisory Board. In a departure from paragraph 4.3.2 PCGC, these merely include the option to introduce a deductible during the period under review. Since many members of the Supervisory Board waive their right to compensation, the contracts do not provide for any deductible. For members of the Management Board, the D&O insurance policies include a deductible that meets the requirements of paragraph 4.3.2 PCGC.

Transfer of former members of the Management Board to the Supervisory Board

Christiane Laibach was a member of DEG's Management Board until 31 May 2021. Based on the shareholder's decision of 24 May 2022, she has been a member of the Supervisory Board since 13 June 2022. This means that, in a departure from paragraph 6.2.4 PCGC, she was appointed as a member of DEG's Supervisory Board less than five years after leaving the Management Board. The Supervisory Board has elected her as a member of its committees – including the Audit

Committee, in a departure from paragraph 6.1.6 PCGC – and as Chair of the Risk and Credit Committee. Ms Laibach was appointed to the Executive Board of KfW with effect from 1 June 2021 and since then has been responsible for KfW's "International financing" department. In order for her to fulfil the duties associated with this position after her transfer within the group, it is necessary for her to have a seat on the Supervisory Board of DEG and on its committees with special responsibility for credit and risk issues. To ensure that the requirements arising from the seat on the Executive Board are appropriately balanced with the requirements of the PCGC, a transition period of one year was agreed with the legal supervisory authority during which she is excluded from the assessment of a financial year that fell within her responsibility as a member of the Management Board.

Committees

The Supervisory Board is relieved of a portion of its workload by its committees, which benefit from more familiarity with the issues and greater flexibility of scheduling. The Risk and Credit Committee not only prepares decisions for the Supervisory Board in some cases, but also – in a departure from paragraph 6.1.7 PCGC – decides definitively, in connection with DEG's financing business, on measures and transactions of special significance, which, in accordance with section 10(5) nos. 4 and 5 of DEG's Articles of Association, require the approval of the Supervisory Board. Having the Risk and Credit Committee make the final decision on such matters is necessary for reasons of practicality and efficiency. In addition, the Executive and Nomination Committee has the authority to make the final decision in some areas with respect to the suitability assessment of Management Board and Supervisory Board members in accordance with the suitability guidelines required by the supervisory authority.

In a departure from paragraph 6.1.8 PCGC, the proportion of employee representatives on two committees did not reflect the balance of power between shareholder representatives and employee representatives on the Supervisory Board as a whole. For the Executive and Nomination Committee and the Remuneration Control Committee, however, the legitimate interests of shareholders in ensuring that the committees operate efficiently, in accordance with paragraph 6.1.8 PCGC, take precedence; moreover, the issues discussed by these committees are regularly addressed again in detail at plenary meetings of the Supervisory Board. Representation of these interests is ensured by retaining a lower number of committee members, who also reflect the perspectives of the various interest groups represented on the Supervisory Board.

Cooperation between the Management Board and Supervisory Board

The Management Board and the Supervisory Board work together closely for DEG's benefit. The Management Board, in particular the CEO, is in regular contact with the Chair of the Supervisory Board. The same applies to the chairs of the committees in their relevant areas of responsibility. The

Management Board informs the Chair of the Supervisory Board of all events of material significance to the assessment of DEG's situation and development. The Chair of the Supervisory Board informs the Supervisory Board of any issues of major significance and convenes an extraordinary meeting if necessary.

In the year under review, the Management Board reported to the Supervisory Board as per the provisions of section 90 of the German Stock Corporation Act (Aktiengesetz, AktG) and provided comprehensive information on all relevant corporate issues related to strategy, planning, business development, profitability, the risk situation, risk management, compliance, the remuneration strategy and the financial situation, sustainable governance and implementation and results thereof, transactions of special importance to the profitability or liquidity of the company and any changes in the economic environment of significance to the company.

The legal requirements for ensuring full observance of confidentiality pursuant to section 52 of the Act on Limited Liability Companies (Gesetz betreffend die Gesellschaften mit beschränkter Haftung, GmbHG) in conjunction with sections 116 sentence 2, 394 and 395 AktG were also met thanks to open discussion between the Management Board and the Supervisory Board as well as within those bodies. The bodies or members of the bodies ensure that any third parties they engage comply with the same duty of confidentiality. The Supervisory Board also exchanged regularly without the participation of the Management Board.

Management Board

The Management Board conducts DEG's business with the appropriate due care and diligence of a prudent businessperson in accordance with the law, the Articles of Association, the Rules of Procedure of the Management Board and the decisions of the shareholder's meeting and the Supervisory Board. The allocation of responsibilities among members of the Management Board is regulated by a schedule of responsibilities.

Responsibilities were allocated to the individual members of the Management Board as follows:

Roland Siller

CEO

- Corporate Management (including Finances) division
- Sustainability, Politics and Communication division
- Legal and Tax division
- Customer Solutions division
- Internal Audit

Joachim Schumacher

- Credit Management and Analysis division
- Compliance and Risk Controlling division
- Digitalisation division

Monika Beck

- Industries & Services, Private Equity and Venture Capital division
- Infrastructure, Energy and German Business division
- Financial Institutions and Capital Markets division

The members of the Management Board are committed to DEG's corporate interest, may not pursue personal interests in their decision-making, and are subject to a comprehensive non-compete clause during their employment with DEG. Members of the Management Board must immediately inform the shareholder and the Supervisory Board of any conflicts of interest that arise. No such instance occurred in the year under review.

Supervisory Board

The Supervisory Board monitors and advises the Management Board on its leadership of DEG. Under DEG's Articles of Association, the Supervisory Board consists of 15 members. Five of these are employee representatives elected under the provisions of Germany's One-Third Participation Act (Gesetz über die Drittelbeteiligung der Arbeitnehmer im Aufsichtsrat, DrittelbG), while the other members are appointed by the shareholder's meeting.

The members of the Supervisory Board who are not elected in accordance with DrittelbG are selected in consultation with the Federal Ministry for Economic Cooperation and Development (BMZ). The German Federal Government has the right to propose four members, who are intended to represent the BMZ, the Federal Ministry of Finance (BMF), the Federal Foreign Office (AA) and the Federal Ministry for Economic Affairs and Energy (BMWi), respectively.

In the year under review, Niels Annen, Parliamentary State Secretary under the Federal Minister for BMZ, served as Chair of the Supervisory Board until 9 July 2025. Following the resignation of Mr Annen as Chair, Christiane Laibach, member of the Executive Board of KfW, was elected as Chair of the Supervisory Board and held the position from 30 July 2025 to 22 September 2025. Johann Saathoff, Parliamentary State Secretary at BMZ, was elected as Chair of the Supervisory Board on 22 September 2025.

The members of the Supervisory Board possess, individually and collectively, the knowledge, skills and professional experience required in order to perform their duties correctly. The Supervisory Board comprises nine women and six men. The target of 33% female membership by 1 June 2022, set by the Supervisory Board in 2017, was thus exceeded. The legal quota of 30% male and 30% female members, set in 2021,

and the internal target adopted voluntarily by the Supervisory Board in 2022 of 40% male and 40% female membership for the period up to 30 June 2027 were met in the year under review.

Section 2(3) of the Rules of Procedure of the Supervisory Board states that anyone who would exceed the statutory or regulatory limits on the number of Management or Supervisory Board mandates by taking up or continuing a Supervisory Board mandate at DEG, and anyone who cannot guarantee that they can dedicate the time required for the role for other reasons, may not be a member of the Supervisory Board. DEG also follows section 25d(3a) of the German Banking Act (Kreditwesengesetz, KWG) in this regard. The recommendations of the PCGC also apply to members of the Supervisory Board appointed at the instigation of the German Federal Government.

Every member of the Supervisory Board shall disclose conflicts of interest to the Supervisory Board. Where a conflict of interest is assumed to exist, the board member in question shall not participate in discussions or decisions on that item on the agenda. Any conflicts of interest attributable to a member of the Supervisory Board personally that are likely to prevent that member from meaningfully exercising their mandate over a sustained and prolonged period of time shall result in the termination of the mandate. No such instance occurred in the year under review.

No member of the Supervisory Board participated in fewer than half of the meetings of the Supervisory Board in the year under review.

Committees of the Supervisory Board

To ensure the efficient performance of its duties, the Supervisory Board has set up the following four committees from among its own members. The remits are based on section 25d KWG:

The **Executive and Nomination Committee** deals with HR issues and the principles of corporate governance. When necessary, it carries out preparations for meetings of the Supervisory Board. The responsibilities of the Executive and Nomination Committee include the discussion of issues connected with appointing and relieving members of the Management Board. Since 1 October 2021, they also include advising the shareholder on job descriptions during the procedure for selecting members of the Management Board, and assessing the suitability of members of the Supervisory Board and Management Board in compliance with regulatory requirements. The Executive and Nomination Committee discusses the structure, size, composition and performance of the Management Board and the Supervisory Board, and reports to the Supervisory Board thereon, on a regular basis and at least once per year.

The **Remuneration Control Committee** handles remuneration issues. It specifically deals with drawing up appropriate remuneration systems for members of the Management Board and for DEG staff.

The **Risk and Credit Committee** advises the Supervisory Board on issues related to risk, in particular DEG's overall risk tolerance and risk strategy. It also acts on behalf of the Supervisory Board in connection with elements of DEG's financing business requiring approval by taking final decisions on measures and transactions of special significance, as well as on whether to initiate legal disputes, to waive debts beyond the scope of settlements, and to agree settlements where such legal disputes, waivers or settlements are of special significance. It is standard practice at banks for a committee to take the final decision on such matters. This serves to relieve the Supervisory Board of a portion of its workload and to pool expertise within the committee, and enables decisions on DEG financing to be taken on a continuous basis thanks to the larger number of meetings each year.

The **Audit Committee** deals specifically with monitoring the financial reporting process; with the effectiveness of the risk management system, especially the Internal Control System and Internal Audit; with the audit of the annual financial statements and with evaluating whether the auditor demonstrates the required independence. It also sets priorities for the audits, assesses the quality of the auditor and oversees the prompt elimination of any deficiencies uncovered by the auditor.

The chairs of the committees report to the Supervisory Board on a regular basis. The Supervisory Board may disband the committees, regulate their duties and reclaim their powers at any time.

In its report, the Supervisory Board provides information about its own work and the work of its committees during the year under review. A summary listing the members of the Supervisory Board and its committees is provided on DEG's website.

Shareholder

DEG's sole shareholder is KfW. The shareholder's meeting is responsible for all matters not assigned, by law or by the Articles of Association, to another body as its exclusive responsibility, and in particular for: approving the annual financial statements and the appropriation of the annual result or net income; establishing the sum available within the company for variable remuneration components; appointing and relieving members of the Supervisory Board; granting members of the Supervisory and Management Boards discharge from liability; and appointing the auditor of the annual financial statements. The members of the Management Board require the prior agreement of the shareholder's meeting to conduct any management activities that exceed the scope of the company's ordinary operations.

Supervision

DEG is a credit institution within the meaning of section 1(1) KWG. The German Federal Financial Supervisory Authority (BaFin) has issued revocable exemptions to DEG in accordance

with section 2(4) KWG, which partially exempt it from the provisions of the Act. DEG nevertheless voluntarily applies provisions at individual institution level that represent “best practices” in the banking industry (e.g. the Minimum Requirements for Risk Management (Mindestanforderungen an das Risikomanagement, MaRisk)), as well as regulatory requirements that DEG must fulfil as a subsidiary of KfW in connection with consolidation at group level for regulatory purposes.

Tax status

Due to its public mandate, DEG is exempt from corporate and trade tax. The company’s purpose is to promote development cooperation.

Transparency

As part of the fulfilment of its mandate, DEG provides transparent information about its methods of operation and financing. To that end, it has continuously refined its transparency and disclosure policy and practice over the last few years. DEG provides information on its work and the projects it finances in various publications and interview formats, including its own website and social media channels, DEG’s annual report and the annual Development Report. Annual Corporate Governance Reports including the Declaration of Conformity with the PCGC are always available on DEG’s website. DEG also maintains ongoing contact with various operators involved in development cooperation.

Since 2015, DEG has made investment-related information available in a database on its website about investments financed with its own funds. This information shows the status at the time of approval of DEG financing and includes, among other things, details of the relevant customer, the purpose of the investment, the volume of financing and the environmental and social category. The customer must give consent before this information is published.

Since January 2020, customers have been required to publish a summary of the contractually agreed environmental and social action plan on their website following approval of financing for land-related projects (agricultural and forestry projects with primary land use > 5,000 ha as well as large renewable energy and mining projects).

Since 2022, this investment-related information has been available online for the entire duration of the customer relationship. The customer must give consent before this information is published. Moreover, investment-related information about newly committed fund investments was expanded to include additional information about the fund’s portfolio companies. This information is provided on the respective customer’s website, to which DEG provides a link.

The online database can be filtered by region, country, sector and year of commitment, and since mid-2023, also by customer name. The database also indicates by default whether a customer has more than one ongoing DEG financing arrangement and provides links to individual projects.

In 2025, DEG’s disclosure policy was reviewed and updated as part of a review process. This resulted in the online database being expanded further. For example, a direct link to the Independent Complaint Mechanism has been included on every subpage of the database, and it is now possible to download a CSV file of the data records.

Risk management and Internal Audit

Risk management and risk controlling are key management tasks at DEG. The Management Board draws up the risk strategy, establishing the framework for business activities in relation to risk tolerance and risk-bearing capacity.

This ensures that DEG is able to fulfil its specific tasks sustainably and over the long term, while maintaining an acceptable risk profile. Monthly risk reports to the Management Board present a comprehensive analysis of DEG’s overall risk situation. The Supervisory Board receives a detailed update on the risk situation regularly and at least once per quarter.

Internal Audit is maintained as an independent body.

Compliance

DEG’s success depends to a significant degree on the trust that the shareholder, customers, business partners, staff members and the public place in its effectiveness and above all in its integrity. This trust is based not least on implementing and complying with the relevant legal and regulatory provisions and internal procedures, and all other applicable laws and regulations. DEG’s compliance organisation includes, in particular, provisions to ensure that the regulatory requirements of the MaRisk compliance function are met, and that data protection rules are followed. It further includes provisions to guarantee securities compliance, to comply with the terms of financial sanctions, to prevent money laundering, to avoid financing terrorism and other criminal activities, and to ensure an adequate level of information security, appropriate business continuity management, monitoring of outsourced functions, identification of operational risks and the mapping of an internal control system.

Accordingly, it has binding regulations and procedures that influence implemented values and corporate culture and are continuously updated to reflect the statutory framework and market requirements. Regular training in all aspects of compliance is available to DEG employees in the form of both e-learning programmes and classroom sessions.

Accounting and annual audit

On 25 September 2024, the shareholder appointed Deloitte GmbH Wirtschaftsprüfungsgesellschaft (Deloitte) as the auditor for the 2025 financial year after consulting with the Supervisory Board. The Supervisory Board subsequently issued the audit mandate to Deloitte on 8 May 2025 and

established priorities for the audit with the auditor. It was agreed with the auditor that the chair of the Audit Committee would be informed immediately of any findings and circumstances of material significance to the duties of the Supervisory Board arising during the audit. It was further agreed that the auditor should inform the Audit Committee chair or include a note in the audit report if, while carrying out the audit, it ascertained facts that negated the accuracy of the Declaration of Conformity with the PCGC. The audit contract awarded to the auditor also includes an inspection of whether the Declaration of Conformity with the PCGC for the year prior to the audit has been submitted and whether the Corporate Governance Reports from the past five financial years have been published on DEG's website (paragraph 8.2.5 PCGC).

Efficiency review

The Supervisory Board regularly reviews the efficiency of its activities. To that end, it carries out an annual evaluation of the Supervisory Board and the Management Board. Both efficiency reviews were carried out digitally in the year under review and, as in previous years, were based on structured questionnaires.

Sustainability / non-financial report / fair taxation

As part of KfW Group, DEG pursues a sustainable corporate governance approach in line with Germany's National Sustainable Development Strategy, and in so doing, contributes to the United Nations' Sustainable Development Goals (SDGs) and to achievement of the Paris Climate Agreement targets.

The specific impact and climate goals of DEG and ESG risk management for the coming years are as follows:

- To focus even more strongly on customers' positive development impacts on society and the environment, gradually reducing greenhouse gas intensity and fully neutralising any residual emissions attributable to DEG from 2040 onwards
- At the same time, to actively help customers with their own transformation in order to strengthen their resilience and significantly increase their development impact
- To systematically strengthen the analysis of ESG risks within risk management processes in line with requirements developed and applied for the entire KfW Group

For the 2025 financial year, KfW Group's sustainability reporting takes the form of a sustainability statement in accordance with the European Sustainability Reporting Standards (ESRS). The statement is prepared as a consolidated non-financial report in accordance with the requirements of the ESRS with the exception of ESRS 1.110, as the sustainability statement is not included in KfW Group's consolidated management report. This constitutes partial application of the ESRS. For the 2025 financial year, the consolidated non-

financial report forms part of KfW Group's financial report. Sustainability aspects that were deemed non-material for reporting under the ESRS, but were published up to 2023 in accordance with the international framework of the Global Reporting Initiative, the German Commercial Code (Handelsgesetzbuch, HGB) and the Task Force on Climate Related Financial Disclosures, will be published in the course of 2026 as supplementary information on KfW Group's sustainability commitment for the 2025 financial year, as it was for the 2024 financial year.

DEG is exempt from income tax pursuant to section 5(1) no. 2 of the Corporate Income Tax Act (Körperschaftsteuergesetz, KStG) and section 3 no. 2 of the Trade Tax Act (Gewerbesteuer-gesetz, GewStG). In both the tax model and the Code of Conduct of KfW, which DEG applies without restriction, and its own tax rules, DEG commits to paying taxes on time and presenting all of its tax items in a transparent and account-+able manner. It therefore acts as a responsible taxpayer that makes a fair contribution to society in accordance with national and international tax laws. DEG does not develop or support tax models designed exclusively to achieve tax advantages or savings. In particular, DEG does not design, use or support any artificial tax avoidance practices within the meaning of the recitals of Directive 2016/1164/EU. DEG cultivates an open, transparent and cooperative relationship with German and foreign tax authorities. The principles of DEG's tax policy are anchored in the tax model of KfW's tax guidelines, which apply to the entire KfW Group in the form of an operating procedure, and in DEG's tax rules, which also describe the tax compliance management system (TCMS) of KfW Group and DEG.

DEG complies with the requirements of the EU Directive on Administrative Cooperation and meets its disclosure obligations under the law to introduce an obligation to submit information on reportable cross-border arrangements.

Diversity and equal opportunities / inclusion

For DEG, diversity and equal opportunities are a matter of course. Nobody may be discriminated against because of their origin, ethnicity, gender, religion, world view, disability, age or sexual identity. This is set out in KfW Group's Code of Conduct and other places.

Equal treatment

The equal treatment of men and women – including in terms of remuneration – is an important component of DEG's personnel policy. To anchor the equality objectives within DEG, the company adopted an equality plan for the first time in 2022. This contains four key areas where action is required in order to ensure equal opportunities for women and men at DEG, with measurable objectives to be achieved by 2027 and appropriate measures for each area of action. Activities undertaken to promote diversity and equal opportunities are presented to the Supervisory Board each year and also made clear internally.

