



**DEUTSCHE
PFANDBRIEFBANK**

Invitation to the Annual General Meeting

Convenience translation

Please note that only the German language version of the invitation to the 2022 Annual General Meeting of Deutsche Pfandbriefbank AG, as published in the German Federal Gazette (*Bundesanzeiger*), is effective.

Deutsche Pfandbriefbank AG
Registered office: Munich
ISIN DE0008019001

Overview with information according to section 125 AktG in connection with Table 3 of the Implementing Regulation (EU) 2018/1212

A. Specification of the message

1. Unique identifier of the event: Virtual Annual General Meeting of Deutsche Pfandbriefbank AG 2022
(**Formal specification according to the EU-Regulation:** GMETPBB00522)
2. Type of message: Convocation of Annual General Meeting
(**Formal specification according to the EU-Regulation:** NEWM)

B. Specification of the issuer

1. ISIN: DE0008019001
2. Name of issuer: Deutsche Pfandbriefbank AG

C. Specification of the meeting

1. Date of the General Meeting: Thursday, 19 May 2022
(**Formal specification according to the EU-Regulation:** 20220519)
2. Time of the General Meeting (start): 10:00 hours (CEST)
(**Formal specification according to the EU-Regulation:** 08:00 hours UTC (Coordinated Universal Time))
3. Type of General Meeting: Annual General Meeting held as a virtual Annual General Meeting without physical presence of either shareholders or their authorized representatives
(**Formal specification according to the EU-Regulation:** GMET)
4. Location of the General Meeting:
URL to the company's shareholder portal to follow the annual general meeting in picture and sound as well as to exercise shareholder rights: www.pfandbriefbank.com/investoren/hauptversammlung/

Place of the General Meeting in the meaning of the German Stock Corporation Act (Aktengesetz, AktG): Daimlerstraße 18, 85748 Garching, Germany
(**Formal specification according to the EU-Regulation:** www.pfandbriefbank.com/investoren/hauptversammlung/)
5. Record date (*Nachweisstichtag*): Thursday, 28 April 2022, 00:00 hours (CEST)
(corresponds to 27 April 2022, 22:00 hours UTC (Coordinated Universal Time)) – Record Date
(**Formal specification according to the EU-Regulation:** 20220428, 00:00 hours CEST)
6. Webpage for the Annual General Meeting / Uniform Resource Locator (URL):
www.pfandbriefbank.com/investoren/hauptversammlung/

Further information on the convening of the Annual General Meeting (Blocks D to F of Table 3 of the Annex to the Implementing Regulation (EU) 2018/1212):

Further information on attending the Annual General Meeting (Block D), the Agenda (Block E) as well as on the deadlines for exercising other shareholder rights (Block F) can be found on the following website: www.pfandbriefbank.com/investoren/hauptversammlung/

Overview of the Agenda

Item 1	Presentation of the adopted annual financial statement and the approved consolidated financial statements as well as the combined management report of Deutsche Pfandbriefbank AG and of Deutsche Pfandbriefbank Group for the 2021 financial year, the Management Board's proposal for the appropriation of the distributable profit as well as the report of the Supervisory Board for the 2021 financial year	p. 3
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We hereby invite our shareholders to the Annual General Meeting of Deutsche Pfandbriefbank AG (“**Company**”) which will be held as a virtual Annual General Meeting without physical presence of either shareholders or their authorized representatives on **Thursday, 19 May 2022, at 10:00 hours (CEST)**.

The Annual General Meeting will be broadcasted by audio-visual means live on the internet for properly registered shareholders. The shareholders' voting rights will be exercised exclusively by way of postal voting or by granting power of attorney to the Company Proxies.

The place of the Annual General Meeting within the meaning of the German Stock Corporation Act (*Aktengesetz*, “**AktG**”) is Daimlerstraße 18, 85748 Garching, Germany.

I. Agenda

1. Presentation of the adopted annual financial statement and the approved consolidated financial statements as well as the combined management report of Deutsche Pfandbriefbank AG and of Deutsche Pfandbriefbank Group for the 2021 financial year, the Management Board's proposal for the appropriation of the distributable profit as well as the report of the Supervisory Board for the 2021 financial year

The above-mentioned documents also include the explanatory report for the notes pursuant to sections 289a and 315a of the German Commercial Code (*Handelsgesetzbuch*, “**HGB**”). The previously-mentioned documents as well as the remuneration report and the declaration on corporate governance, which also contains the corporate governance report, and the non-financial report for the Company's Group according to sections 315b, 315c in conjunction with sections 289c – 289e HGB have been published at www.pfandbriefbank.com/investoren/hauptversammlung/. They will also be available during the Annual General Meeting and explained by the Management Board as well as – as far as the Supervisory Board's report is concerned – by the Chairman of the Supervisory Board.

