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, 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", 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 most recent Declaration of Compliance issued by the Management Board and the Supervisory Board was dated 25 February 2022. Accordingly, the Management Board and the Supervisory Board of pbb declare that pbb since then complied with the recommendations of the Government Commission "German Corporate Governance Code" (as amended on 16 December 2019), and continues to do so, with the following exceptions:

Recommendation C.10	The Chairman of the Supervisory Board and Chairman of the Remuneration Committee, Dr Günther Bräunig, was elected as a member of pbb's Supervisory Board following the proposal of the Federal Republic of Germany in 2009, which at that time indirectly held almost 100% of pbb shares through the Financial Market Stabilisation Fund – FMS. In 2016 and 2021, Dr Günther Bräunig was re-elected to pbb' Supervisory Board, once again at the proposal of the Financial Market Stabilisation Fund – FMS. Therefore, and since he has been a member of the Supervisory Board since 2009, as a precaution, Dr Günther Bräunig is not considered independent from the Company, although the Financial Market Stabilisation Fund – FMS sold its remaining share of 3.5% as at 16 November 2021.
Recommendation D.4	Since Ms Dagmar Kollmann resigned from her office – at her own request – with effect from 31 October 2021, Dr Günther Bräunig has temporarily assumed the position as Chairman of the Audit and Digitalisation Committee. Accordingly, the Supervisory Board and the Audit and Digitalisation Committee have been chaired by the same person since 1 November 2021 (until 19 May 2022). At its meeting on 20 January

2022, the Supervisory Board resolved to apply for the court appointment of Gertraud Dirscherl to the Supervisory Board, which the Local Court (Amtsgericht) approved on 2 February 2022. In the context of the annual general meeting on 19 May 2022 Gertraud Dirscherl also has been elected by the shareholders to the Supervisory Board. On the same day the Supervisory Board has appointed Gertraud Dirscherl as Chair of the Audit and Digitalisation Committee.
Therefore, the requirements of recommendation D.4 have been met again since 19 May 2022.

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, 25 May 2022

The Management Board

The Supervisory Board