As of 31 December 2025, women made up 33% of the Management Board. The proportion of women was 40% (previous year: 45%) at the first management level below the Management Board and 39% (previous year: 37%) at the second management level.

Inclusion

Mindful of its social responsibility, DEG is also committed to the inclusion of people with disabilities, and is guided by the UN Convention on the Rights of Persons with Disabilities. In seeking to recruit employees with disabilities, DEG relies on a solid network of institutions and universities, as well as job vacancies on specialised job portals. Positive examples of successful inclusion at work and in events and presentations create awareness among employees of how to cultivate an open-minded approach to people with disabilities. To make sure that their interests are represented, employees with disabilities elect a representative body.

Work and family life / remote working

A work-life balance is essential for the health and employability of employees. This approach forms the basis of DEG's strategic, family-focused personnel policy. DEG offers its employees a range of working / lifestyle models, allowing them to combine work and personal life in a way that works for them. It supports families with a range of services for childcare, holiday care and emergency care, and care of family members. Since 2023, DEG has had a team of professionals on hand to provide guidance on care-related topics. It also offers a wide range of seminars on current family- and care-related topics. Health initiatives and company fitness activities contribute to a healthy lifestyle and provide social interaction.

Remote working provides great flexibility for all employees and boosts job satisfaction. The use of agile methods and workflows and digital innovations enable productive cooperation.

DEG has been certified as a family-friendly employer since 2012, and since then has undergone regular audits and had its family-friendly measures inspected by a neutral body. Having held this certification for many years, DEG was permanently certified as a family-friendly employer in 2023 to mark its continued commitment in this area.

Remuneration

DEG employees are subject to the provisions concerning working hours, holiday entitlement and remuneration set out in the collective bargaining agreement for the public banking sector. DEG is expressly committed to fair, transparent and non-discriminatory remuneration policies and appraisal processes. The remuneration systems are based on the equal opportunities principles set out above. Activities under the collective agreement are allocated to the pay scale groups set out in the collective bargaining agreement for the public and private banking sector. Details regarding the remuneration of employees not subject to the collective agreement are laid down in corresponding company agreements. Different pay scale bands are specified for the individual levels not covered by the collective agreement; these form the basis for remuneration.

Furthermore, the variable component (bonus) is determined based on DEG's business performance and paid out as a collective share in DEG's net income.

In a departure from this, the regulatory requirements of the German Remuneration Ordinance for Institutions (Institutsvergütungsverordnung, IVV) apply to the group risk carriers at DEG identified in KfW's group-wide risk analysis.

The overall content and material design of the DEG remuneration system is based on its business model as a development bank. It is designed as a performance-based remuneration system with a focus on fixed remuneration and including a variable remuneration component that is low compared with traditional commercial banks.

In 2024, DEG successfully completed an external pay equity analysis conducted by Lurse AG and was subsequently awarded a Pay Equity Seal, which is valid for two years. In addition, it has been designated as a universal fair pay analyst by FPI Fair Pay Innovation Lab.

Since 2018, all DEG employees have been able to exercise their individual right to information pursuant to section 10 of the German Transparency in Wage Structures Act (Entgelttransparenzgesetz, EntgTranspG).

In awarding contracts for services, DEG also ensures that applicable collective bargaining and statutory provisions on the remuneration of service providers are observed.

REMUNERATION REPORT

The remuneration report describes the basic structure of the remuneration system for the Management Board and the Supervisory Board and discloses the individual remuneration for members of both boards. The remuneration report is part of the Notes to the annual financial statements. A summary of the total remuneration of the Management Board and members of the Supervisory Board is provided in Table 1 (page 15).

Remuneration of the Management Board

The remuneration system for DEG's Management Board is designed to provide appropriate compensation for board members in accordance with their remit and areas of responsibility, taking into account their performance and the company's success.

Management Board contracts are drawn up based on the 1992 version of the principles for the appointment of executive board members at German federal credit institutions (Grundsätze für die Anstellung der Vorstandsmitglieder bei

den Kreditinstituten des Bundes). The contracts take PCGC requirements and further relevant legal provisions into account.

Remuneration components

On 18 March 2024, DEG's Supervisory Board voted to retain the variable remuneration system for DEG's Management Board, based on the system that was first adopted on 18 March 2010 and has been agreed each year. This system includes a balanced mix of short- and medium-term incentives. The most recent changes to the remuneration and target agreement system entered into force on 1 January 2023. In accordance with these amendments, in the case of variable remuneration in excess of EUR 50,000, 60% of the total variable remuneration must be deferred over five years pursuant to the requirements of IVV. Half of the deferred and half of the non-deferred remuneration is granted as a "sustainability component".

Unlike the cash component, the sustainability component is subject to an additional one-year "holding period" before being paid out. The value of this part of the variable remuneration may increase or decrease over the course of the payment period.

The value of the sustainability component is calculated to reflect the company's performance and is based on the average ROE after tax of the last three financial years. Since the average ROE after tax for the 2022 to 2024 financial years is below the average planned value according to the agreed targets, the tranche of the sustainability component due for payment in 2025 based on the previous year was lowered by 10%.

Both the cash and sustainability components may be omitted completely depending on business performance (penalty reductions) or be reclaimed in the event of serious breaches of duty (clawback). The deferred variable remuneration for 2021 and 2022 will be paid in accordance with a defined bonus bank system. Since the parameter relevant for the deferred variable remuneration was reached in 2024, the amounts due in 2025 based on the agreed targets will be paid out under the bonus bank system. The overview in Tables 2 and 2a (page 16) shows total remuneration for each member of the Management Board, broken down by fixed and variable components and other remuneration. It also shows transfers to pension provisions for the individual board members and the balance of their bonus accounts.

Responsibility

The shareholder consults on the remuneration system for the Management Board, including its contractual elements, and reviews it regularly. The shareholder's meeting agrees the remuneration system after consultation with the Supervisory Board.

Contractual fringe benefits

Other remuneration primarily comprises contractual fringe benefits. Members of the Management Board are entitled to a company car for both business and personal use. Costs incurred through personal use of a company car are borne by members of the Management Board in accordance with current tax legislation.

Members of the Management Board are insured under a group accident insurance policy. In addition, members of the Management Board and all other employees are insured under international travel insurance and baggage insurance policies. Health insurance and long-term care insurance are subsidised. In respect of the risks associated with their management activities on the governing body, members of the Management Board are insured under a policy that covers liability for financial loss (D&O insurance) and a supplementary policy covering them for financial loss and legal expenses. These insurance policies are arranged as group insurance. Since 2017, the D&O insurance policies for members of the Management Board have included a deductible to meet the requirements of paragraph 4.3.2 PCGC.

Members of DEG's Management Board are also covered in the exercise of their duties by a special group insurance policy for employees that meets any legal expenses incurred as a result of criminal prosecution.

Like all senior executives, members of the Management Board are entitled to participate in the Deferred Compensation scheme, a supplementary company pension plan for all employees via deferred compensation payments deducted from salary.

Where contractual fringe benefits cannot be granted on a tax-free basis, they are subject to taxation as non-cash benefits. Any tax due is payable by members of the Management Board.

In the past financial year, no member of the Management Board received benefits, or a pledge to that effect, from a third party in respect of their activities as a member of DEG's Management Board.

Entitlement to a pension and other benefits in case of early retirement

In accordance with section 1(1) sentence 1 of the Rules of Procedure of the Management Board in conjunction with section 5(1) of DEG's Articles of Association, the appointment of a member of the Management Board shall not extend beyond the attainment of statutory retirement age. After they reach the statutory retirement age, and following the expiry of their contract of employment as members of the Management Board, board members are entitled to pension payments. This also applies if their service ends due to invalidity.

Pension commitments for members of the Management Board and their surviving dependants are based on the principles for the appointment of board members at German federal credit institutions (1992 version). PCGC provisions are taken into account when drawing up contracts of employment for members of the Management Board.

These contracts also include a severance payment cap in accordance with the recommendations of the PCGC. This cap limits payments to a member of the Management Board following premature termination of employment without good cause pursuant to section 626 of the German Civil Code (Bürgerliches Gesetzbuch, BGB) to two years' annual salary or the remuneration including fringe benefits for the remainder of the contract, whichever is lower.

The full pension entitlement of members of the Management Board is a maximum of 49% of final remuneration pursuant to section 3(1) of the Managing Director employment contract. The pension entitlement routinely amounts to 70% of the full entitlement for first-time appointments, i.e. 34.3% of final remuneration pursuant to section 3(1) of the Managing Director employment contract. The pension entitlement increases by an individually agreed fixed percentage with every full year of service completed until the maximum pension entitlement is attained.

If the contract is terminated for good cause due to the conduct of the member of the Management Board pursuant to section 626 BGB, or is not extended for that reason, the pension entitlements are to be reduced by 15% in any case. Furthermore, in particularly serious cases where the contract is terminated due to the conduct of the board member pursuant to section 626 BGB, the pension entitlements shall be forfeited completely.

Pensions for former members of the Management Board and their surviving dependants amounted to EUR 1,082.1 k in 2024 and EUR 1,142.7 k in 2025 (see summary of retirement pensions for former members of the Management Board and surviving dependants in Table 3).

Additions to pension provisions for former members of the Management Board and their surviving dependants amounted to EUR -642.3 k at the end of the 2025 financial year (previous year: EUR 48.8 k).

Compensation of the Supervisory Board

Members of the Supervisory Board receive compensation at a level set by the shareholder's meeting pursuant to section 13(1) of DEG's Articles of Association and in keeping with the type of company.

Compensation for each ordinary member of the Supervisory Board amounted to EUR 10,000. The Chair of the Supervisory Board receives compensation of EUR 18,000. Committee members each receive annual compensation of EUR 1,000,

while the committee chairs receive compensation in the amount of EUR 2,000 per annum.

Compensation is paid on a pro rata basis for members who commence or finish board duties during the year.

An attendance fee of EUR 1,000 per meeting is paid to members, with EUR 500 paid for circulation procedures. Payment of the daily allowance is based on the German Travel Expenses Act (Bundesreisekostengesetz, BRKG); it is calculated based on the duration of absence due to the meeting, taking into account any reductions for meals. Any travel expenses incurred and any value-added tax payable are reimbursed.

Tables 4 and 5 provide details of the Supervisory Board's compensation for the 2024 and 2025 financial years. The sums shown are EUR net amounts and have all been paid. Travel costs and other miscellaneous expenses were reimbursed upon presentation of receipts and are not included in the tables.

There are no pension obligations towards members of the Supervisory Board.

In the year under review, members of the Supervisory Board received no remuneration for services provided in a personal capacity.

In respect of the risks associated with their activities as corporate officers on the Supervisory Board, members are insured under a policy that covers their liability for financial losses (D&O insurance). A supplementary policy covers them for financial losses and legal expenses. These insurance policies are arranged as group insurance. A deductible has not been agreed at present. Members of DEG's Supervisory Board are also covered in the exercise of their duties by a special group insurance policy for employees that meets any legal expenses incurred as a result of criminal prosecution.

No service or consultancy contracts were concluded with members of the Supervisory Board during the year under review.

Cologne, 16 March 2026

The Management Board The Supervisory Board

Table 1: Overview of total remuneration for the Management Board and members of the Supervisory Board

EUR k	2025	2024	Change
Management Board	1,341	1,323	+18
Former members of the Management Board and surviving dependants	1,143	1,082	+61
Members of the Supervisory Board	185	179	+6
Total	2,669	2,584	+85

Table 2: Annual remuneration of the Management Board and additions to pension provisions for 2024 and 2025

EUR k ¹⁾		Fixed salary	Variable remuneration ²⁾	Benefits in kind ³⁾	Total	Bonus account	Additions to pension provisions
Joachim Schumacher	2025	362.2	30.4	43.5	436.1	97.5	-46.4
	2024	362.2	20.6	45.4	428.2	46.0	346.0
Christiane Laibach ^{4),5)}	2025	-	3.7	-	3.7	0.0	-11.1
	2024	-	12.3	-	12.3	3.7	265.4
Monika Beck	2025	362.2	51.6	13.3	427.1	113.9	-34.4
	2024	362.2	39.9	13.1	415.2	88.9	343.0
Philipp Kreutz ⁴⁾	2025	-	15.2	-	15.2	10.8	-119.5
	2024	-	43.8	-	43.8	26.0	55.8
Roland Siller (CEO)	2025	380.0	62.5	16.8	459.3	151.9	112.1
	2024	370.4	37.1	16.2	423.7	108.7	359.5
Total	2025	1,104.4	163.4	73.5	1,341.4	374.1	-99.3
	2024	1,094.8	153.7	74.7	1,323.2	273.3	1,369.7

¹⁾ For computational reasons, the table may contain discrepancies due to rounding.

²⁾ In a departure from the figures in the Notes to the annual financial statements, this table includes the variable compensation actually paid as part of a phased system.

³⁾ In a departure from the figures in the Notes to the annual financial statements, this table excludes the employer's contribution under pensions and unemployment insurance. The total for 2025 was EUR 30.7 k (previous year: EUR 28.8 k).

⁴⁾ Ms Laibach left DEG's Management Board as of 1 June 2021, Mr Kreutz as of 1 May 2023.

⁵⁾ In contrast to the information reported in Table 2a, benefits in kind also include employer contributions towards the use of public transport.

Table 2a: Breakdown of other remuneration for the Management Board in 2025 and 2024 in EUR k¹⁾

	Company cars		Group accident insurance		Health insurance		Long-term care insurance		Dual household allowance	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Joachim Schumacher	7.1	7.0	0.5	0.9	5.7	5.1	0.6	0.4	-	-
Monika Beck	5.7	6.0	0.5	0.9	5.7	5.1	0.6	0.6	-	-
Philipp Kreutz	-	-	-	-	-	-	-	-	-	-
Roland Siller	8.5	8.3	0.5	0.9	5.7	5.1	0.5	0.9	-	-
Total	21.3	21.3	1.5	2.7	17.1	15.3	1.7	1.9	-	-

¹⁾ For computational reasons, the table may contain discrepancies due to rounding.

Table 3: Retirement pensions for former members of the Management Board or surviving dependants

	Number 2025	EUR k 2025	Number 2024	EUR k 2024
Former members of the Management Board	5	772.3	5	730.9
Surviving dependants	3	370.4	3	351.2
Total	8	1,142.7	8	1,082.1

Table 4: Compensation of members of the Supervisory Board for the 2025 financial year in EUR²⁾

No.	Name	Period of membership 2025	Supervisory Board membership	Committee membership	Daily allowance and attendance fee	Total
1.	Niels Annen ¹⁾	01.01.–09.07.	-	-	-	-
2.	Anja Hajduk ¹⁾	01.01.–30.06.	-	-	-	-
3.	Prof. Dr Luise Hölscher ¹⁾	01.01.–21.05.	-	-	-	-
4.	Deike Potzel ¹⁾	01.01.–11.07.	-	-	-	-
5.	Jürgen Gerke ¹⁾	01.01.–31.12.	-	-	-	-
6.	Prof. Dr Maja Göpel	01.01.–31.12.	10,000	-	4,000	14,000
7.	Christiane Laibach ¹⁾	01.01.–31.12.	-	-	-	-
8.	Bernd Loewen ¹⁾	01.01.–31.12.	-	-	-	-
9.	Prof. Dr Christiane Weiland	01.01.–31.12.	10,000	5,000	24,500	39,500
10.	Carl Martin Welcker	01.01.–31.12.	10,000	-	4,581	14,581
11.	Bertram Dreyer	01.01.–31.12.	10,000	1,000	14,045	25,045
12.	Esther Kabey-Wuntke	01.01.–31.12.	10,000	1,000	10,067	21,067
13.	Caroline Kremer	01.01.–31.12.	10,000	2,000	13,056	25,056
14.	Ulrich Müller-Gaude	01.01.–31.12.	10,000	1,000	14,084	25,084
15.	Isabel Thywissen	01.01.–31.12.	10,000	1,000	10,070	21,070
16.	Johann Saathoff ¹⁾	09.09.–31.12.	-	-	-	-
17.	Dr Julia Monar ¹⁾	09.09.–31.12.	-	-	-	-
18.	Dr Janina Jänsch ¹⁾	09.09.–31.12.	-	-	-	-
19.	Dr Eva Wimmer ¹⁾	09.09.–31.12.	-	-	-	-
Total (net)			80,000	11,000	94,403	185,403

¹⁾ Compensation not claimed.

²⁾ For computational reasons, the table may contain discrepancies due to rounding.

Table 5: Compensation of members of the Supervisory Board for the 2024 financial year in EUR²⁾

No.	Name	Period of membership 2024	Supervisory Board membership	Committee membership	Daily allowance and attendance fee	Total
1.	Niels Annen ¹⁾	01.01.–31.12.	-	-	-	-
2.	Anja Hajduk ¹⁾	01.01.–31.12.	-	-	-	-
3.	Prof. Dr Luise Hölscher ¹⁾	01.01.–31.12.	-	-	-	-
4.	Deike Potzel ¹⁾	01.01.–31.12.	-	-	-	-
5.	Jürgen Gerke ¹⁾	01.01.–31.12.	-	-	-	-
6.	Prof. Dr Maja Göpel	01.01.–31.12.	10,000	-	2,000	12,000
7.	Christiane Laibach ¹⁾	01.01.–31.12.	-	-	-	-
8.	Bernd Loewen ¹⁾	01.01.–31.12.	-	-	-	-
9.	Prof. Dr Christiane Weiland	01.01.–31.12.	10,000	5,000	24,500	39,500
10.	Carl Martin Welcker	01.01.–31.12.	10,000	-	4,101	14,101
11.	Bertram Dreyer	01.01.–31.12.	10,000	1,000	13,609	24,609
12.	Esther Kabey-Wuntke	01.01.–31.12.	10,000	1,000	8,573	19,573
13.	Caroline Kremer	01.01.–31.12.	10,000	2,000	11,594	23,594
14.	Ulrich Müller-Gaude	01.01.–31.12.	10,000	1,000	14,564	25,564
15.	Isabel Thywissen	01.01.–31.12.	10,000	1,000	8,606	19,606
Total (net)			80,000	11,000	87,547	178,547

¹⁾ Compensation not claimed.

²⁾ For computational reasons, the table may contain discrepancies due to rounding.

Management Report 2025

CORPORATE ESSENTIALS

Business model

DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH, Cologne, is charged with a development policy mandate to support sustainable growth of the private sector in developing and emerging market countries. As a development finance institution, its sole purpose is to promote private sector business in developing and emerging market countries. Owing to this public mandate, DEG is exempt from income tax.

DEG finances economically and developmentally sustainable, socially and environmentally sound investments by private sector enterprises. It offers financing such as loans, loans with equity features and equity participations, accompanied by needs-based advisory services provided by its subsidiary DEG Impulse gGmbH. DEG's objective is to make a development impact within the meaning of the Sustainable Development Goals (SDGs) of the United Nations' 2030 Agenda by providing reliable long-term finance and advice to private sector companies. In doing so, DEG also specifically supports and promotes German companies investing in developing and emerging market countries, thus helping to strengthen the German economy. DEG promotes German interests not only through its direct financing of German companies and goods in developing and emerging market countries, but also in areas such as stability and security policy, energy and raw material partnerships, and investments to protect global assets such as climate and biodiversity. As part of KfW Group and on the basis of its development policy mandate, DEG operates on the subsidiarity principle. It provides finance where the market fails to offer financing to enterprises at an adequate level or in line with their business needs. DEG reaches enterprises in developing and emerging market countries both directly and indirectly. It finances businesses and project structures with private sponsors directly, as well as making capital available to local banks and other financial intermediaries to offer bespoke financing and advice, particularly to small and medium-sized enterprises (SMEs) in developing countries.