The Supervisory Board has approved the annual financial statement and the consolidated financial statements prepared by the Management Board. Therefore, the annual financial statement has been adopted in accordance with section 172 sentence 1 AktG. Therefore, in accordance with the statutory provisions, no resolution of the Annual General Meeting is required with regard to this item on the Agenda.

2. Appropriation of the distributable profit

The Management Board and the Supervisory Board propose to allocate the distributable profit (*Bilanzgewinn*) in the amount of EUR 158,680,863.44 reported by the Company for the 2021 financial year in its annual financial statement in accordance with the HGB, in full to pay a dividend of EUR 1.18 per no-par value share entitled to dividends. This results in the following appropriation of distributable profit:

Distributable profit:	EUR 158,680,863.44
Distribution to shareholders:	EUR 158,680,863.44
Allocation to other revenue reserves:	EUR 0.00

This proposal takes into consideration that the Company is not holding any treasury shares at the time of convocation of this Annual General Meeting, and that therefore all shares in the Company are entitled to dividend payments and to vote. In the event of a change in the number of shares entitled to dividend payments by the time a resolution is passed on the appropriation of the distributable profit,

the Management Board and the Supervisory Board will submit an adjusted proposal for the appropriation of distributable profits to the Annual General Meeting. However, such a proposal will still provide for a distribution of EUR 1.18 per no-par value share entitled to dividends, with a corresponding adjustment in the amount allocated to other revenue reserves.

According to section 58 (4) sentence 2 AktG, the right to the dividend payment is due on the third business day following the Annual General Meeting, i.e., on Tuesday, 24 May 2022. Given that the dividend for the 2021 financial year will be fully made from the tax deposit account in the meaning of section 27 of the German Corporate Income Tax Act (*Körperschaftsteuergesetz*), there will be no deduction of capital gains tax, solidarity surcharge and church tax. The dividend distribution will not be subject to taxation for domestic shareholders, but will reduce the acquisition costs of the shares for tax purposes. If the distributions exceed the acquisition costs of the shares of the shareholder, the resulting profit may be taxable.

3. Discharge of the members of the Management Board

The Management Board and the Supervisory Board propose that discharge be granted, for the 2021 financial year, for the members of the Management Board who were in office during that period.

4. Discharge of the members of the Supervisory Board

The Management Board and the Supervisory Board propose that discharge be granted, for the 2021 financial year, for the members of the Supervisory Board who were in office during that period.

5. Election to the Supervisory Board

In accordance with sections 96 (1) and 101 (1) AktG, sections 4 (1) and 1 (1) of the German One-Third Co-Determination Act (*Drittelbeteiligungsgesetz*) in conjunction with section 8 (1) of the Company's Articles of Association, the Supervisory Board is composed of six members elected by the shareholders and three members elected by the employees. The shareholder representatives were last elected at the Annual General Meeting on 12 May 2021. Ms. Dagmar P. Kollmann has resigned her mandate as a member of the Supervisory Board elected by the shareholders with effect from 31 October 2021. Therefore, one member of the Supervisory Board is to be newly elected by the General Meeting.

The Supervisory Board proposes to elect

Ms. Gertraud Dirscherl, independent auditor, Landshut,

as a shareholder representative to the Supervisory Board. The appointment is made for a term of office until the end of the Annual General Meeting which decides on discharge for the third financial year after the start of the term of office; the financial year in which the term of office begins is not included.

The nomination is based on the recommendation of the Presidential and Nomination Committee of the Supervisory Board and takes into account the objectives resolved by the Supervisory Board for its composition. Furthermore, the nomination takes into account recommendations C.6 to C.12 of the German Corporate Governance Code.

Candidate	Membership in other statutory Supervisory Boards	Membership in comparable domestic and foreign supervisory bodies of commercial enterprises
Gertraud Dirscherl	<p>Hans DEHN SE, Neumarkt i.d. Oberpfalz Member of the Supervisory Board</p> <p>DEHN SE, Neumarkt i.d. Oberpfalz Member of the Supervisory Board</p>	none

A résumé of the person proposed for election is included as Annex I to this Agenda. You can also find this résumé as well as those of all current members of the Supervisory Board on the Company's website at www.pfandbriefbank.com/investoren/hauptversammlung/.

Information in accordance with recommendation C.13 of the German Corporate Governance Code

The Company has no knowledge of shareholders who directly or indirectly hold more than 10% of the voting shares in the Company. Thus, as far as the Company is aware, there are currently no significant shareholders within the meaning of recommendation C.13 sentence 3 of the German Corporate Governance Code. Hence, there is also no controlling shareholder within the meaning of recommendation C.9 of the German Corporate Governance Code.

