

Declaration of Compliance

with the German Corporate Governance Code, pursuant to section 161 of the German Public Limited Companies Act (Aktiengesetz – “AktG”)

Since 16 July 2015, Deutsche Pfandbriefbank AG’s (“pbb”) shares have been listed on the Frankfurt Stock Exchange. Since that date, pbb has been subject to disclosure requirements pursuant to section 161 of the AktG. All Declarations of Compliance are available on the Company’s website: www.pfandbriefbank.com/en/investors/mandatory-publications.html.

Pursuant to section 161 (1) sentence 1 of the AktG, the Management Board and the Supervisory Board of pbb shall declare, at least on an annual basis, that the Company has complied with, and continues to comply with, the recommendations of the Government Commission “German Corporate Governance Code” (GCGC), or which recommendations have not been (or are not being) complied with, stating reasons for any non-compliance (the concept of “comply or explain”).

The last Declaration of Compliance issued by the Management Board and the Supervisory Board is dated 24 February 2023. This was already based on the version of the “German Corporate Governance Code” presented by the Government Commission on the “German Corporate Governance Code” on 28 April 2022 and published in the Federal Gazette on 27 June 2022. In this respect, the Management Board and the Supervisory Board of pbb declare that since the issuance of the last Declaration of Compliance, all recommendations of the Government Commission on the “German Corporate Governance Code” in the valid version of 28 April 2022 have been complied with and are complied with now, with the following exceptions:

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| Recommendation
B.3 | In deviation from the three-year term of office stipulated for initial appointments in accordance with Section 11 (3) sentence 1 of the Supervisory Board's rules of procedure and recommendation B.3 of the GCGC, the Supervisory Board decided to appoint Mr Kay Wolf as a member of the Management Board for a period of five years from 1 February 2024 on the recommendation of the Executive and Nomination Committee. Both the Executive and Nomination Committee and the Supervisory Board focused on the stable and long-term development of the company - particularly in light of the challenging real estate market development. After weighing up the corresponding opportunities and risks and on the basis of Kay Wolf's qualifications and experience, the Supervisory Board therefore opted for an (initial) appointment with a term of five years. |
| Recommendation
C.10 | Dr Günther Bräunig, the former Chairman of the Supervisory Board and Chairman of the Remuneration Committee as well as of the Executive and Nomination Committee, was first elected to pbb's Supervisory Board in |

2009 and remained a member of the Supervisory Board until his departure at the end of 25 May 2023. Due to his long-standing membership of the Supervisory Board since 2009, he was not considered independent of the Company as a precautionary measure. Since Dr Günther Bräunig left the Supervisory Board, recommendation C.10 has been complied with again.

Recommendation D.10 According to Section D.10 of the GCGC, the Audit Committee should also regularly consult with the auditor without the presence of the Management Board. In the past financial year, there was no reason for the Audit and Digitalisation Committee to meet without the Management Board. However, during the period in question, the Chairwoman of the Audit and Digitalisation Committee regularly discussed the progress of the audit with the auditor without the participation of the Management Board and reported on this to the Supervisory Board. The Supervisory Board also exchanged information with the auditor alone at the balance sheet meeting in March 2023.

Recommendation G.10 Referring to section G.10 of the GCGC, which stipulates that long-term variable remuneration components granted to Management Board members shall be accessible only after a period of four years, pbb hereby deviates from this rule. Portions of the deferred variable remuneration might be accessible before that period. However, the following consideration should be taken into account in this context:

The intention of the rules laid out in the GCGC, i.e. granting variable remuneration over a multiple-year period on a sustainable basis, is considered by applying compulsory performance measurement and disbursement regulations pursuant to the German Regulation on Remuneration in Financial Institutions (Institutsvergütungsverordnung – “InstVergV”), which ultimately go far beyond the GCGC recommendations in terms of granting remuneration on a long-term basis.

Firstly, target achievement at institutional level, which is the relevant factor for the variable remuneration of Management Board members, depends on the Company’s performance over three consecutive financial years.

Secondly, pbb’s disbursement structure provides for the variable remuneration to be divided into a disbursement portion and a deferral portion. The disbursement amount constitutes 40% of the variable remuneration, with the deferral portion amounting to 60%.

50% of the disbursement amount is paid out in cash when the conditions for disbursement have been met. The remaining 50% is disbursed after a retention period of one year, after the amount has been adjusted in line with the performance of the pbb share (sustainability component).

The deferral period for the deferral portion is five years. In each of the five years following determination of the variable remuneration, the

Supervisory Board decides, within an ex-post variable remuneration review, whether one fifth of the deferral portion will be granted (ex-post risk adjustment). Until the end of each deferral period, there is no entitlement to the relevant remuneration components. Once the deferred remuneration components become an entitlement, half of the respective deferral portion is paid out in cash. The remaining half is retained for another year, and is adjusted again in line with the performance of the pbb share (sustainability component).

Effective 1 January 2018, the conditions to apply clawback options for variable remuneration already paid out were contractually agreed upon with all Management Board members.

Furthermore, the recommendation in section G.10 of the GCGC stipulates that the long-term variable remuneration amounts of Management Board members shall be largely invested in company shares by the respective Management Board member, or shall be granted as share-based remuneration. Given that these stipulations no longer exclusively refer to long-term variable remuneration amounts, pbb hereby deviates from the recommendation because only half of the variable remuneration is share-based (and therefore not predominantly so).

Munich, 23 February 2024

The Management Board

The Supervisory Board