Income generated by DEG from its business activities is used exclusively and directly to expand its equity capital and strengthen its risk-bearing capacity. This forms the necessary foundation for DEG to pursue and expand its promotional activities by drawing on its own resources.

In line with its Impact.Climate>Returns. strategy, DEG focuses on climate-friendly financing with a strong impact. Its work with customers drives forward the climate and socio-ecological transformation of businesses in developing and emerging market countries, thereby making them more resilient and competitive. Actions include ensuring the reliability of supply chains. It specifically champions the financing of investments that make a significant contribution to the SDGs. There is

emphasis, for example, on poverty reduction (SDG 1), decent work and economic growth (SDG 8), affordable and clean energy (SDG 7), industry, innovation and infrastructure (SDG 9) and selected climate action measures (SDG 13). DEG's investment and transformation activities are in line with the 1.5 degree Celsius target set out in the 2015 Paris Agreement.

Enterprises financed by DEG are contractually required to comply with international environmental and social standards as well as national regulations. These include environmental, social and human rights standards such as the performance standards of World Bank subsidiary the International Finance Corporation (IFC) in their current version and the core labour standards set by the International Labour Organization (ILO). DEG assists companies in meeting these standards if required.

To meet the specific needs of its customers, DEG offers various advisory services as well as financing. DEG Impulse, founded in 2022 for this purpose, provides advice to businesses to enable them to realise social and environmental transformation. Business Support Services (BSS) helps these companies to overcome challenges and achieve lasting growth. In addition to improving business performance (e.g. through advice on working capital management), BSS's key focal areas include environmental and governance measures, advice on resource efficiency and climate action, and health and educational measures. For example, by receiving and implementing advice on energy saving potential, companies can significantly boost resource efficiency. Furthermore, DEG Impulse subsidises private companies' development-related feasibility studies or pilot projects with funding programmes and federal funds.

As a specialist for the development of the private sector in developing and emerging market countries, DEG is one of the mainstays of KfW Group's non-domestic activities. Together with KfW Development Bank and KfW IPEX-Bank GmbH, it shapes KfW's range of international financing. Comprehensive knowledge of the economic and political conditions in its partner countries, close links to customers and a permanent presence on the ground are essential. In addition to its headquarters in Cologne, DEG is currently represented in 17 other locations worldwide. At the same time, DEG shares the use of KfW Group's approximately 80 international offices. Furthermore, cooperation in joint financing projects with other European Development Finance Institutions (EDFIs) plays an important role in DEG's work. Along with EDFIs and KfW Development Bank, since 2025 DEG has been making increasing use of various EU guarantee programmes (EFSD+) in order to further expand its position as an impact and climate finance partner in cooperation with partner institutions. Cooperation with multilateral development banks, such as the IFC and the Asian Development Bank (ADB), is also extremely important for DEG's work.

Since 2014, DEG has operated a public complaints mechanism in cooperation with the Dutch development bank FMO and the French development finance institution PROPARCO. This mechanism ensures that complainants who feel they have

been impacted by a project financed by DEG have the right to a hearing, to allow disputes to be settled and help DEG to gain knowledge for ongoing and future projects. Individuals and institutions that believe they have been adversely affected by projects co-financed by DEG can use this procedure. A team of independent international experts looks at the complaints received and carries out further investigations.

Transparency and information about the investments being financed are important to DEG. For each new investment that is approved, DEG publishes information about the customer, the purpose of the investment, the volume of financing and the environmental and social category on its website. For larger-scale land-related projects, a summary of the contractually agreed environmental and social action plan is published on the customer's website after the investment has been approved. Since 2022, a brief summary of investment-related information has been made available online for the entire period of the contractual relationship for new investments that are approved.

DEG evaluates the developmental effectiveness of its investments by applying its own Development Effectiveness Rating (DERa), which was further developed in 2024. Taking the SDGs as a benchmark, each DEG customer's contributions to development are assessed across five impact categories. These are: decent jobs, local income, market and sector development, environmental stewardship and community benefits. One of the main aspects of DERa is the net impact perspective, which identifies, in addition to the positive impacts, the potential negative effects of a transaction, such as delayed realisation of environmental and social action plans. DERa also takes account of the role DEG plays in customer transformations. The results of the portfolio evaluations are presented in DEG's Annual Development Report. DEG has signed the international Operating Principles for Impact Management and is externally verified in accordance with the Principles.

With the scope of international development cooperation evolving and owing to limitations in public funding, DEG's business model is gaining in importance. With government development budgets around the world becoming more consolidated, DEG has acted as a stabilising anchor with its financing offers for private companies in developing and emerging market countries. As its portfolio has grown, DEG has expanded its contribution to SDG and climate finance in developing and emerging market countries. In this way, DEG supports the German government's objectives and is making a key contribution to the country's global agenda.

Declaration on corporate governance pursuant to section 289f(4) of the German Commercial Code (Handelsgesetzbuch, HGB)¹⁾

The German Act on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors (Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst) of 24 April 2015 obliged enterprises listed on the stock exchange, or with worker co-determination, to establish targets for female representation among their

managing directors, at the two executive levels below the management board, and on the supervisory board.

In order to fulfil these statutory obligations, the targets to be achieved by 2027 for female representation in leadership positions at the two management levels of DEG,²⁾ pursuant to section 36 of the German Limited Liability Companies Act (Gesetz betreffend die Gesellschaften mit beschränkter Haftung, GmbHG), were set at 40% for the first two management levels (heads of divisions and departments). The two targets were consciously set at an ambitious level, and are incorporated into the equality plan adopted in 2022 for the period from 2023 to 2027. They underscore DEG's commitment to equal opportunities for women and men.

Targets and fulfilment deadlines for the Supervisory Board and the Management Board were set at the 223rd meeting of DEG's Supervisory Board on 19 June 2017 based on the legal situation at the time. The target was set at 33% with a deadline of 1 June 2022 for both boards. Both boards' targets have been met since 2017. Female representation as at the end of 2025 was 33% on the Management Board (2024: 33%) and 60% on the Supervisory Board (2024: 60%). DEG also fully complies with the statutory requirements that came into effect on 12 August 2021 regarding the composition of the Supervisory Board and the Management Board.

ECONOMIC REPORT

Business environment

The global economy continued to face considerable uncertainty in 2025, with the global risk landscape shifting. Increasing trade tensions and ongoing geoeconomic fragmentation noticeably impacted global activity. At the same time, energy prices declined over the course of the year and the global inflation rate fell from 5.8% (2024) to 4.2%. In addition to ongoing geopolitical conflicts, such as the war in Ukraine and volatility in the Middle East, new protectionist measures and tariffs also created uncertainty. This situation, along with diverging monetary policies issued by the major central banks, caused global growth to slow slightly to 3.2% (2024: 3.3%) according to the International Monetary Fund (IMF).³⁾

Economic growth in the world's major economic regions became increasingly asynchronous. While the US economy lost momentum after a robust previous year, growing by just 2.0% in 2025 (2024: 2.8%) as a result of labour market cooling, the eurozone saw moderate recovery with economic performance increasing by 1.2% (2024: 0.9%), aided by real wage increases.⁴⁾

¹⁾ The declaration on corporate governance is an unaudited component of the Management Report.

²⁾ Excluding Management Board and DEG Impulse

³⁾ IMF World Economic Outlook (October 2025)

⁴⁾ IMF World Economic Outlook (October 2025)

The US dollar depreciated significantly over the course of the year. While the euro was still trading at USD 1.04 at the beginning of the year, the exchange rate had risen to USD 1.17 by the end.¹⁾ At the same time, the interest rate gap between the euro and the US dollar decreased owing to the Federal Reserve (Fed) gradually reducing its key interest rate from 4.25% to 4.50% initially to 3.50% to 3.75% to reflect easing price pressures.²⁾

The IMF recorded growth of 4.2% for developing and emerging market economies, though significant regional differences were observed.³⁾

- Emerging and developing market countries in Asia continued to drive the global economy with growth of 5.2% (2024: 5.3%), but the situation was mixed. In China, exports brought forward due to the US tariffs policy supported growth, which reached 4.8% (2024: 5.0%), but only temporarily masked the persistent weakness observed in the real estate sector and subdued domestic demand. Meanwhile, India consolidated its role as an anchor of stability, its economy growing by 6.6% (2024: 6.5%), driven by robust expansion in the services sector. In contrast, momentum slowed in the export-oriented ASEAN-5 countries (4.2%, down from 4.6% in 2024) in response to the headwinds of global trade fragmentation and protectionist measures.⁴⁾
- Emerging and developing market countries in Europe saw an economic slump, with growth down to 1.8% (2024: 3.5%), mainly due to the significant drop in Russia's economic growth to 0.6% (2024: 4.3%). Ukraine recorded a slow-down to 2.0% (2024: 2.9%), while Turkey's growth of 3.5% (2024: 3.3%) was more robust than expected thanks to resilient domestic demand.⁵⁾
- The Middle East and North Africa (MENA) region recovered strongly to 3.3% (2024: 2.1%). This was mainly driven by Saudi Arabia (4.0%, down from 2.0% in 2024), which benefited from the phase-out of voluntary oil production cuts. The situation also improved in countries affected by conflict. Following stagnation in the previous year, Israel saw a rebound to 2.5% (2024: 1.0%). Meanwhile, growth in Egypt stabilised at 4.3% (2024: 2.4%), while Tunisia continued along its path to recovery at 2.5% (2024: 1.6%).⁶⁾
- Economic growth in sub-Saharan Africa stagnated at 4.1%, with the region suffering the effects of a drastic decline in international development cooperation and a lack of external finance flows, affecting low-income countries in particular. Nigeria saw a slight decline to 3.9% (2024: 4.1%), but benefited domestically from increased oil production. In South Africa, recovery remained moderate at 1.1% (2024: 0.5%), with structural bottlenecks in the energy and logistics sectors continuing to limit potential.⁷⁾
- In Latin America and the Caribbean, growth stabilised at 2.4%, with the region less affected by the tariffs situation than expected but suffering from political uncertainty. Growth in Brazil normalised to 2.4% after a strong previous year (2024: 3.4%), driven by tight monetary policy and fiscal consolidation. Mexico, on the other hand, cooled noticeably to 1.0% (2024: 1.4%), weighed down by persistent inflation in the services sector and weaker foreign demand.⁸⁾

In 2025, DEG continued to consistently fulfil its mandate as a development finance institution. With government funding for development cooperation being slashed and private investors reluctant to invest in indebted countries, it supported the market with its activities, providing long-term financing where this was lacking on the market with a view to promoting innovation and maintaining business resilience in a fragmented environment.

Business development

The 2025 financial year was once again challenging due to ongoing geopolitical and economic uncertainties. Despite difficult overall conditions, DEG met, and in some cases significantly exceeded, its development policy goals for 2025. This highlights the relevance of DEG's business model and the rising demand for impact/climate financing, which contributes to closing the global financing gap.

In 2025, DEG again pledged funds, amounting to well over EUR 2 billion, for private company investment in developing and emerging market countries. At EUR 2,350 million (own funds), new commitments remained at a high level in 2025, only slightly below the previous year's figure (2024: EUR 2,470 million).

As lead investor, DEG also mobilised EUR 607 million from development banks and institutional investors from the private sector (2024: EUR 583 million).

The development impact of new business, measured using the DERA score,⁹⁾ reached a baseline (commitment before current DEG investments) of 31 points in the year under review, which is expected to rise to a very good score of 54 points (five years after investment).

As at the reporting date of 31 December 2025, the portfolio had an average DERA score of 38 points, significantly higher than the target 32 DERA points agreed for this key performance indicator of portfolio development impact. Despite many uncertainties and volatility in the markets, the figures reflecting the portfolio's developmental impact remain very good and stable.

Net income before taxes under the International Financial Reporting Standards (IFRS) is the second key financial performance indicator. The annual result according to IFRS was EUR 33 million as at 31 December 2025

¹⁾ ECB reference rate

²⁾ Fed; Federal Funds Effective Rate

³⁾ IMF World Economic Outlook (October 2025)

⁴⁾ IMF World Economic Outlook (October 2025)

⁵⁾ IMF World Economic Outlook (October 2025)

⁶⁾ IMF World Economic Outlook (October 2025)

⁷⁾ IMF World Economic Outlook (October 2025)

⁸⁾ IMF World Economic Outlook (October 2025)

⁹⁾ DERA scale: ≤ -1 insufficient, 0-14 poor, 15-29 satisfactory, 30-44 good, 45-59 very good, ≥ 60 outstanding

(2024: EUR 105 million), thus below the planned figure of EUR 106 million, which was due to the significant currency losses caused by the USD depreciation in 2025.

The committed volumes ranged from the single-digit millions to high-volume commitments of up to EUR 100 million, or even more in individual cases. The volume of commitments (total of commitments disbursed and new commitments on own account approved but not yet disbursed) increased to EUR 11.7 billion at the end of 2025 (2024: EUR 11.6 billion).

DEG committed financing for 84 investments in the year under review (2024: 86). The largest proportion of new commitments (38%) was allocated to the “Corporates” customer cluster (EUR 895 million). Commitments amounted to EUR 721 million for “Financial institutions” and EUR 442 million for “Funds”. The “Project financing” customer cluster received commitments of EUR 293 million in 2025 for infrastructure and energy projects.

Financing German companies that operate in developing and emerging market countries is an important part of DEG’s activities. As well as loans and equity for German direct investments, this also includes providing financing for local enterprises, either directly or via local banks, such as for the purchase of German plants or components. Commitments from funds on own account for German companies, especially those in the manufacturing sector, reached EUR 728 million in 2025 (2024: EUR 545 million); an additional EUR 7 million was committed for an investment using external funds.

In addition, DEG provided funding to European companies for investments in Africa, Latin America, Asia and Ukraine via the “ImpactConnect” programme, which is financed by the Federal Ministry for Economic Cooperation and Development (BMZ). Around EUR 65 million was committed for 15 projects in the 2025 financial year (2024: EUR 74 million). In 2025, the Connect programme was successfully expanded. Under the BMZ-funded “TradeConnect” programme, a total of EUR 10 million was pledged for one project, while EUR 11 million for two projects was pledged under the “UkraineConnect” programme, funded by the Federal Ministry for Economic Affairs and Energy (BMWi).

Of the newly committed financing, EUR 869 million went to SMEs in 2025 (2024: EUR 946 million). A total of EUR 526 million (2024: EUR 552 million) was committed for risk capital financing (equity and loans with equity features) in 2025.

EUR 1,191 million of new commitments in 2025 was for investments that promote the protection of the climate and the environment (2024: EUR 1,195 million). Investments in climate protection accounted for EUR 550 million of that sum (2024: EUR 703 million). This enabled the volume of climate and environment financing to be maintained at a high level compared with the previous year, in line with the business strategy.

By continent, commitments for investments in Latin America accounted for the largest share of new business at EUR 808 million, followed by the Africa / North Africa / Middle East region at EUR 592 million and Asia at EUR 451 million. New commitments for Europe stood at EUR 409 million, and supraregional commitments totalled EUR 89 million.

Lendings accounted for EUR 2,034 million of DEG’s new commitments (2024: EUR 2,053 million), of which EUR 226 million was arranged as loans with equity features (2024: EUR 135 million). At EUR 316 million, equity participations were lower than in the previous year (2024: EUR 417 million).

A total of 65% of DEG financing was committed in USD in 2025. In total, lendings and equity investments in USD were equivalent to EUR 1,538 million (2024: EUR 1,560 million). Newly committed financing in local currencies totalled EUR 94 million (2024: EUR 146 million).

Disbursements on own account amounted to EUR 1,996 million in 2025, up on the previous year’s figure of EUR 1,837 million owing to the high level of new business in 2024.

The commitment volume was distributed across 732 commitments in 71 partner countries as at the end of 2025 (2024: 720 and 72).

New commitments by customer cluster in EUR millions

Year	Corporates	Financial institutions	Funds	Project financing	Total
2025	895	721	442	293	2,350
2024	1,165	697	399	209	2,470

New commitments by region in EUR millions

Year	Asia	Latin America	Africa/MENA ²⁾	Europe/Caucasus	Supraregional investments	Total
2025	451	808	592	409	89	2,350
2024	535	795	609	432	98	2,470

²⁾ Middle East & North Africa

STATUS REPORT

Earnings situation

Despite the uncertainties – and the resulting significant burden – facing the global economy in the 2025 financial year, DEG generated a net income of EUR 75 million, up significantly from the previous year's level (loss of EUR -17 million) and slightly higher than the previous year's result of EUR 68 million after adjusting for special effects.¹⁾ DEG's earnings situation was shaped by significant fluctuations in exchange rates, especially as regards the US dollar (which depreciated by 14 cents) and currencies correlated with the US dollar. DEG's targeted use of hedging instruments helped to counter some of these currency risks.

Net interest income of EUR 153 million (previous year: EUR 142 million, or EUR 166 million excluding special effects) made up a significant component of the operating result. Its contribution to earnings was down slightly compared with the previous year, by EUR 11 million (7.6%), excluding special effects. These developments can be attributed to various effects. While interest income from bonds increased by EUR 6 million, reflecting a rise in new business, this was offset by a rise in interest costs for currency hedging, up EUR 8 million compared with the previous year. Net interest income was also negatively impacted by the slightly lower interest rate level and the conversion of interest received in foreign currency.

Current income from dividends was up EUR 7 million year on year, at EUR 46 million. This development was due to higher distributions, resulting in particular from positive developments in the African banking sector.

General administrative expenses (including depreciation, amortisation and adjustments for impairment of tangible and intangible assets) amounted to EUR 157 million, down EUR -1 million from the previous year's level (-0.8%). Here, increased personnel costs (EUR 1 million) were more than offset by lower legal and consulting costs as well as external personnel costs (EUR 3 million).

Following strong USD appreciation in the 2024 financial year, its significant depreciation in the 2025 financial year had a major counter effect on DEG's income statement, particularly for the following items. Other operating income was positive at EUR 196 million in 2025, following a loss of EUR -82 million in the previous year, mainly due to foreign currency translation of currency hedging instruments. In contrast, valuations from securities and investments included losses from the revaluation of the equity portfolio amounting to EUR -145 million, largely due to the depreciation of foreign exchange rates against the euro. On the other hand, (partial) capital gains of EUR 57 million and favourable developments in individual investments in emerging markets, particularly in Africa, had a positive impact on valuations from securities

¹⁾ One-off special effects totalling EUR 85 million were incurred in 2024 owing to the change in accounting and valuation methods. For detailed information on these effects, see the 2024 annual financial statements and management report, pages 42 ff.

Income statement – economic presentation

EUR millions	31.12.2025	31.12.2024
Net interest income	153	142
Current income	46	39
Net commission income	5	1
General administrative expenses ²⁾	-157	-159
Other operating income ³⁾	196	-82
Operating result before risk provision / valuation	243	-58
Valuations from securities and investments	-89	74
Risk provisions for the credit business	-67	-14
Result from risk provisions and valuations	-157	60
Income/loss from operating activities before taxes	87	3
Taxes ⁴⁾	-12	-20
Net income/deficit for the financial year	75	-17

²⁾ Itemised in the income statement as "General administrative expenses" and "Depreciation, amortisation and adjustments for impairment of tangible and intangible assets".

³⁾ Itemised in the income statement as "Other operating income" and "Other operating expenses".

⁴⁾ Itemised in the income statement as "Taxes on income" and "Other taxes".

and investments. As a result, this item saw a loss of EUR -89 million overall, down from a positive figure of EUR +74 million in the previous year.

Risk provisions for the credit business resulted in expenses of EUR -67 million in the year under review, consisting predominantly of net loan loss provisions of EUR -77 million and credit insurance costs of EUR -12 million (previous year: EUR -8 million). The increase in credit risk provisions allows a general provision for potential default and impairment risks in the credit portfolio resulting from the aforementioned volatile economic situation. Income from loan repayments above book value amounted to EUR 20 million. Recoveries of loans written off amounted to EUR 2 million (previous year: EUR 1 million).

Tax items recorded an expense of EUR -12 million (previous year: EUR -20 million).

Net assets

DEG's net assets position is primarily determined by its credit business and equity investments as its core business.

The bank's total assets amounted to EUR 8,892 million as at 31 December 2025, a slight decrease of EUR -154 million or -1.7% compared with the previous year. The total assets include on-balance trust business amounting to EUR 483 million (previous year: EUR 415 million). Business volume (balance sheet total plus irrevocable loan commitments) fell by EUR -86 million year on year to EUR 10,228 million. Given that a significant portion of DEG's transactions is denominated in foreign currency, the depreciation of the USD in particular is having a negative impact on book values converted to EUR.

As at 31 December 2025, DEG's net loan volume on the balance sheet amounted to EUR 5,417 million, of which 39.0% was attributable to loans and advances to banks (EUR 2,114 million) and 61.0% to loans and advances to customers (EUR 3,303 million). Compared with the previous year's level of EUR 5,618 million, the credit volume fell by EUR -141 million or -2.4% as a result of the USD depreciation and ongoing repayments. A positive factor here was the high volume of new commitments, which had an impact on the off-balance sheet credit volume. Off-balance sheet irrevocable loan commitments recorded a significant increase of EUR 239 million or 20.9%. The quality of the credit portfolio continued to improve, as measured by the proportion of non-performing loans. Risk provisions amounting to EUR 47 million were recognised in the reporting year.

The equity volume increased by EUR 43 million to EUR 2,309 million in the financial year. The equity portfolio is divided into fund investments of EUR 1,634 million (previous year: EUR 1,569 million), reported under shares and other

non-fixed income securities, and direct participating interests of EUR 675 million (previous year: EUR 697 million), reported under equity. The increase, which is due to investments in new participating interests and the subsequent valuation of existing participating interests, more than compensates for the negative effects resulting from foreign currency translation.

The book value of securitised customer receivables, recognised under bonds and other fixed-income securities, rose by EUR 46 million to EUR 484 million due to the expansion in business volume.

In another year that was shaped by challenging global developments, overall business performance was positive.

Financial position

DEG covers its refinancing requirements exclusively by borrowing from KfW (debt capital) and through equity. Any debt capital needed is provided at market-based conditions via standard money and capital market products on the basis of a refinancing agreement concluded with KfW. Under this agreement, KfW provides DEG with refinancing funds in USD and EUR on the dates specified by DEG at the applicable refinancing rate, plus an internal transfer price.

The refinancing funds – recorded as liabilities to banks – are provided for medium- to long-term financing needs via promissory notes and for short- and medium-term borrowing via overnight and time deposits. As at the end of the financial year, DEG reported promissory notes of EUR 3,170 million (previous year: EUR 3,368 million) and time deposits of EUR 2,285 million (previous year: EUR 2,348 million). This includes a significant refinancing volume in USD, which was valued at the average exchange rate on the reporting date. In addition to debt capital, the disbursements for loans, securities/bonds and equity are funded through cash inflows from loan repayments, disposals of participating interests and the cash operating result.

DEG's on-balance sheet equity increased to EUR 2,636 million, reflecting the net income for the financial year of EUR 75 million. This consists of subscribed capital (share capital) of EUR 750 million, retained earnings of EUR 1,812 million and the net income for the financial year. Retained earnings related entirely to undistributed profits from the preceding years.

With a solid annual result and moderate consolidation of the balance sheet volume, the equity ratio increased from 28.3% to 29.6%, thus remaining at a high level.

DEG was solvent at all times in the 2025 financial year. Further details on the liquidity situation are contained in the Risk Report.

OPPORTUNITY AND RISK REPORT

Opportunity management

In the context of the 2030 Agenda for Sustainable Development adopted by the United Nations, the private sector has become increasingly significant in national and international development cooperation, a trend further reinforced by the consolidation of public budgets. With existing and potential customers continuing to show strong interest in aligning their corporate management practices more closely with the SDGs and the 2015 Paris Agreement, this presents a key opportunity for DEG, whose services can support companies in their transformation towards sustainability. Private sector enterprises protect and create jobs, generate local income and ensure innovation and investment in sectors that are important for sustainable development. Given that its business model is focused on the private sector, DEG is ideally positioned to help its customers realise their transformation, particularly in developing and emerging market countries experiencing sustained economic growth. Besides offering financing for the local private sector, supporting investment projects by German companies in these markets also offers great potential.

Private sector companies also play a key role in developing and emerging market countries when it comes to dealing with global challenges, particularly climate change. Supporting its customers in the climate-friendly transformation of their business activities plays a key role in reducing the greenhouse gas intensity of DEG's portfolio and thereby maintaining a carbon reduction pathway aligned with the Paris Agreement.

As a development finance institution for the private sector, DEG regularly analyses changes in the market, megatrends, macroeconomic and geopolitical developments and the resulting business opportunities in developing and emerging market countries. These topics are incorporated into the annual strategy review process whose results feed into DEG's business strategy, which is revised each year. The business strategy is operationalised in financial planning and reviewed in the context of capital planning for the next four years, to establish whether it allows risk-bearing capacity to be maintained. This ensures the long-term fulfilment of the development mandate from the capital side, based on the target figures, against the background of strong megatrends such as climate change, sustainability requirements and digitalisation, which are transforming markets and creating market potential in numerous regions around the world. Companies and financial institutions are therefore adapting their business models in preparation for the future and in order to realise their transformative potential.

In this context, DEG has positioned itself as an impact and climate finance partner for forward-looking, sustainable companies operating in developing and emerging market countries. DEG is organised in three customer clusters:

(i) Infrastructure & Energy, (ii) Industries & Services, (iii) Financial Institutions. Cross-cutting issues that span all customer clusters are mobilising additional capital, financing for customers in Africa and support for German companies in developing and emerging market countries. DEG is pursuing a systematic modernisation approach to ensure its own future viability, with a key focus on further developing its business model in line with the strategic guiding principle "Impact.Cli-mate>Returns.". In addition to expanding its range of transformation services for its customers, it attaches importance to organisational development and strengthening own performance through digital transformation, professionalising institutional processes and strengthening cross-functional collaboration.

With the international development cooperation situation evolving and public funds in decline, private sector investments are becoming increasingly relevant for development and climate finance in developing and emerging market countries. This continues to offer DEG good business potential in its markets. Against this backdrop, DEG plans to expand its new business growth significantly in the coming years, particularly in the area of loans. To this end, 2025 saw DEG flesh out a scaled growth path as part of its existing business strategy. This is known as DEG's scaling and mobilisation case, and is accompanied by measures aimed at modernising DEG. The case was discussed and approved, along with a capital increase for 2026, by DEG's Supervisory Board and the shareholder's meeting at the end of 2025.

The opportunities identified by DEG include the fact that, in addition to financing for their investments, private sector enterprises are also requesting solutions for the climate/environmental, social and governance aspects of their operations. This gives DEG the opportunity to exploit its climate and sustainability expertise further and to support even more closely the transformation of enterprises in developing and emerging market countries. With its BSS and other promotional programmes carried out on behalf of the BMZ, it is able to offer companies needs-based advisory solutions, resources and know-how for effective development measures aimed at facilitating sustainable transformation. Strong demand for these additional services, which extend beyond merely providing liquidity, enhances the development impact of DEG's financing, and thus also helps to achieve its strategic goals and improve the risk profile of its portfolio. DEG subsidiary DEG Impulse is focused on these advisory and promotional services and facilitates the targeted expansion of these important services for the transformation of companies.

DEG also sees additional potential in supporting German business abroad, both as part of its core business and via promotional programmes. The much-in-demand promotional programme "ImpactConnect" for German and other European

medium-sized businesses facilitates additional entrepreneurial investment in developing and emerging market countries, primarily in Africa, by offering attractive lending conditions, with a focus on the developmental and transformative effects of the co-financed projects. The global programme was further developed into a family of Connect programmes at the end of 2025 in coordination with BMWi and BMZ, and now includes an independent Ukraine programme that provides financial support to German companies contributing to the economic reconstruction of the country.

DEG works through another subsidiary, DEG Impact GmbH, to mobilise additional private capital for private sector development in developing and emerging market countries by providing expert investment advice. DEG Impact offers services such as investment advice and brokerage, fund audits and consultancy services. The additional services offered by DEG's subsidiaries can consolidate DEG's role as impact investor and reinforce its development impact by mobilising capital and providing fast and innovative product developments.

Risk management

The increased political uncertainties observed around the world are also affecting DEG's risk situation, the high USD volatility being one example. Despite these difficult conditions, DEG's risk-bearing capacity has developed positively thanks to DEG's consistent implementation of its "Impact.Climate>Returns." strategy. Furthermore, the increased need for development financing has resulted in a high volume of new commitments, which has a positive effect on the risk diversification and portfolio quality of DEG's investments. Foreign exchange risks are limited by a hedging strategy. Global political developments and the impact of the ongoing polycrisis (including the Russian war of aggression against Ukraine, the Middle East conflict, national debt and the climate crisis) on DEG's risk situation are continuously monitored under DEG's risk controlling and credit management processes and regularly reported to both the Supervisory and the Management Boards.

DEG is exempt from key requirements of the German Banking Act (Kreditwesengesetz, KWG). Despite these exemptions, DEG voluntarily complies with important KWG regulations on risk management. These primarily include the Minimum Requirements for Risk Management (Mindestanforderungen an das Risikomanagement, MaRisk), which flesh out section 25a KWG, and section 18 KWG (credit documentation). DEG also voluntarily applies the rules of the Capital Requirements Regulation (CRR) to calculate equity capital requirements under the standard CRR approaches.

The Management Board bears overall responsibility for risk management, deciding, among other things, on DEG's risk strategy on an annual basis in accordance with section 3(4) c) of its Rules of Procedure. The risk strategy is first presented to the Supervisory Board. On the Supervisory Board's recommendation, the risk strategy is subsequently agreed by the shareholder's meeting in accordance with Article 8 no. 5 of the Articles of Association before being jointly adopted by the Management Board.

The Supervisory Board also continually advises and monitors the Management Board in the management of the company with the support of its committees: the Risk and Credit Committee (on risk issues and approval of loan applications), the Executive and Nomination Committee (HR issues and general questions), the Remuneration Control Committee (remuneration matters), and the Audit Committee (monitoring the accounting process, the effectiveness of the risk management system, performance of audits and resolution of deficiencies identified by the auditor). In particular, the Management Board regularly informs the Risk and Credit Committee about the risk situation, risk culture, risk management and risk controlling in line with its duties (section 11(2) of the Rules of Procedure of the Supervisory Board) and the Audit Committee about the effectiveness of the risk management system, primarily the internal control system and Internal Audit, pursuant to section 12(2) no. 2 of the Rules of Procedure of the Supervisory Board.

In setting up its organisational structure within the meaning of MaRisk, DEG ensured that front office and trading, including the Management Board level, are separate from the back office divisions and functions. Credit risk management and risk controlling are also organisationally separate at divisional level. Risk-relevant decisions are made in line with the allocation of responsibilities, with the Management Board responsible for all material risk policy decisions. The Management Board's duties are governed in the Management Board's schedule of responsibilities.

DEG set up its organisational and operational structure based on the three lines of defence model to ensure effective risk management at process level. This serves as a framework for an effective and holistic governance, risk and compliance management system.

The specialist divisions form the first line of defence. They take risks and are directly and permanently responsible for operational management of these risks.

The risk controlling and compliance functions form the second line of defence. The risk controlling function is generally responsible for identifying, analysing, monitoring, measuring, managing and communicating risks. The compliance function monitors compliance with statutory and regulatory requirements and in-house guidelines and provides advice to those responsible and to other relevant members of staff. It sets out policies and defines processes in order to ensure compliance. The central tax function, specifically the Tax Compliance Officer, monitors compliance with tax law requirements with respect to meeting DEG's tax obligations correctly and on time. Tax compliance is ensured through appropriate policies and processes, and separate second line controls for tax purposes. The central tax function also advises the specialist departments on identifying and mitigating tax risks. The remaining functions presented here are unaffected. All functions can intervene to ensure changes to the internal control and risk management systems within the first line of defence, if necessary.

Internal Audit is the third line of defence. The independence of Internal Audit is particularly important both in the three lines of defence model and in MaRisk. Internal Audit supports the Management Board in protecting the value of DEG through risk-oriented, independent and objective audits and advice, as well as in improving business processes and creating added value. It supports the organisation in achieving its objectives by systematically and selectively evaluating the effectiveness of the risk management system, the controls and the management and monitoring processes and helping to improve these.

The risk strategy is determined as part of DEG's strategy process, based on and in keeping with the business strategy. It comprises the objectives for risk management as they relate to the main business activities, along with measures to achieve the risk targets. It includes basic statements on risk tolerance, risk-bearing capacity (with due consideration for concentrations of risks and earnings) and capital planning, and creates the framework for operational risk management. The risk strategy illustrates the planned (long-term) process for achieving the defined risk targets. It is the result of strategic planning and has a medium-term planning horizon.

Ensuring risk-bearing capacity from an economic and Pillar 1 perspective while maintaining sufficient liquidity are key objectives of risk strategy at DEG. The risk-bearing capacity system is defined through DEG's internal capital adequacy assessment process (ICAAP), which is based on two different but complementary perspectives of risk-bearing capacity:

- The economic perspective serves to protect creditors from economic loss. The objective is therefore to maintain economic risk-bearing capacity at a defined confidence level, i.e. to cover the overall risk (economic capital requirement for unexpected losses at the relevant confidence level) at all times through the available financial resources.
- The Pillar 1 perspective focuses on the continuity of business operations. It is intended to ensure compliance with regulatory capital requirements (Pillar 1) and the internal measures derived from them over a multi-year horizon.

The two perspectives therefore have fundamentally different objectives and consequently also views of risk-bearing capacity, but are interconnected.

DEG determines and monitors its risk-bearing capacity from an economic and Pillar 1 perspective every month. Minimum capital ratios are defined in the risk strategy for both views.

Economic risk-bearing capacity

EUR million	31.12.2025	31.12.2024
Economic capital requirement	1,737.1	1,921.1
of which credit risks	689.8	728.0
of which participation risks	525.5	657.9
of which market price risks	420.5	388.2
of which interest rate risks	46.0	144.9
of which foreign currency risks	393.9	365.0
of which credit spread risks	55.4	43.1
of which operational risks	36.4	59.0
of which model buffers	65.0	88.0
Economic risk coverage	3,034.5	2,988.8
Unrestricted equity	1,297.4	1,067.7

Regulatory risk-bearing capacity

EUR million	31.12.2025	31.12.2024
Pillar 1 capital	3,046.1	3,016.1
Pillar 1 ratio	17.9%	16.6%
Total risk exposure amount	17,063.3	18,214.7

From an economic perspective, KfW's group-wide risk management approach stipulates that DEG must ensure an economic coverage ratio of at least 120%. To calculate economic risk-bearing capacity, the economic capital requirement is established for all significant types of risk and compared with the economic risk coverage. Risk-bearing capacity is determined each month in a view that is closely related to present values. The overall economic capital requirement is determined by aggregating the different risk types. As at the reporting date of 31 December 2025, DEG's economic coverage ratio was 174.7% (31 December 2024: 155.6%).

With regard to regulatory risk-bearing capacity (Pillar 1), the minimum requirement for the Pillar 1 ratio for DEG in 2025, based on the voluntary application of CRR, was 11.0% (31 December 2024: 10.6%). This is made up of a total capital ratio of 8% and a capital conservation buffer of 2.5%. The anti-cyclical capital buffer that DEG must also factor in was 0.5% as at 31 December 2025. As at the reporting date of 31 December 2025, DEG reported a Pillar 1 ratio of 17.9% (31 December 2024: 16.6%).

In accordance with MaRisk, every institution – in addition to a risk-bearing capacity approach – must have a process in place to plan future capital needs (AT 4.1 item 11). The planning horizon must cover a suitably long period of several years. The primary aim of capital planning is to secure DEG's risk-bearing capacity for the longer term and on an ongoing basis. Scenario-based, multi-year projections of risk-bearing capacity in the economic and Pillar 1 perspectives enable any shortages of capital to be identified at an early stage, in order to derive recommendations for action to increase capital or reduce risks/exposure, if necessary. Capital planning uses a base scenario and a stress scenario to ensure that the long-term risk-bearing capacity targets are met even under stressful conditions. The results of the stress tests at DEG provide indications about risk-bearing capacity from the economic and Pillar 1 perspectives in the event of adverse economic developments. The stress tests meet regulatory as well as DEG-specific and KfW requirements.

Economic and regulatory risk-bearing capacity was ensured at all reported dates in 2025.

Types of risk

DEG performs regular and ad hoc risk inventories to ensure that all material risks and the associated risk factors are taken into account, and to form a current overall risk profile of DEG (as a basis for risk management and monitoring). The material risks identified for 2025 at DEG were credit risk (counterparty default risk including migration risk), participation risk, market price risk (interest rate, credit spread and foreign currency risk), liquidity risk (insolvency risk), operational risk (compliance, information security and legal risk), and the overarching risk type of model risk. DEG differentiates between financial risks that are typical for banks (primarily credit, participation, market price and liquidity risk) and non-financial risks (operational risk and its subtypes, and reputational risk).

Reputational risk was classified as a non-material risk type. Against the backdrop of public perception in connection with ethics, governance and compliance standards, great importance continues to be attached to reputational risk and risk management measures are taken accordingly.

Credit and participation risk

Credit risk describes the risk of a negative impact on the company's net assets, earnings and liquidity position if business partners or debtors do not meet their payment obligations or do not meet them on time or in full (default), or if their creditworthiness deteriorates (migration).

Participation risk describes the risk of a negative impact on the company's net assets, earnings and liquidity position and other damage arising from the direct and/or indirect provision of equity or products with equity features to third parties and from participating interests in funds (e.g. losses (in value) due to changes in the value of the participation, non-distribution of a dividend, additional contribution obligations or disposal losses). DEG does not acquire participating interests with the aim of achieving a short-term profit.

The allocation of commitment volume for credit and participation risks is diversified by region and sector. Overall, the regional distribution does not display any unusual characteristics (six regions with shares ranging from 3.1% to 27.4% as at 31 December 2025).

Based on industry segments, there were concentrations mainly in financing for banks (share as at 31 December 2025: 23.3%) and utility companies (share as at 31 December 2025: 14.4%). To curb such concentrations, DEG has defined country-level limits for these industries. Funds (share as at 31 December 2025: 30.2%) do not have a separate limit due to their diversified structure.

DEG's limit system reduces potential losses for individual parties (including counterparties and issuers), countries, sectors, groups of connected clients, and security providers, and covers both loans and participating interests. Transactions may not be executed if the limits in both DEG's and KfW's limit system are insufficient. Risks in specific countries and sectors are also limited based on risk guidelines, which may apply group-wide or be decided individually for DEG. These use a traffic light system to monitor and manage transactions in the markets affected. Breaches of the limits are analysed according to the rules laid down in the Risk Manual, reported to the Management Board and listed in the risk report. When limits are breached, possible actions are devised and measures implemented.

For most of its business, DEG primarily applies KfW's standardised group-wide rating methods for banks, corporates and project financing. A group-wide scoring process based on expected returns and qualitative criteria is used for the assessment of investment funds. The rating or scoring method is regularly validated. In addition, the country and transfer ratings valid across KfW Group as a whole are used to evaluate and limit risks. DEG also applies its own rating

methods, which are validated according to its own model governance. All loan and equity commitments are regularly reviewed on a risk-differentiated basis, as well as on an ad hoc basis, to establish whether early warning indicators are present. Intensified management is applied from a rating of M16 or a score of 1 to 3 onwards. This includes closer supervision of the commitment, as well as measures designed to safeguard the assets. In the loan portfolio, interest and redemption payments are continuously monitored in order to extrapolate possible early warning indicators. If there is well-founded suspicion of criminal conduct on the part of borrowers, or if there are other circumstances leading to the expectation that fulfilment of the contract by the partners is at risk, the commitment is passed to the relevant specialist department to be managed as a non-performing asset. As required by the regulator, management of a non-performing asset is carried out by specialist staff and is designed to restructure or wind up the commitment, but not necessarily to liquidate the enterprise. The department responsible reports at least once every quarter to the relevant member of the Management Board on the development of non-performing commitments and any insights gained.

Non-performing commitments declined both in absolute terms and as a percentage in 2025. As at 31 December 2025, non-performing commitments amounted to EUR 560.8 million (4.8% of the portfolio), which represented a decline of EUR 52 million compared with 31 December 2024 (EUR 612.8 million; 5.3% of the portfolio).

The risk provision required in individual cases is determined by the departments responsible for the risks. Coordination and plausibility checks are performed by credit risk management, which also ensures uniform application of principles and criteria at DEG. The principle of prudence is particularly important when assessing commitments in developing countries. Valuation is based on the measurement principles under commercial law applicable to corporations and on IFRS. Case-by-case risk provisions are determined on a quarterly basis and on an ad hoc basis per business partner for acute economic and political risks, and are assessed with due consideration for the customer's profitability and liquidity situation, as well as their economic and political environment (e.g. raw materials, market, and the political and macroeconomic situation in the investment country). Provision is also made in the form of a portfolio loan loss provision based on the expected loss. Additional remarks describing the method for establishing risk provisions can be found in the Notes under Accounting policies. Quarterly valuation exercises are carried out to test for impairment of participating interests, in which the values of participating interests are remeasured.

DEG uses the Gordy model with a granularity adjustment based on Gordy and Lütkebohmert's method to quantify credit and participation risk for the purposes of the economic risk-bearing capacity system. The model produces a credit value-at-risk as a risk indicator in line with KfW's requirements. The model assumes rating-dependent correlations and a granularity adjustment is made to account for diversification effects. In addition, the risk of rating migrations is modelled using a migration matrix based on rating changes that

have historically been observed. As well as correlations and the granularity adjustment, the level of economic capital required depends on the expected exposure at the default date, on individual business partner ratings and on loss ratios for specific product and customer segments. DEG plans to replace the Gordy model at the beginning of 2026 with a multi-factor model based on a Monte Carlo simulation, which will take into account, among other things, the risk of value fluctuations in participating interests.

The economic capital requirement for credit and participation risks at DEG amounted to EUR 1,215.2 million in total as at 31 December 2025 (31 December 2024: EUR 1,385.9 million).

Market price risk

Market price risk refers to the risk of a negative impact on the company's net assets, earnings and liquidity position due to an adverse change in market prices. Risk subtypes of market price risks that are material to DEG are interest rate risk, foreign currency risk and credit spread risk. The diversification between material risk subtypes is taken into account when determining overall market price risk. DEG does not enter into any transactions with the intention of trading and is therefore not to be classified as a trading book institution within the meaning of CRR. Market price risk is therefore confined to the asset book.

DEG measures interest rate, foreign currency and credit spread risk based on the economic capital concept applied throughout the group. The corresponding amount of capital required is quantified across all material market price risk subtypes using a VaR approach. This includes the entire DEG portfolio in a historical simulation based on a full curve approach.

The economic capital requirement for market price risks at DEG totalled EUR 420.5 million as at 31 December 2025 (31 December 2024: EUR 388.2 million).

The central reporting tool for market price risk is market price risk reporting (on a daily basis) and the risk report (monthly/quarterly). DEG ensures continual provision of information to the responsible divisions, the Management Board and KfW on the basis of daily reports (daily risk reporting on market price risk and liquidity risk) and the risk report.

a) Interest rate risk

Interest rate risk refers to the risk of a negative impact on the company's net assets, earnings and liquidity position due to an unfavourable change in the interest rate structure (parallel or non-parallel interest rate change risk) or a difference between interest rate structures resulting from the choice of different reference rates, including different maturities (e.g. 3-month Euribor vs 6-month Euribor) or currencies (basis spread risk).

DEG takes interest rate risks to a limited extent to generate income from maturity transformations resulting from the mismatch of fixed-interest periods between the asset and liability side of the balance sheet in the main currencies, EUR and USD. Maturity transformation serves to stabilise interest

income and thus also the income statement. Open positions in other currencies are closed where possible.

Interest rate risks are managed primarily using a present value approach (economic perspective). The earnings perspective (net interest income or NII perspective) is an important secondary condition. The economic perspective accordingly limits present value losses by means of an ECAP budget, whereas the NII perspective investigates the effects of interest rate change scenarios on net interest income. In addition, for operational management purposes, upper and lower limits for interest rate sensitivity are set in EUR and USD in order to limit present value losses in the portfolio exposed to interest rate risk.

b) Foreign currency risk

Foreign currency risk refers to the risk of a negative impact on the company's net assets, earnings and liquidity position due to an adverse change in exchange rates. In principle, this also includes all risks resulting from changes in volatility. DEG takes foreign currency risks indirectly only in its lending and participating interests business. It incurs foreign currency risks in fulfilling its development mandate. It does not enter into foreign currency risk positions for the purpose of directly generating income from exchange rate fluctuations. Foreign currency risk in the lending and participating interests business is managed primarily using a present value approach (economic perspective), with the aim of preventing unrealised present value losses caused by exchange rate fluctuations from exceeding the allocated ECAP budget.

In hedging, DEG differentiates between loans and participating interests, and between USD and local currency risks. In the credit business, foreign currency risks from nominal amounts and interest payments are generally hedged. All USD risks are managed and closed out as a single position. Similarly to the KfW procedure, cumulative margins are sold forward as part of a stop loss and take profit strategy. Local currency risks including margins are generally hedged via a micro hedge. Loans are granted solely in currencies which, in accordance with the current product catalogue, are permitted, and can therefore be hedged.

Foreign currency risks from participating interests are primarily hedged based on the economic perspective after look-through. Foreign currency risks are hedged provided that hedging instruments are available and the costs of hedging are proportionate to the risk. Therefore, until further notice, USD risks will be hedged in the amount of the USD position to which the look-through approach has been applied. Local currencies that are highly correlated to the USD (after look-through) are also hedged using USD instruments in order to strengthen risk-bearing capacity, provided that correlation of the USD to the local currencies is sufficiently high and stable. Basis risks arising from the mismatch between the currency of the underlying and the currency of the hedging instruments are monitored. The remaining local currency risks are generally limited by the allocated maximum ECAP budget. Due to the high volatility of the USD, the open currency position from the participating interests business was further hedged in 2025 from a balance sheet perspective. This addi-

tional balance sheet hedging using a trailing stop-loss methodology will continue for 2026.

c) Credit spread risk

Credit spread risk refers to the risk of a negative impact on the company's net assets, earnings and liquidity position due to increases in credit spreads not caused by ratings, which lead to losses in the securities portfolio. In principle, this also includes all risks resulting from changes in volatility.

DEG enters into credit spread risks when it purchases bonds, registered bonds and loans measured at fair value (in accordance with IFRS accounting) to fulfil its development mandate. It does not actively enter into transactions for the purpose of generating income from price changes.

Credit spread risks are managed primarily using a present value approach (economic perspective). Present value losses caused by increased credit spreads must not exceed the allocated ECAP budget and are monitored as part of regular risk reporting. The earnings perspective (NII perspective) also examines decreases in net interest income in hypothetical stress scenarios.

Whereas there are hedging instruments approved at DEG that can fully or partially hedge interest rate and foreign currency risks, there are no hedging instruments for credit spread risks.

Liquidity risk

Liquidity risk in the narrow sense (insolvency risk) refers to the risk of a lack of liquidity on the part of an institution or market with the consequence that payment obligations cannot be met, or cannot be met on time or in full. DEG's insolvency risk is significantly limited through the indefinite refinancing commitment already provided by KfW, which has a federal guarantee. This assures DEG's access to liquidity via KfW. DEG's risk of insolvency is therefore directly linked with that of the group, and DEG does not have its own liquidity portfolio. KfW measures and manages the group's ability to meet its payment obligations at all times and the related risks. However, DEG takes direct responsibility for the measurement and management of its own liquidity.

Liquidity risk is actively managed by maintaining sufficient liquidity potential at all times (including for stress and worst case scenarios) to limit liquidity shortages. A liquidity buffer is maintained at individual institution level to avoid temporary short-term liquidity shortages. A liquidity risk indicator is also calculated and used to monitor and manage long-term liquidity.

Operational risk

Operational risk refers to the risk of a negative impact on the company's net assets, earnings and liquidity position that may occur due to human error, failure of internal processes or systems, or external events. At DEG, the risk subtypes compliance risk, information security risk and legal risk are classified as significant subtypes of operational risk in the risk inventory. These risk types are taken into account at all times in DEG's risk analysis, evaluation and management.

One of the main OpRisk instruments is the ongoing identification of loss events. Provided they are above a minimum level of EUR 20,000, these are recorded in a group-wide OpRisk events database. In addition, annual OpRisk assessments are carried out on the basis of internal and external loss data, analyses of datasets, and expert appraisals. The purpose is to identify, rate and manage potential operational risks with a view to reducing them over the long term. DEG's management receives regular reports on OpRisk events, the results of analyses and any risk mitigation measures derived from them.

In order to comprehensively counter operational risks, DEG has identified process-inherent risks and has defined controls to mitigate these as part of its process-integrated monitoring. Depending on the risk categories assigned to the processes, a review of the correct application of the processes is carried out at least once a year (ICS testing). The results are reported to management. This is supplemented by the refinement of DEG's IT landscape and business processes.

To address the risk of business interruptions, DEG has put in place a business continuity management (BCM) plan so that time-critical business processes can continue in an emergency. BCM includes both preventative and reactive components (contingency planning and emergency and crisis management, respectively). DEG has established a crisis team for situations extending beyond an emergency.

Its members receive crisis preparation training through regular crisis exercises.

Model risk

Model risk is defined as the risk of negative effects on the net assets (including capital adequacy), earnings and liquidity position arising due to weaknesses and deficiencies in models used. Examples of model risks include an incomplete or inadequate model design, statistical estimation uncertainty and incorrect model parameters.

All models used at DEG are identified and recorded with the relevant information in the annual model inventory. The listed models are required to be validated in line with a fixed schedule, which is determined by the materiality of the model. The provisions of the "Organisation of model changes" guidelines also require initial validation of material changes or new developments of models prior to rollout. The respective validation processes identify, analyse and assess model deficiencies.

The deficiencies identified in the validation processes are addressed through recommendations for action, recorded in a central action recommendation list and monitored regularly. Deadlines are set to ensure recommended actions are implemented. Until the relevant refinements are made, quantifiable effects are taken into account based on impact analyses by means of a method buffer in the distinct risk type or the risk-bearing capacity calculation. DEG thus addresses known model risks by making ongoing refinements to the models used, or temporarily with a method buffer.

Potential losses arising due to materialisation of model uncertainties are also taken into account by including appropriate safety margins in the respective models or estimates.

ESG risks

ESG risks are events or conditions pertaining to the areas of climate/environment, social and governance that could potentially have a negative impact on DEG's net assets, financial and earnings position (risk, or outside-in, perspective).

ESG risks cover the following aspects:

- Environmental risks: Environmental events and conditions have been broken down into five risk categories: physical climate and environmental risks, transitory climate risks, environmental pollution, water, and ecosystems.
- Social risks: Social events and conditions relate to the rights, well-being and interests of individuals and communities, with the five most relevant risk categories as follows: social change, health and safety, human capital, customer relations, and production, processes and supply chains.
- Governance risks: Governance events and conditions relate to the principles of corporate governance, in other words, to frameworks and processes used to make decisions (action framework) and take appropriate measures (action).

DEG distinguishes between ESG risks and the indirect effect of financing on environmental, social and governance matters. A distinction must be made between these two directions of effect:

1st direction of effect: The risk perspective – also known as the outside-in perspective.

In the risk (outside-in) perspective, ESG risks are a risk driver for risk types and thus potentially also for DEG's net assets, financial and earnings position. The focus is on financial materiality. To determine ESG risks from the outside-in perspective, a detailed ESG risk profile (especially E, S and G scores and their subcategories) is created for each customer.

2nd direction of effect: The impact perspective – also known as the inside-out perspective.

The environmental and social impacts of co-financed projects are appropriately taken into account through mandatory environmental and social assessments conducted as part of portfolio credit review processes and monitoring in accordance with DEG's environmental and social standards. In addition, DEG is pursuing a carbon reduction pathway (net zero by 2040) and has established a corresponding measurement and control system. This helps to reduce climate (transition) risks at portfolio level and mitigate DEG's reputational risk. ESG, climate and transformation aspects are also taken into account in DERa credit checks and portfolio monitoring.

OUTLOOK

The factors adding pressure to the global economy will remain significant in 2026. The IMF forecasts that global growth will weaken slightly to 3.1%. Key risks include ongoing geoeconomic fragmentation due to protectionist industrial policies, more restrictive migration policies in industrialised countries, and high refinancing costs for government debt. While global inflation is expected to continue normalising at 3.7%, historically high levels of debt are limiting many countries' fiscal headroom to respond to new shocks.¹⁾

This environment also presents opportunities. Further easing of inflation could create space for interest rate cuts, which – supported by a weaker US dollar – would ease global financing conditions. Furthermore, technological breakthroughs due to artificial intelligence and possible progress in trade agreements could generate positive surprises in productivity and investment.²⁾

The major industrialised nations are seeing largely stable, albeit subdued, development. The IMF predicts ongoing stable growth of 2.1% in the USA for 2026 (2025: 2.0%), but a slight slowdown for the eurozone from 1.2% in 2025 to 1.1%. As for developing and emerging market countries, the IMF forecasts a decline in growth to 4.0% (2025: 4.2%), which reflects the ongoing structural challenges and declining momentum facing this group of nations.³⁾

The following economic developments are anticipated in DEG's important partner countries and regions:

- For emerging and developing countries in Asia, growth is expected to slow down further, from 5.2% in 2025 to 4.7% for 2026. Although the region continues to make a significant contribution to the global economy, growth is losing momentum. China's economy is forecast to decline noticeably to 4.2% (2025: 4.8%). Structural problems in the property sector and expected debt deflation continue to impact domestic demand. Furthermore, government subsidies for manufacturing industry are increasingly reaching their limits, causing resources to be misallocated. India's economic growth is expected to moderate from the powerful increase of 6.6% seen in 2025 to 6.2% in 2026. Mildly slowing economic growth of 4.1% is predicted for the ASEAN-5 countries (Indonesia, Malaysia, Philippines, Thailand, Singapore) (2025: 4.2%). These export-oriented economies, with their growth prospects closely linked to trends in effective tariff rates, are feeling the effects of global trade fragmentation and tariffs particularly acutely.⁴⁾
- For emerging and developing countries in Europe, growth is expected to pick up slightly for 2026 to 2.2%, following a weak 2025 (1.8%). For Ukraine, the IMF expects growth to recover significantly in 2026, rising to 4.5% following a slowdown in 2025 (2.0%). Turkey's economy is proving more resilient than expected. Growth for 2026 is expected to reach 3.7% (2025: 3.5%), with the country's tight monetary policy aimed at combating inflation preventing economic overheating without slowing the economy.⁵⁾

- Economies in the MENA region are expected to continue on their path to recovery, growing by 3.7% in 2026, up from 3.3% in 2025. Egypt's economy is stabilising, with growth of 4.5% predicted for 2026 (2025: 4.3%). This is primarily due to a drastic decline in inflation, expected to almost halve to 11.8% (2025: 20.4%), thus strengthening purchasing power and encouraging investment. For Tunisia, however, moderate cooling of economic growth to 2.1% is predicted, following a stronger year in 2025, at 2.5%. The Tunisian economy remains susceptible to external risks, particularly declining demand from Europe, underlining the need for structural reforms.⁶⁾
- Accelerated economic growth of 4.4% is forecast for sub-Saharan Africa in 2026 (2025: 4.1%). Momentum remains subdued in South Africa, with growth of 1.2% forecast for 2026, compared with 1.1% in 2025. Growth in Nigeria, in contrast, is predicted to rise to 4.2% (2025: 3.9%). This positive development is driven by increased oil production, improved investor confidence, and supportive fiscal policy.⁷⁾
- Economic growth in Latin America and the Caribbean is expected to fall slightly from 2.4% in 2025 to 2.3% in 2026. A recovery in growth, to 1.5%, is predicted for Mexico (2025: 1.0%), with the economy stabilising after the slowdown in the previous year. In contrast, the IMF predicts a significant decline in growth for Brazil to 1.9% (2025: 2.4%). The main reason for this downward correction is the higher tariffs on Brazilian exports to the USA, which are impacting foreign trade momentum.⁸⁾

The forecasts are subject to significant downside risks. Key factors influencing global economic development include (a) stronger geoeconomic fragmentation and trade policy uncertainty, (b) fiscal vulnerabilities resulting from increased refinancing costs, particularly for countries with high debt burdens, (c) potential commodity price shocks due to extreme weather events in the context of climate change, and (d) the risk of social unrest in the event of prolonged economic stagnation and lack of job prospects.

Overall, it should be noted that developing and emerging market countries are an increasingly diverse group with significant differences in opportunity and risk profiles. Against this backdrop, DEG's key role of supporting private companies through financing and advice is gaining particular strategic importance – especially where private investors are holding back due to increased risks and government development budgets are being cut.

Corporate outlook

With its Impact.Climate>Returns. business strategy, DEG continues to position itself as an impact and climate financier for forward-looking companies seeking support with their environmental, social and economic transformation. Consistent efforts to implement this strategy will continue in 2026. At the same time, the business model will be significantly scaled

1), 2), 3), 4), 5), 6), 7), 8) IMF World Economic Outlook (October 2025)

up through growth in lending (scaling and mobilisation case). This growth will generate more impact, helping to further strengthen Germany's global agenda. Growth in the following years will be supported by a capital increase, agreed by the shareholder at the end of 2025, designed to strengthen risk-bearing capacity. DEG's medium-term financial planning was developed taking into account the strategy as well as the scaling and mobilisation case. In addition to the equally weighted strategic goals of impact and a sustainable result, a third goal with a lower weighting will be set for 2026 onward, this time targeting the volume of new commitments and mobilisation.

Impact, meaning developmental effectiveness, is measured via the DERA. The sustainable annual result before taxes is determined pursuant to IFRS and will strengthen DEG's equity basis through retention of earnings and enable it to meet its promotional objectives by drawing on its own resources.

To maximise the contributions made to the attainment of these goals, bearing in mind the scarcity of resources (equity and CO₂ budget), DEG applies a strategic portfolio performance management approach in order to continuously manage its strategic goals.

For 2026, DEG has set the goal of maintaining its high portfolio quality with a planned average DERA value of 32 points.¹⁾

DEG's financial position continues to be planned and managed based on the IFRS accounting standards. Its medium-term financial planning was developed taking into account the Impact.Climate>Returns. strategy as well as the scaling and mobilisation case.

Following a very challenging economic year, characterised by negative earnings effects from the sharp USD depreciation, DEG is planning for an annual net income before tax under IFRS of EUR 90 million for 2026 (2025: EUR 102 million).

Based on the planned business performance, DEG expects to achieve net interest income pursuant to IFRS of EUR 200 million for 2026. There will be only a moderate increase in administrative expenses. For 2026, credit risk provisions are expected to be at the level of standard risk costs. The valuation of participating interests is expected to recover noticeably in the 2025 financial year following the significant impacts of the USD depreciation.

¹⁾ DERA scale: ≤-1 insufficient, 0-14 poor, 15-29 satisfactory, 30-44 good, 45-59 very good, ≥ 60 outstanding

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DEG balance sheet as at 31 December 2025

Assets (EUR k)	Notes	31.12.2025			31.12.2024
Cash reserves					
a) Cash in hand			0		0
b) Balances with central banks			0		0
of which: with the Deutsche Bundesbank		0			0
c) Balances with postal giro offices			0		0
				0	0
Loans and advances to banks	(4)				
a) Due on demand			106,013		83,905
b) Other receivables			2,113,673		2,377,049
				2,219,686	2,460,954
Loans and advances to customers	(5)			3,310,339	3,381,655
of which: secured by mortgages over immovable assets		0			0
of which: municipal loans		0			0
Bonds and other fixed-income securities	(6), (11)				
a) Money market instruments					
aa) of public issuers			0		0
of which: eligible as collateral with Deutsche Bundesbank		0			0
ab) of other issuers			0		0
of which: eligible as collateral with Deutsche Bundesbank		0			0
				0	0
b) Bonds and debt securities					
ba) of public issuers			3,027		2,539
of which: eligible as collateral with Deutsche Bundesbank		3,027			2,539
bb) of other issuers			480,839		435,048
of which: eligible as collateral with Deutsche Bundesbank		0			0
				483,866	437,587
c) Own debt securities				0	0
Nominal value		0			0
				483,866	437,587
Shares and other non-fixed income securities	(7), (11)			1,633,825	1,569,206
Participating interests	(8), (11)			675,355	697,200
of which: in banks		55,780			39,376
of which: in financial services institutions		390,210			370,537
of which: in investment firms		75,509			70,561
Shares in affiliated enterprises	(9), (11)			4,449	4,449
of which: in banks		0			0
of which: in financial services institutions		0			0
of which: in investment firms		1,449			1,449
Assets held in trust	(10)			483,086	414,731
of which: loans held in trust		4,693			5,338

DEG balance sheet as at 31 December 2025

Assets (EUR k)	Notes	31.12.2025		31.12.2024
Intangible assets	(11)			
a) Internally generated industrial property rights and similar rights and assets			0	0
b) Purchased concessions, industrial property rights and similar rights and assets, as well as licences to such rights and assets			468	824
c) Goodwill			0	0
d) Payments in advance			482	369
			950	1,193
Tangible assets	(11)			72,902
Other assets	(12)			3,936
Prepaid expenses	(13)			1,811
Total assets			8,892,039	9,045,496

DEG balance sheet as at 31.12.2025

Shareholders' equity and liabilities (EUR k)	Notes	31.12.2025		31.12.2024
Liabilities to banks	(14)			
a) Due on demand			959	1,138
b) With agreed term or period of notice			5,458,290	5,720,893
			5,459,250	5,722,031
Liabilities to customers	(15)			
a) Savings deposits				
aa) with agreed period of notice of three months		0		0
ab) with agreed period of notice of more than three months		0		0
			0	0
b) Other liabilities				
ba) due on demand		0		0
bb) with agreed term or period of notice		720		5,734
			720	5,734
			720	5,734
Liabilities held in trust	(16)			
of which: loans held in trust		4,693		5,338
Other liabilities	(17)			
				2,826
Deferred income	(18)			
				43,663
Provisions	(19)			
a) Provisions for pensions and similar obligations			176,885	178,355
b) Tax provisions			43,044	22,644
c) Other provisions			46,208	37,993
				266,138
				238,993
Shareholders' equity				
a) Called capital				
subscribed capital		750,000		750,000
less uncalled outstanding contributions		0		0
			750,000	750,000
b) Capital reserve			0	0
c) Retained earnings				
ca) legal reserve		0		0
cb) reserve for shares in a company in which a controlling or majority stake is held		0		0
cc) statutory reserves		0		0
cd) other retained earnings		1,811,669		1,829,013
			1,811,669	1,829,013
d) Net income/loss for the financial year	(25)		74,687	-17,344
				2,636,356
Total liabilities and equity				2,561,669
				8,892,039
				9,045,496

DEG balance sheet as at 31.12.2025

Shareholders' equity and liabilities (EUR k)	Notes	31.12.2025		31.12.2024
Contingent liabilities				
a) from the endorsement of rediscounted bills			0	0
b) from financial sureties and warranties			0	0
c) from the granting of security for third-party liabilities			0	0
			0	0
Other commitments				
a) Commitments under reverse repurchase agreements			0	0
b) Placement and underwriting commitments			0	0
c) Irrevocable loan commitments	(20)		1,385,643	1,146,215
			1,385,643	1,146,215

Income statement of DEG for the period from 01.01.2025 to 31.12.2025

EUR k	Notes	01.01.-31.12.2025			2024
Part 1					
Interest income from	(22)				
a) Lending and money market transactions		376,525			386,288
less negative interest from lending and money market transactions		0			0
			376,525		386,288
b) Fixed-income securities and debt register claims		32,885			26,845
less negative interest from fixed-income securities and debt register claims		0			0
			32,885		26,845
				409,409	413,133
Interest expenses	(22)	256,376			270,951
less positive interest from banking business		0			0
				256,376	270,951
				153,033	142,182
Current income from					
a) Shares and other non-fixed income securities				24,792	20,482
b) Participating interests				21,522	18,572
c) Shares in affiliated enterprises				0	0
				46,314	39,055
Commission income				21,066	12,397
Commission expense				15,965	11,080
				5,101	1,317
Other operating income	(23)			197,749	16,461
General administrative expenses					
a) Staff costs					
aa) Wages and salaries			77,355		72,973
ab) Social security, pensions and other benefits			20,491		23,386
for pension provisions		8,733			12,882
				97,846	96,359
b) Other administrative expenses				55,719	58,497
				153,565	154,856
Depreciation, amortisation and adjustments for impairment of tangible and intangible assets				3,789	3,759
Other operating expenses	(24)			1,396	98,063
Write-downs and adjustments for impairment of receivables and certain securities and additions to loan loss provisions				67,309	13,817

Income statement of DEG for the period from 01.01.2025 to 31.12.2025

EUR k	Notes	01.01.–31.12.2025		2024
Part 2				
Income from reversals of write-downs of receivables and certain securities and from the reversal of loan loss provisions			0	0
Write-downs and adjustments for impairment of participating interests, shares in affiliated enterprises and securities held as fixed assets			89,470	0
Income from reversals of write-downs of participating interests, shares in affiliated enterprises and securities held as fixed assets			0	74,062
Result from operating activities			86,668	2,580
Taxes on income			9,959	15,848
Other taxes not recognised in item 12			2,021	4,076
Net income/loss for the financial year	(25)		74,687	-17,344

NOTES

DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH is entered in the Commercial Register of Cologne Local Court:

Company number: HRB 1005

Company name: DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH

Registered office: Cologne

1. Basis of preparation

The annual financial statements of DEG have been prepared in accordance with the requirements of the German Commercial Code (Handelsgesetzbuch, HGB) and the German Regulation on the Accounting of Banks, Financial Services Institutions and Investment Firms (Verordnung über die Rechnungslegung der Kreditinstitute, Finanzdienstleistungsinstitute und Wertpapierinstitute, RechKredV).

DEG is a credit institution within the meaning of section 1(1) of the German Banking Act (Kreditwesengesetz, KWG) because it operates credit business within the meaning of section 1(1) sentence 2 no. 2 KWG and guarantee business within the meaning of section 1(1) sentence 2 no. 8 KWG, and therefore falls under the scope of section 340(1) HGB. Due to an exemption issued by BaFin (German Federal Financial Supervisory Authority) pursuant to section 2(4) KWG, DEG is revocably exempt from using the bank-specific accounting policies of section 340 ff. HGB and RechKredV. However, in order to present a true and fair view of its assets, liabilities, financial position and financial performance based on its banking activities, DEG voluntarily applies the bank-specific policies in full.

The figures in the tables below were calculated and totalled precisely. The figures are rounded. This may result in rounding differences when totalling. Actual zero amounts and amounts rounded to zero are presented as EUR 0 k or EUR 0 million.

2. Accounting policies

DEG applies the following accounting policies.

Cash reserves, loans and advances to banks and customers and **other assets** are recognised at cost, par value or lower fair value. Differences between par values and lower disbursement amounts for receivables, which are similar in nature to interest, are included in deferred income. In the credit business, these differences are amortised on a straight-line basis over the term of the loan through interest income.

The item **Bonds and other fixed-income securities** comprises securities held as fixed assets (long-term securities) and securities held as current assets. Securities held as current assets are valued strictly at the lower of cost or market in accordance with section 253(4) sentence 1 HGB. The item Long-term securities comprises financing committed by DEG that has been securitised. These securities (securities-based credit business) are intended to serve business operations in the long term, and are therefore presented as fixed assets pursuant to section 340e(1) sentence 2 in conjunction with sentence 1 HGB. Long-term securities are valued according to the moderate lower of cost or market principle in accordance with section 253(3) HGB; in the event of a permanent impairment in value, securities are written down.

There are no held-for-trading securities.

DEG has made use of the option under section 253(3) sentence 6 HGB to value **shares and other non-fixed income securities** held as fixed assets by DEG at the strict lower of cost or market principle.

Participating interests are measured at the lower of cost or market value, regardless of whether the impairment is likely to be permanent.

The market value is to be recognised for participating interests in accordance with section 253(3) HGB. Given that no quoted or market prices are generally available in the context of DEG's business activities, the market value for direct participating interests is determined using the discounted cash flow method and the market value for fund investments using the net asset value method. When establishing the

value of a participating interest, embedded put and call options are taken into account, the value of which is determined using a suitable option price model. Incidental purchase costs are capitalised as of the decision to purchase.

Where market prices are available, e.g. stock market quotations, DEG will verify whether, based on a critical review, these represent an appropriate valuation. If a firm offer to purchase the participating interest has been received or a binding purchase agreement has been concluded, the proposed purchase price is generally taken as the market value. If the participating interest was acquired less than a year earlier, or if the enterprise is still in the set-up phase, DEG will generally fall back on the purchase price. However, if, after acquiring the participating interest, DEG becomes aware of important factors affecting the value that were not taken into account when determining the purchase price, the discounted cash flow method will normally be used to determine the market value of the participating interest, even during the first year after purchase or during the set-up phase, taking the new findings into account. Country risks are taken into account for direct participating interests by applying an upward adjustment of the discount factors when the discounted cash flow method is applied.

DEG has made use of the option under section 253(3) sentence 6 HGB to value **shares in affiliated enterprises** held as fixed assets by DEG at the strict lower of cost or market principle.

Tangible and intangible assets are reported at purchase or production cost within the meaning of section 255 HGB, reduced by depreciation/amortisation over their expected useful life. The normal useful life of intangible assets is five years. DEG does not capitalise internally generated intangible assets in accordance with section 248(2) HGB. The normal useful life is 50 years for buildings and between five and 15 years for office equipment. For the building, use has been made of the option under section 67(4) sentence 1 of the Introductory Act to the Commercial Code (Einführungsgesetz zum Handelsgesetzbuch, EGHGB), which states that lower values of assets based on depreciation under section 254 HGB (version in force until 28 May 2009) may continue to be carried, in respect of the one-time tax depreciation from the transfer of hidden reserves in accordance with section 6b of the Income Tax Act (Einkommensteuergesetz, EStG). A collective item is set up for low-value fixed assets with purchase costs of EUR 250 to EUR 1,000, which is released to the income statement on a straight-line basis over the year of acquisition and the next four years. Fixed assets with purchase costs of below EUR 250 are recognised immediately as an expense.

Statutory reversals of impairment losses are recognised for all assets in accordance with section 253(5) HGB.

Liabilities are recognised at their settlement amount in accordance with section 253(1) sentence 2 HGB.

Foreign currency translation is performed in accordance with the provisions of section 256a HGB in conjunction with section 340h HGB. Asset accounts denominated in foreign currencies are translated into euros at month-end at the applicable average spot exchange rate. A distinction is made in the income statement between non-recurring revenue (such as the creation of specific loan loss provisions) and recurring revenue (such as accrued interest). Non-recurring revenue is translated at the average spot exchange rate on the transaction date or reporting date, whereas recurring revenue is translated at the average spot exchange rate on the last day of the respective month.

DEG applies the principle of special cover in accordance with section 340h HGB in conjunction with section 256a HGB for the USD portfolio (with the exception of participating interests) and local currency loans.

Treatment of the results of the foreign currency translation depends on whether or not special cover was applied to the transactions. Where special cover exists, both expenses and income from the currency translation are recognised in the income statement. The same applies to foreign currency items without special cover with remaining terms of up to one year. In the case of foreign currency items without special cover with remaining terms of more than one year, on the other hand, only expenses from the currency translation are recognised in the income statement in accordance with the imparity principle.

Provisions for pensions and similar obligations are calculated by an independent qualified actuary in accordance with the projected unit credit method. The calculation is performed on the basis of Dr Klaus Heubeck's 2018 G mortality tables, applying the following actuarial assumptions:

In %	31.12.2025
Actuarial discount rate (10-year average interest rate)	2.06
Rate of salary increases (depending on pay scale)	3.00
Rate of pension increases (depending on pension scheme)	1.00–2.00
Staff turnover rate	3.00

The valuation effect resulting from year-on-year changes in the interest rate used to discount pension obligations has been reported under other operating income.

Other provisions were recognised at the level of the anticipated settlement value and take all identifiable risks and contingent liabilities into account. Any provisions with a residual term of more than one year were discounted in accordance with their residual terms at the average market rate across the past seven years as published by Deutsche Bundesbank.

Prepaid expenses and **deferred income** as defined by section 250 HGB are recognised for expenses and income occurring before the reporting date to the extent that they represent expense or income related to a specific period after the reporting date.

Owing to the statutory tax exemption for corporation and trade tax, which applies retroactively from the beginning of 2024, DEG no longer incurs any deferred taxes within the meaning of section 274 HGB. The corresponding item is no longer reported.

Allowance has been made for risks arising from the credit business through the recognition of loan loss provisions and other provisions. The risk provisions recognised for the on-balance sheet credit business consist of specific loan loss provisions (the amount corresponds to the difference between the carrying amount of the loan and the present value of the expected cash inflows from interest and principal repayments as well as the payment streams from collateral) and general loan loss provisions for receivables for which no specific loan loss provisions have been made, with a corresponding effect on the income statement.

In addition, risk provisions are recognised for contingent liabilities and irrevocable loan commitments, both for individually identified risks (specific loan loss provisions) and for impairments that have not yet been individually identified (general loan loss provisions).

For general loan loss and risk provisions, DEG has made use of the option under IDW (Institute of German Public Auditors) AcP BFA 7 note 26, and also under HGB, of calculating risk provisions in accordance with the methodology specified in the IFRS (International Financial Reporting Standards) 9 stage-based model. The portfolio loan loss provision is automatically calculated for all receivables based on the changes in credit quality since initial recognition, either in the amount of the one-year expected credit loss or, if there has been a significant increase in default risk since initial recognition, in the amount of the lifetime expected credit loss.

Additions and reversals are recognised net under the item Write-downs and adjustments for impairment of receivables and certain securities and additions to loan loss provisions or under the item Income from reversals of write-downs on receivables and certain securities and from the reversal of loan loss provisions. Use has been made of the option of netting in the income statement pursuant to section 340f(3) and section 340c(2) HGB. Interest income on non-performing loans is generally recognised based on the net book value (gross book value less risk provisions recognised).

The valuation of interest rate-related transactions in the **banking book** (Refinanzierungsverbund) reflects DEG's management of interest rate change risk. The principle of prudence as required under HGB is applied by recognising a provision in accordance with section 340a(1) HGB in conjunction with section

249(1) sentence 1, 2nd alternative HGB for any excess obligations resulting from the valuation of the interest-related banking book. The requirements of the statement of IDW's Banking Committee on financial reporting, "Individual issues relating to the loss-free valuation of interest-related transactions in the banking book (interest book) (Einzelfragen der verlustfreien Bewertung von zinsbezogenen Geschäften des Bankbuchs (Zinsbuchs)) (IDW AcP BFA 3 as amended)" are taken into account. In order to determine any excess obligation, DEG calculates the balance of all discounted future net income of the banking book. In addition to net interest income, this includes relevant commission income, administrative expenses and risk costs in the amount of expected losses. No such provision for contingent losses was required in the reporting year.

3. Group affiliation

Consolidated financial statements are not required to be prepared. DEG is included in the consolidated financial statements of KfW Group, Frankfurt am Main. The consolidated financial statements are prepared in accordance with IFRS and submitted in German to the German Company Register.

NOTES ON ASSETS

4. Loans and advances to banks

EUR k	31.12.2025	31.12.2024
This item includes:		
Loans and advances		
to affiliated enterprises	4,261	130,887
to enterprises in which DEG has a participating interest	0	0
Subordinated loans	326,849	354,456
Due		
on demand	106,013	83,905
up to 3 months	96,914	138,611
in more than 3 months to 1 year	323,246	102,779
in more than 1 year to 5 years	1,293,980	1,487,038
in more than 5 years	370,197	614,113
Pro rata interest	29,337	34,509
Total	2,219,686	2,460,954

5. Loans and advances to customers

EUR k	31.12.2025	31.12.2024
This item includes:		
Loans and advances		
to affiliated enterprises	0	0
to enterprises in which DEG has a participating interest	16,413	32,044
Subordinated loans	224,985	210,226
Due		
on demand	7,113	4,042
up to 3 months	63,944	21,201
in more than 3 months to 1 year	305,506	61,856
in more than 1 year to 5 years	1,652,015	1,088,709
in more than 5 years	1,182,893	2,165,004
Pro rata interest	98,868	40,843
Total	3,310,339	3,381,655

6. Bonds and other fixed-income securities

Stock exchange listing

EUR k	31.12.2025	31.12.2024
Listed securities	211,407	282,744
Unlisted securities	250,620	86,606
Marketable securities	462,027	369,350

The item Bonds and other fixed-income securities amounted to EUR 484 million (previous year: EUR 438 million). The bonds business was expanded in the reporting year by four new investments with a nominal value of EUR 111 million, while two debt securities with a nominal value of EUR 46 million matured.

There are securities in the portfolio amounting to EUR 102 million (previous year: EUR 0 million) that fall due during the year following the balance sheet date.

The item Bonds and other fixed-income securities includes financial instruments held as fixed assets, recognised at their fair value. Write-downs in accordance with section 253(3) sentence 6 HGB were not recognised because these are fixed-income securities held to maturity for which no deterioration in creditworthiness was determined. The book value of these financial instruments was EUR 481 million as at 31 December 2025.

Current assets contained a security of KfW with a book value of EUR 3 million as at 31 December 2025.

of which to:

EUR k	31.12.2025	31.12.2024
Affiliated enterprises	3,027	2,539
Enterprises in which DEG has a participating interest	0	0
Subordinated assets	0	0

7. Shares and other non-fixed income securities

Stock exchange listing

EUR k	31.12.2025	31.12.2024
Listed securities	0	0
Unlisted securities	26,533	13,001
Marketable securities	26,533	13,001

8. Participating interests

Stock exchange listing

EUR k	31.12.2025	31.12.2024
Listed securities	77,314	114,348
Unlisted securities	78,183	32,112
Marketable securities	155,497	146,461

9. Shares in affiliated enterprises

Stock exchange listing

EUR k	31.12.2025	31.12.2024
Listed securities	0	0
Unlisted securities	0	0
Marketable securities	0	0

10. Assets held in trust

Assets held in trust breaks down into the following items on the assets side of the balance sheet:

EUR k	31.12.2025	31.12.2024
Loans and advances to banks	4,180	4,813
Loans and advances to customers	514	526
Participating interests	478,393	409,393
Total	483,086	414,731

11. Fixed assets

	Residual book value	Residual book value	Change
Long-term financial assets			
EUR k	31.12.2025	31.12.2024	
Shares and other non-fixed income securities	1,633,825	1,569,206	64,619
Participating interests	675,355	697,200	-21,845
Bonds and other fixed-income securities	480,839	435,048	45,791
Shares in affiliated enterprises	4,449	4,449	0
Total	2,794,468	2,705,903	88,565

	Intangible assets	Tangible assets	Total
Tangible assets			
EUR k			
Purchase or production costs as at 1 Jan. 2025	12,941	109,410	122,351
Additions 2025	482	2,745	3,227
Disposals 2025	335	213	548
Transfers 2025	0	0	0
Purchase or production costs as at 31 Dec. 2025	13,088	111,942	125,031
Cumulative depreciation, amortisation and impairment as at 1 January 2025	11,749	36,187	47,935
Depreciation, amortisation and impairment 2025	725	3,064	3,789
Reversals of write-downs 2025	0	0	0
Depreciation, amortisation and impairment of additions 2025	0	1,058	1,058
Depreciation, amortisation and impairment of disposals 2025	335	211	546
Depreciation, amortisation and impairment of transfers 2025	0	0	0
Cumulative depreciation, amortisation and impairment as at 31 December 2025	12,138	39,040	51,178
Residual book value 31 December 2025	950	72,902	73,852
Residual book value 31 December 2024	1,193	73,223	74,415

For the building, use has been made of the option under section 67(4) sentence 1 of the Introductory Act to the Commercial Code (Einführungsgesetz zum Handelsgesetzbuch, EGHGB), which states that lower values of assets based on depreciation under section 254 HGB (version in force until 28 May 2009) may continue to be carried, in respect of the one-time tax depreciation from the transfer of hidden reserves in accordance with section 6b of the Income Tax Act (Einkommensteuergesetz, EStG).

The residual book value of the tangible assets as at 31 December 2025 totalled EUR 72,902 k, of which EUR 69,212 k, including payments in advance totalling EUR 1,284 k, is attributable to land and buildings. Office equipment amounted to EUR 3,690 k.

In the 2025 financial year, intangible assets declined by EUR 335 k as a result of non-scheduled amortisation.

12. Other assets

Other assets totalling EUR 4 million (previous year: EUR 3 million) mainly consisted of tax office receivables.

13. Prepaid expenses

Prepaid expenses are recognised on the assets side of the balance sheet in accordance with section 250(1) HGB and comprise expenditure prior to 31 December 2025 where this represents costs relating to a specific period after that date. Prepaid expenses of EUR 4 million (previous year: EUR 2 million) largely consisted of expenditure on licences and hardware and software maintenance.

NOTES ON LIABILITIES

14. Liabilities to banks

EUR k	31.12.2025	31.12.2024
This item includes:		
Liabilities		
to affiliated enterprises	5,457,157	5,719,487
to enterprises in which DEG has a participating interest	0	0
Due		
on demand	2,952	59,469
up to 3 months	2,566,574	2,505,003
in more than 3 months to 1 year	497,021	670,904
in more than 1 year to 5 years	2,139,468	2,138,406
in more than 5 years	222,883	312,324
Pro rata interest	30,351	35,926
Total	5,459,250	5,722,031

15. Liabilities to customers

EUR k	31.12.2025	31.12.2024
This item includes:		
Liabilities		
to affiliated enterprises	0	0
to enterprises in which DEG has a participating interest	0	0
Due		
on demand	0	0
up to 3 months	720	5,734
in more than 3 months to 1 year	0	0
in more than 1 year to 5 years	0	0
in more than 5 years	0	0
Pro rata interest	0	0
Total	720	5,734

16. Liabilities held in trust

Liabilities held in trust breaks down into the following items on the liabilities side of the balance sheet:

EUR k	31.12.2025	31.12.2024
Liabilities to banks	0	4,813
Liabilities to customers	4,693	526
Participating interests	478,393	409,393
Total	483,086	414,731

17. Other liabilities

Other liabilities totalling EUR 3 million (previous year: EUR 70 million) were largely attributable to trade payables amounting to EUR 1 million (previous year: EUR 1 million) and to income tax and personnel costs amounting to EUR 1 million (previous year: EUR 1 million).

18. Deferred income

Deferred income totalling EUR 44 million (previous year: EUR 32 million) included frontend fees from the credit business deferred over the term of EUR 33 million and, for the first time, deferred credit default swaps of EUR 11 million.

19. Provisions

This item primarily comprises:

EUR k	31.12.2025	31.12.2024
Provisions for pensions and similar obligations	176,885	178,355
Tax provisions	43,044	22,644
Other provisions	46,208	37,993
of which: staff-related provisions	15,213	13,133
of which: loan loss provisions	21,040	11,605
of which: provisions for audit costs	1,312	1,358
of which: provisions for representative offices	735	998
of which: provisions for litigation costs	470	564

Provisions totalling EUR 266 million (previous year: EUR 239 million) were primarily attributable to pensions and pension obligations under the deferred compensation scheme of EUR 176,885 k. The item Staff-related provisions, amounting to EUR 15,213 k, comprises provisions for partial and early retirement, variable remuneration, leave and compensation for overtime.

The difference between provisions for pension obligations recognised on the basis of the average market interest rate from the last ten financial years and provisions recognised based on the average market interest rate from the last seven financial years, in accordance with section 253(6) sentence 1 HGB, was EUR 4,933 k as at 31 December 2025 (previous year: EUR -1,939 k). This amount is not available for distribution.

In accordance with section 246(2) sentence 2 HGB, assets that are exempt from all creditor access and that serve only to settle debts from pension obligations under the deferred compensation scheme were offset against debts with a settlement value of EUR 1,820 k as at the balance sheet date. The purchase cost and the fair value of the assets each amounted to EUR 1,746 k as at 31 December 2025. The difference of EUR 74 k is recognised under Provisions.

OTHER REQUIRED DISCLOSURES ON LIABILITIES

20. Irrevocable loan commitments

EUR k	31.12.2025	31.12.2024	Change
Country of domicile			
Argentina	41,717	0	41,717
Bangladesh	21,015	22,416	-1,400
Brazil	57,801	0	57,801
Cambodia	39,812	0	39,812
Canada	2,774	25,270	-22,496
Cape Verde	39,994	4,609	35,385
Chile	7,804	8,832	-1,028
Colombia	0	38,353	-38,353
Costa Rica	39,091	9,543	29,548
Côte d'Ivoire	14,575	30,794	-16,219
Cyprus	0	12,137	-12,137
Dominican Republic	23,105	29,589	-6,483
El Salvador	50,037	0	50,037
Egypt	119,020	68,564	50,455
Germany	62,434	74,992	-12,558
Guatemala	16,194	57,150	-40,956
Honduras	18,263	0	18,263
India	119,764	29,892	89,872
Indonesia	18,457	0	18,457
Kazakhstan	17,557	24,924	-7,367
Kenya	-491	37,741	-38,232
Luxembourg	118,497	118,741	-244
Mauritius	75,856	53,089	22,768
Mexico	48,799	42,595	6,204
Nepal	0	4	-4
Nicaragua	33,955	14,347	19,608
Nigeria	71,004	98,974	-27,971
Panama	11,628	3,549	8,080
Paraguay	17,195	560	16,634
Peru	8,450	7,933	517
Senegal	20,712	22,763	-2,051
Serbia	14,898	2,310	12,587
Singapore	7,655	0	7,655
Spain	0	99,930	-99,930
Switzerland	29,754	0	29,754
Thailand	47,874	71,181	-23,307
The Netherlands	6,842	17,388	-10,546
Turkey	8,458	26,628	-18,170
United Arab Emirates	19,120	19,215	-95
Uzbekistan	51,247	72,202	-20,956
Vietnam	84,778	0	84,778
Total	1,385,643	1,146,215	239,428

Other commitments comprised irrevocable loan commitments of EUR 1,385,643 k (previous year: EUR 1,146,215 k).

DEG's Risk Management evaluates the risk of drawdown of the loans. Credit risks are addressed by recognising provisions on the balance sheet, where the credit risk is elevated due to expected drawdown of loans. If there are specific indications that a loss will be incurred from an expected drawdown, a specific provision is recognised. Latent risks are covered through the recognition of portfolio provisions.

REQUIRED NOTES ON THE INCOME STATEMENT

21. Geographical markets in accordance with section 34(2) no. 1 RechKredV

As DEG does not have any foreign branch offices, the total amounts reported under certain income line items in accordance with section 34(2) no. 1 RechKredV were not broken down by region.

22. Interest income and interest expense

Interest income amounted to EUR 409 million (previous year: EUR 413 million), resulting mainly from the credit business in the amount of EUR 357 million (previous year: EUR 366 million). Other interest income was generated from non-fixed income securities in the amount of EUR 33 million (previous year: EUR 27 million), registered bonds in the amount of EUR 7 million (previous year: EUR 0 million), interest hedging instruments in the amount of EUR 7 million (previous year: EUR 12 million) and money market transactions in the amount of EUR 4 million (previous year: EUR 5 million).

Interest expenses totalled EUR 256 million (previous year: EUR 271 million), the majority of which was attributable to promissory notes totalling EUR 116 million (previous year: EUR 126 million). Other expenses resulted from money market transactions in the amount of EUR 86 million (previous year: EUR 99 million) and from currency hedging in the amount of EUR 50 million (previous year: EUR 41 million). There were also expenses for pension provisions in the amount of EUR 3 million (previous year: EUR 3 million).

There was no interest income or expense resulting from the valuation of provisions in the reporting year.

23. Other operating income

Other operating income of EUR 198 million (previous year: EUR 16 million) consisted largely of income from currency translations of EUR 181 million (previous year: EUR 0 million), legal and consultation fees of EUR 5 million (previous year: EUR 7 million), income from the reclassification of corrections to other expenses amounting to EUR 5 million (previous year: EUR 1 million), income from projects and initiatives of EUR 3 million (previous year: EUR 2 million) and income from the reversal of loan loss provisions and accruals of EUR 2 million (previous year: EUR 1 million).

24. Other operating expenses

Other operating expenses amounted to EUR 1 million (previous year: EUR 98 million). The change compared with the previous year is due mainly to expenses from currency translation.

25. Net income for the year

The net income reported for the year amounted to EUR 75 million (previous year: EUR -17 million). In accordance with the Articles of Association, there will be no distribution of the net income for the year nor will the shareholder absorb the net loss. As a general rule under DEG's Articles of Association, net income is not distributed, so the restriction on distribution under section 253(6) HGB and section 268(8) HGB does not apply.

OTHER REQUIRED DISCLOSURES

26. Assets and liabilities denominated in foreign currency

Assets and liabilities denominated in foreign currency as well as cash transactions that were not settled by the balance sheet date were converted into euros at the average spot exchange rates applicable as at 31 December 2025.

Expenses and income resulting from currency translations have been included in Other operating income, taking into account the imparity principle (Imparitätsprinzip).

As at 31 December 2025, total assets denominated in foreign currency converted in accordance with section 340h HGB in conjunction with section 256a HGB amounted to EUR 6 billion (previous year: EUR 7 billion). Of this amount, EUR 2 billion (previous year: EUR 2 billion) was attributable to loans and advances to customers.

Total liabilities denominated in foreign currency amounted to EUR 4 billion (previous year: EUR 5 billion), of which EUR 4 billion (previous year: EUR 4 billion) was attributable to liabilities to banks.

27. Other financial liabilities

DEG is required to pay a total of EUR 850 k per year under tenancy agreements, with the longest term running until 2029. Obligations with respect to participating interests and lendings not yet disbursed amount to EUR 1,097 million. In individual cases, employees of DEG, or third parties instructed by DEG, undertake executive functions in participating interest companies. The resulting risks are generally covered by directors' and officers' liability insurance (D&O insurance) taken out either by DEG or by the company in question.

28. Income and expenses attributable to a different financial year, where these are not of minor importance

Other operating income contained income of EUR 292 k and expenses of EUR 1,756 k that were attributable to a different financial year. These effects resulted from the refund of tax (EUR 138 k) withheld on a dividend in 2023, which was only received in 2025, the adjustment made to current income from 2024 (EUR 1,553 k) and reimbursements for consultation services and representation services provided within the group.

29. Auditor's fee pursuant to section 285 sentence 1 no. 17 HGB

DEG has made use of the option under section 285 no. 17 HGB, and refers to the breakdown of auditor's fees in KfW Group's consolidated financial statements.

30. Derivatives reporting

DEG uses the following forward transactions and derivative products mainly to hedge against the risk of changes in interest rates and exchange rates:

1. Interest rate forward transactions / derivative products
 - Interest rate swaps
2. Currency forward transactions / derivative products
 - Cross-currency swaps
 - FX swaps
 - FX forward transactions

There is no proprietary trading within the meaning of a trading book.

The market values for all contract types are calculated based on the mark-to-market method. In cases where market prices were not available for derivative instruments, the mark-to-model method was used with market inputs based on generally accepted option price models and present value calculations. The positive and negative market values shown are calculated based on standardised group-wide models. The counterparties to derivative transactions are exclusively OECD banks.

Volumes	Nominal value		Positive market values	Negative market values
	31.12.2025	31.12.2024	31.12.2025	31.12.2025
EUR k				
Contracts with interest rate risks				
Interest rate swaps	282,872	377,296	5,366	0
	282,872	377,296	5,366	0
Contracts with currency risks				
Cross-currency swaps	194,222	413,017	3,804	8,113
FX swaps	1,682,936	1,764,602	8,427	1,659
FX forward transactions	24,592	0	0	652
	1,901,750	2,177,619	12,231	10,424
Total	2,184,622	2,554,914	17,597	10,424

Residual maturities	Interest rate risks		Currency risks	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
EUR k				
Residual maturity				
up to 3 months	22,979	0	1,730,234	1,794,345
more than 3 months up to 1 year	77,766	60,641	65,985	154,854
more than 1 year up to 5 years	182,128	316,655	75,355	183,405
more than 5 years	0	0	30,175	45,014
Total	282,872	377,296	1,901,750	2,177,619

31. Personnel

The table below shows the average number of staff employed during the financial year.

	31.12.2025	31.12.2024
Female employees	405	394
Male employees	390	376
Total	795	770
not covered by collective agreements	564	537
covered by collective agreements	231	233

These figures include local staff in foreign countries (58), part-time staff (195) and temporary staff (46), but exclude members of the Management Board, staff on parental leave, apprentices and interns.

32. Remuneration and loans to members of the Management Board and the Supervisory Board

Annual remuneration 2025	Salary	Variable remuneration	Other remuneration	Total
EUR k				
Roland Siller (CEO)	380	63	17	460
Monika Beck	362	52	13	427
Joachim Schumacher	362	30	44	436
Christiane Laibach ¹⁾	0	4	0	4
Philipp Kreutz ¹⁾	0	15	0	15
Total	1,104	164	74	1,342

¹⁾ Christiane Laibach left the Management Board of DEG effective 1 June 2021, and Philipp Kreutz effective 1 May 2023.

Total expenses for the Supervisory Board in the year under review came to EUR 227 k, of which EUR 91 k was annual remuneration for members of the Supervisory Board and its committees, EUR 109 k for meeting attendance fees, daily allowances and travel and entertainment expenses, and EUR 27 k for training for members of the Supervisory Board. No advances or loans were granted to members of the Supervisory Board or their surviving dependants.

Total Management Board remuneration for the 2025 financial year amounted to EUR 1,342 k. The regular annual salary components for all members of the Management Board totalled EUR 1,104 k. Total remuneration also includes EUR 74 k for non-cash benefits and other remuneration. Performance-related bonuses for 2025 totalled EUR 269 k, of which EUR 54 k will be paid directly and EUR 215 k will be paid in instalments over several years. Instalments in the amount of EUR 110 k were paid out in 2025 for the bonuses deferred for the years 2021 to 2024.

No advances or loans were granted to members of the Management Board or their surviving dependants.

Total payments made to former members of the Management Board and their surviving dependants amounted to EUR 1,143 k. Provisions of EUR 17,134 k were recognised for pension obligations to these persons.

33. Disclosures pursuant to section 340a(4) no. 1 HGB of seats on statutory supervisory bodies of large corporations (section 267(3) HGB) held by members of the Management Board and other employees

Employee mandates

Josef Boven

Industrial Promotion Services (Kenya) Ltd., Kenya
Industrial Promotion Services (West Africa) S.A., Côte d'Ivoire
Latin America Agribusiness Corporation SA, USA

Benjamin Brink

TPL Insurance Ltd., Pakistan

Annette Ewald

ADP Enterprises W.L.L., Bahrain

Ingo-Nils Fingerhut

Mambo Retail Ltd., Mauritius

Michael Fischer

WheelsEMI Private Limited, India

Laura Gier

MC IV Pharma S.A., Luxembourg

Johannes Goderbauer

Latin America Healthinvest S.L., Spain

Julia Goldmann

ADP Enterprises 6 W.L.L., Bahrain

Jan Gross

AfricInvest III - SPV 1 Ltd., Mauritius
ZEP-RE PTA Reinsurance Company, Kenya

Klaus Helsper

AO Bucharagips, Uzbekistan
Knauf Gips Buchara OOO, Uzbekistan
OAO Belgips, Belarus
TOO Isi Gips Inder, Kazakhstan
TOO Knauf Gips Kaptschagaj, Kazakhstan

Marc-Oliver Jünemann

PT Indonesia Infrastructure Finance, Indonesia

Thomas Kronsbein

FIG3 Investment Holding PTE. Ltd., Singapore

Philip Petit

Yoko Asset Management 2 Pte. Ltd., Singapore

34. List of investment holdings in accordance with section 285 no. 11 HGB and section 340a(4) no. 2 HGB

Companies in which more than 15% of capital is held or with a book value of at least EUR 10 million:

No.	Business name and registered office	Currency ¹⁾	Rate EUR 1.00 = CU ²⁾	Capital share in %	Shareholder's equity in EUR k	Result in EUR k
1	Ace Power Embilipitiya Pvt Ltd. Colombo, Sri Lanka	LKR	363.6405	26.00	4,025,462	-250,325
2	ACON Injectable Investors I, L.P. Toronto, Canada	USD	1.1750	19.65	187,494	-17,071
3	ACON SUNRISE INVESTORS I, L.P. Toronto, Canada	USD	1.1750	16.38	139,122	71,433
4	ADP Enterprises W.L.L. Manama, Bahrain	BHD	0.4428	23.26	207,021	-22,398
5	ADP II Holding 11 S.à r.l. Luxembourg, Luxembourg	USD	1.1750	22.15	55,529	22
6	ADP II Holding 6 W.L.L. Manama, Bahrain	BHD	0.4428	16.67	61,675	2,359
7	ADP III Holding 9 L.P. St. Peter Port, Guernsey	USD	1.1750	8.86	493,329	196,576
8	AEP China Hydro Ltd. Ebène CyberCity, Mauritius	USD	1.1750	30.18	292	-104
9	AfricInvest III – SPV 1 Port Louis, Mauritius	EUR		21.82	57,138	5,564
10	Agrofundos Brasil VI Fundo de Investimento em Participações Multiestratégia São Paulo, Brazil	BRL	6.4364	29.90	34,768	5,998

List of investment holdings in accordance with section 285 no. 11 HGB and section 340a(4) no. 2 HGB

No.	Business name and registered office	Currency ¹⁾	Rate EUR 1.00 = CU ²⁾	Capital share in %	Shareholder's equity in EUR k	Result in EUR k
11	Annapurna Finance Private Limited Bhubaneswar, India	INR	105.5965	0.00	16,501,800	594,700
12	AO Bucharagips Kogon, Uzbekistan	UZS	14099.7800	24.89	132,739,977	101,408,574
13	Apis Growth 2 Ltd. Ebène CyberCity, Mauritius	USD	1.1750	25.63	37,197	-1,165
14	Archimedes Health Developments Ltd. ³⁾ Limassol, Cyprus	USD	1.1750	19.16	0	0
15	BRAC Uganda Bank Ltd. Kampala, Uganda	UGX	4251.5000	17.00	61,077,605	8,166,301
16	CGFT Capital Pooling GmbH & Co. KG Berlin, Germany	EUR		40.00	43	-3
17	Clearwater China Investments Ltd. Grand Cayman, Cayman Islands	USD	1.1750	9.50	273,881	-45,357
18	DEG Impact GmbH Cologne, Germany	EUR		100.00	4,053	399
19	DEG Impulse gGmbH Cologne, Germany	EUR		100.00	3,000	454
20	ECP Power and Water Holding SAS Paris, France	EUR		9.00	211,256	18,553
21	Eiffel Infrastructure Ltd. Saint Pierre, Mauritius	USD	1.1750	17.14	40,492	-2,678
22	Evonik Lanxing (Rizhao) Chemical Industrial Co. Ltd. Rizhao, China	CNY	8.2262	40.99	120,021	-36,016
23	Falcon Holding Inversiones II S.A.C. Lima, Peru	PEN	3.9490	55.79	474,837	-13,214
24	Fourth Partner Energy Private Limited Hyderabad, India	INR	105.5965	11.96	5,120,241	-3,421,943
25	Fundo de Investimento em Participações – Multiestratégia Genoma VIII Rio de Janeiro, Brazil	BRL	6.4364	10.03	1,336,804	175,870
26	Gia Lai Electricity Joint Stock Company Pleiku City, Vietnam	VND	30890.6650	15.83	5,764,489,022	92,073,390
27	Grand Bremner Corp Pte. Ltd. Singapore, Singapore	USD	1.1750	23.34	61,227	-1,631
28	Greater Pacific Capital MIV Ltd. George Town, Cayman Islands	USD	1.1750	26.67	42,039	12,124
29	Joint Stock Innovation Commercial Bank Ipak Yuli Tashkent, Uzbekistan	UZS	14099.7800	15.59	3,631,810,000	888,213,000
30	Keryx Investment Ltd. Port Louis, Mauritius	MUR	54.3250	13.79	4,267,088	291,224
31	KfW Bankengruppe Representacoes Ltda. São Paulo, Brazil	BRL	6.4364	50.00	953	926
32	Knauf Gips Buchara OOO Buchara, Uzbekistan	UZS	14099.7800	24.88	557,319,702	115,339,037
33	Knauf Gypsum Philippines Inc. Calaca, Philippines	PHP	69.2660	25.00	1,739,717	90,801
34	KUA LLC Wilmington, USA	USD	1.1750	12.27	65,894	-16,423
35	Landsberg Investments LLC ³⁾ Wilmington, New Castle, USA	USD	1.1750	52.86	0	0
36	Latin America Healthinvest S.L. Madrid, Spain	EUR		18.67	64,257	-68

List of investment holdings in accordance with section 285 no. 11 HGB and section 340a(4) no. 2 HGB

No.	Business name and registered office	Currency ¹⁾	Rate EUR 1.00 = CU ²⁾	Capital share in %	Shareholder's equity in EUR k	Result in EUR k
37	Mambo Retail Ltd. Ebène CyberCity, Mauritius	USD	1.1750	10.58	190,975	2,306
38	MC II Pasta Ltd. Ta' Xbiex, Malta	EUR		32.17	6,475	-1,343
39	Metier AMN Partnership LP Buckinghamshire, United Kingdom	USD	1.1750	18.79	41,868	-6,946
40	Metier Retailability en Commandite Partnership Dunkeld, South Africa	ZAR	19.4439	22.10	830,435	-167,967
41	Novel Sky Global Limited ³⁾ Road Town, British Virgin Islands	USD	1.1750	25.00	0	0
42	OA0 Belgips Minsk, Belarus	BYN	3.4503	49.99	32,351	-612
43	Olympus Bolt Holdings L.P. George Town, Cayman Islands	USD	1.1750	15.33	49,198	-43,279
44	Onstar Galaxy SPV Pte. Ltd. Singapore, Singapore	USD	1.1750	33.12	37,293	-1,640
45	Orient Investment Properties Ltd. Road Town, British Virgin Islands	USD	1.1750	3.76	1,816,256	165,177
46	Oriental InfraTrust New Delhi, India	INR	105.5965	4.60	43,370,010	5,945,770
47	Osmanthus II Cayman Investment, L.P. Grand Cayman, Cayman Islands	USD	1.1750	100.00	18,593	4,812
48	Stratus SCP Fleet Fundo de Investimento em Participações – Multiestratégia São Paulo, Brazil	BRL	6.4364	39.69	97,996	14,451
49	Thebes B.V. Cairo, Egypt	EGP	56.0260	38.69	2,341,246	551,810
50	TOO Isi Gips Inder Inderborskiy, Kazakhstan	KZT	595.9650	40.00	1,377,788	99,207
51	TOO Knauf Gips Kaptschagaj Enterprise with DEG participation Kapchagay, Kazakhstan	KZT	595.9650	40.00	16,578,872	6,756,013
52	TPL Insurance Ltd. Karachi, Pakistan	PKR	328.9035	15.87	2,750,500	71,600
53	Triple P Philippines Pte. Ltd. Singapore, Singapore	USD	1.1750	19.68	49,869	-953
54	Turnkey Lender Pte. Ltd. Singapore, Singapore	USD	1.1750	17.54	-4,143	-4,423
55	Vietnam Opportunity Fund II PTE. Ltd. Singapore, Singapore	USD	1.1750	32.00	48,525	2,324
56	Whitlam Holding PTE. Ltd. Singapore, Singapore	USD	1.1750	38.74	38,702	-10,143
57	Worldwide Group, Inc Charlestown, St. Kitts and Nevis	USD	1.1750	33.41	33,528	2,609
58	wpd Duqueco S.p.A. Santiago, Chile	CLP	1057.8350	24.50	32,903	1,277
59	wpd Malleco S.p.A. Santiago, Chile	CLP	1057.8350	24.50	101,593	-5,123
60	wpd Negrete S.p.A. Santiago, Chile	CLP	1057.8350	24.50	13,052	-740
61	Yoko Asset Management 2 Pte. Ltd. Singapore, Singapore	USD	1.1750	19.30	39,122	-2,339

¹⁾ ISO currency code.

²⁾ Currency units (CU).

³⁾ No current annual financial statements are available.

Use was made of the exemptions under section 286(3) no. 1 HGB. The list of investment holdings shows significant participating interests with a capital share greater than 15% or a minimum book value of EUR 10 million. The other participating interests are of minor importance. Participating interests in liquidation are also excluded, as up-to-date information is generally no longer available and information on equity and the net income for the year is no longer significant to the assets, liabilities, financial position and financial performance. Changes in the presentation of participating interests on the financial statements have resulted in changes in the list of investment holdings.

Participating interests in large corporations in which the participating interest equates to at least 5% of voting rights

Business name and registered office	Share of voting rights
Part 1	in %
1 ADP Enterprises W.L.L. Manama, Bahrain	23.26
2 ADP II Holding 6 W.L.L. Manama, Bahrain	16.67
3 AfricInvest III – SPV 1 Port Louis, Mauritius	21.82
4 AO Bucharagips Kogon, Uzbekistan	24.89
5 Ashwah Holdings Limited Road Town, Tortola, British Virgin Islands	7.68
6 Banque Nationale de Developpement Agricole Bamako, Mali	12.01
7 BRAC Uganda Bank Ltd. Kampala, Uganda	17.00
8 Evonik Lanxing (Rizhao) Chemical Industrial Co. Ltd. Rizhao, China	40.99
9 FIG3 Investment Holding PTE. Ltd. Singapore, Singapore	10.24
10 Fransabank S.A.L. Beirut, Lebanon	5.00
11 Industrial Promotion Services (West Africa) S.A. Abidjan, Côte d'Ivoire	9.00
12 Industrial Promotion Services Kenya Ltd. Nairobi, Kenya	9.91
13 Interact Climate Change Facility S.A. Luxembourg, Luxembourg	7.69
14 Joint Stock Innovation Commercial Bank Ipak Yuli Tashkent, Uzbekistan	15.59
15 Knauf Gips Bucharara OOO Bucharara, Uzbekistan	24.88
16 KUA LLC Wilmington, USA	12.32
17 Latin America Healthinvest S.L. Madrid, Spain	18.67
18 Latin American Agribusiness Development Corp. Coral Gables, USA	9.09
19 Lovcen Banka Akcionarsko Drustvo Podgorica Podgorica, Montenegro	11.57
20 Mambo Retail Ltd. Ebène CyberCity, Mauritius	10.58
21 MC IV Pharma S.A. Luxembourg, Luxembourg	11.84
22 New Forests Company Holdings I Ltd. Port Louis, Mauritius	5.20

Participating interests in large corporations in which the participating interest equates to at least 5% of voting rights

Business name and registered office		Share of voting rights
Part 2		in %
23	OA0 Belgips Minsk, Belarus	49.99
24	PT Indonesia Infrastructure Finance Jakarta, Indonesia	11.88
25	TOO Isi Gips Inder Inderborskiy, Kazakhstan	40.00
26	TOO Knauf Gips Kaptschagaj Enterprise with DEG participation Kapchagay, Kazakhstan	40.00
27	TPL Insurance Ltd. Karachi, Pakistan	15.87
28	Triple P Philippines Pte. Ltd. Singapore, Singapore	19.68
29	WheelsEMI Private Limited Maharashtra, Shivajinagar Pune, India	11.70
30	Whitlam Holding PTE. Ltd. Singapore, Singapore	38.74
31	Worldwide Group, Inc Charlestown, St. Kitts and Nevis	33.41
32	Yoko Asset Management 2 Pte. Ltd. Singapore, Singapore	19.30

35. Subsequent events

No significant events have occurred since the end of the financial year.

36. Supervisory Board

Niels Annen

Chair (until 10 July 2025)
Parliamentary State Secretary
Federal Ministry for Economic
Cooperation and Development,
Berlin

Johann Saathoff

Chair
(member since 9 September 2025,
Chair since 22 September 2025)
Parliamentary State Secretary
Federal Ministry for Economic
Cooperation and Development,
Berlin

Christiane Laibach

First Deputy Chair
(temporary Chair from 31 July 2025 to
22 September 2025)
Member of the Executive Board of KfW,
Frankfurt am Main

Prof. Dr Christiane Weiland

Second Deputy Chair
(temporary First Deputy Chair from
31 July 2025 to 22 September 2025)
Head of Degree Programme, Business
Administration – Banking,
Baden-Württemberg Cooperative State
University,
Karlsruhe

Anja Hajduk

(until 1 July 2025)
State Secretary, Federal Ministry for
Economic Affairs and Climate Action,
Berlin

Dr Janina Jänsch

(since 9 September 2025)
Head of Division, Mittelstand Policy
Federal Ministry for Economic Affairs
and Energy,
Berlin

Deike Potzel

(until 12 July 2025)
Director General for Crisis Prevention,
Stabilisation, Peacebuilding and
Humanitarian Assistance
Federal Foreign Office,
Berlin

Dr Julia Monar

(since 9 September 2025)
Director General for Crisis Prevention,
Stabilisation, Peacebuilding and
Humanitarian Assistance
Federal Foreign Office,
Berlin

Prof. Dr Luise Hölscher

(until 22 May 2025)
State Secretary
Federal Ministry of Finance,
Berlin

Dr Eva Wimmer

(since 9 September 2025)
Head of Directorate-General for
Financial Market Policy,
Federal Ministry of Finance,
Berlin

Bernd Loewen

Member of the Executive Board of KfW,
Frankfurt am Main

Jürgen Gerke

Member of the Management Board
Blue Shell Capital GmbH,
Munich

Prof. Dr Maja Göpel

Political Economist (sustainability policy
and transformation research)
Self-employed,
Berlin

Carl Martin Welcker

Managing Partner
Alfred H. Schütte KG,
Cologne

Bertram Dreyer

Senior Manager,
Business Innovation and Syndication
Department, DEG,
Cologne

Esther Kabey-Wuntke

Senior Manager,
Climate, E&S Non-finance Sector
Department, DEG,
Cologne

Caroline Kremer

Chair of the DEG Works Council,
Cologne

Ulrich Müller-Gaude

Senior Manager,
Restructuring Department, DEG,
Cologne

Isabel Thywissen

Senior Investment Manager
Industries & Services Debt Latin
America Department, DEG,
Cologne

37. Management Board

Roland Siller

CEO

Monika Beck

Member of the Management Board

Joachim Schumacher

Member of the Management Board

Cologne, 18 February 2026

DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH

The Management Board



Siller



Beck



Schumacher

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH, Cologne

Audit opinions

We have audited the annual financial statements of DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH, Cologne, which comprise the balance sheet as at 31 December 2025, the income statement for the financial year from 1 January to 31 December 2025 and the notes to the financial statements, including a summary of significant accounting policies. In addition, we have audited the management report of DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH, Cologne, for the financial year from 1 January to 31 December 2025. In accordance with German legal requirements, we have not audited the content of the declaration on corporate governance pursuant to section 289f(4) of the German Commercial Code (Handelsgesetzbuch, HGB) (information on the proportion of women), contained in the “Business model” section of the management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law, and, in accordance with German generally accepted accounting principles, give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2025 and of its financial performance for the financial year from 1 January to 31 December 2025, and
- the accompanying management report as a whole provides an appropriate view of the company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of the above-mentioned declaration on corporate governance in accordance with section 289f(4) HGB.

Pursuant to section 322(3) sentence 1 HGB, we declare that our audit has not given rise to any objections regarding the regularity of the annual financial statements and the management report.

Basis for the audit opinions

We conducted our audit of the annual financial statements and the management report in accordance with section 317 HGB and in compliance with the German standards for audits of financial statements established by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer, IDW). Our responsibilities under those requirements and prin-

ciples are further described in the “Auditor's responsibilities for the audit of the annual financial statements and of the management report” section of our auditor's report. We are independent of the company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Other information

The executive directors are responsible for the other information. The other information comprises

- the report by the Supervisory Board, which is not expected to be made available to us until after the date of this auditor's report,
- the declaration on corporate governance pursuant to section 289f(4) HGB (information on the proportion of women) contained in the “Business model” section of the management report,
- all other parts of the annual report,
- but not the annual financial statements, nor the audited content of the management report, nor our auditor's report thereon.

The Supervisory Board is responsible for the report by the Supervisory Board. Otherwise, the company's executive directors are responsible for the other information.

Our audit opinions on the annual financial statements and management report do not extend to this other information, and consequently we do not provide an audit opinion or come to any other form of audit conclusion in relation to it.

In connection with our audit, our responsibility is to read the above-mentioned other information and, in doing so, to consider whether the other information is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or otherwise appears to contain material misstatements.

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

Responsibility of the executive directors and the Supervisory Board for the annual financial statements and the management report

The executive directors are responsible for the preparation of annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that, in compliance with German generally accepted accounting principles give a true and fair view of the assets, liabilities, financial position, and financial performance of the company. In addition, the executive directors are responsible for such internal controls as they have determined to be necessary, in compliance with German generally accepted accounting principles, to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. They also have a responsibility to prepare the accounts on a going concern basis, unless prevented from doing so by the situation in fact or in law.

Furthermore, the executive directors are responsible for preparing a management report that conveys an accurate overall view of the company's situation, is consistent in all material respects with the annual financial statements, complies with German statutory requirements and provides an accurate picture of the opportunities and risks of future development. In addition, the executive directors are responsible for the arrangements and measures (systems) they have deemed necessary to enable the preparation of a management report in accordance with the applicable German legal requirements, and to ensure that sufficient appropriate evidence for the statements in the management report can be provided.

The Supervisory Board is responsible for overseeing the company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's responsibilities for the audit of the annual financial statements and of the management report

Our objectives are to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material misstatement, whether due to fraudulent actions or error, and whether the management report as a whole conveys an accurate picture of the company's situation and, in all material respects, is consistent with the annual financial statements and the insights gained during the audit, complies with German legal requirements and provides an accurate view of the opportunities and risks of future development, as well as to issue an audit certificate that includes our audit opinions on the annual financial statements and the management report.

Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with section 317 HGB and in compliance with the German standards for audits of financial statements established by IDW will always discover a material misstatement. Misstatements can arise from fraudulent actions or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

In the course of our audit, we exercise professional judgment and maintain a critical attitude. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control, arrangements and measures of the company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or circumstances that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements and management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in such a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the company in compliance with German generally accepted accounting principles.

- evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the company's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Düsseldorf, 23 February 2026

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Wilhelm Wolfgarten

Auditor

Jan Marmann

Auditor

Imprint

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