The Company has no business relationships with the members of the Supervisory Board – with the exception of the service/employment contracts of the three Supervisory Board members elected by the employees. In particular, the Company does not grant the members of the Supervisory Board any loans. There are also no other personal or business relationships between members of the Supervisory Board on the one hand and the Company or its legal bodies (*Organe*) on the other hand, which, according to the Supervisory Board's assessment, an objectively judging shareholder would consider authoritative for his election decision.

All of this also applies to Ms. Gertraud Dirscherl, who is proposed for election by the Supervisory Board and has been a member of the Company's Supervisory Board since 2 February 2022 by court appointment.

According to the Supervisory Board's assessment, Ms. Gertraud Dirscherl is independent from the Company and the Management Board within the meaning of recommendation C.7 of the German Corporate Governance Code. According to the Supervisory Board's assessment, the minimum proportion of independent shareholder representatives provided for in recommendations C.6 and C.7 of the German Corporate Governance Code is fulfilled.

Further information on the competency profile for the Supervisory Board and the status of its implementation as well as on the working methods and composition of the Supervisory Board, including information on the independence of the members of the Supervisory Board, can be found in the Corporate Governance Statement and the Report of the Supervisory Board, which are part of the Company's Annual Report for the financial year 2021. It can be found on the Company's website at www.pfandbriefbank.com/investoren/finanzberichte.html.

6. Resolution on the appointment of the auditor for the annual financial statement and the consolidated financial statements, and the auditor for any review of interim financial information

The Supervisory Board proposes, based on the recommendation of the Audit Committee, to resolve:

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, shall be appointed as the auditor (HGB) and group auditor (IFRS) for the financial year 2022 and as the auditor for the review of any interim condensed financial statements and interim management reports for the Group for the financial year 2022 if and insofar as they are subject to an audit review.

The recommendation made by the Audit Committee to the Supervisory Board, as well as the proposal made by the Supervisory Board, are free from any undue influence by third parties. Furthermore, no arrangements were in place which could have restricted the selection of the auditor.

7. Approval of the remuneration report

The Management Board and the Supervisory Board propose to approve the remuneration report, as printed as Annex II to this Agenda.

8. Amendment of the remuneration and approval of the remuneration system of the members of the Supervisory Board; amendment of the Articles of Association

The remuneration of the members of the Supervisory Board is stipulated in section 11 of the Company's Articles of Association. It was last changed by resolution of the 2021 Annual General Meeting.

After a detailed review, the Management Board and the Supervisory Board came to the conclusion that the currently applicable remuneration regulations for the members of the Supervisory Board basically serve the interest of the company and are also appropriate. However, as of yet, the sales tax incurred on the remuneration of the Supervisory Board is to be borne by the Company. However, according to the more recent case law of the European Court of Justice and the Federal Finance Court (*Bundesfinanzhof*), the remuneration granted to the members of the Supervisory Board can also be granted VAT-free. The prerequisite for this is that, from a tax law perspective, the respective member of the Supervisory Board is not subject to any entrepreneurial risk comparable to that of an independent economic activity. This is the case, among other things, if the member of the Supervisory Board is only granted reimbursement of expenses in addition to a fixed remuneration. However, according to the tax authorities, attendance fees qualify as variable remuneration for tax purposes. Depending on the amount of attendance fees granted to a member of the Supervisory Board in a financial year - which depends on the number of meetings the respective member of the Supervisory Board attended - this could qualify its remuneration to be taxable for VAT purposes. Against this background, the remuneration of the members of the Supervisory Board shall be amended in such a way that sales tax will not have to be applied. Therefore, attendance fees should be abolished and, in return, the fixed remuneration for the membership in the Supervisory Board and its committees should be moderately increased. The proposed new regulation relieves the Company from the annual recurring examination of whether and to what extent each individual member of the Supervisory Board is subject to VAT as a result of attending meetings of the Supervisory Board and its committees in accordance with the requirements of the tax authorities, and also avoids the VAT liability of the Supervisory Board remuneration as a whole. The new provisions shall come into effect retrospectively as of 1 January 2022.

The remuneration system on which the remuneration of the members of the Supervisory Board is based, together with the information pursuant to sections 113 (3) sentence 3, 87a (1) sentence 2 AktG, is illustrated in Annex III to this Agenda. Section 11 of the Articles of Association is also printed there, taking into account the amendment proposed below.

The Board of Management and the Supervisory Board propose to resolve as follows:

a) Amendment of the Articles of Association

Section 11 (1) of the Articles of Association shall read as follows:

“The members of the Supervisory Board receive a fixed compensation payable after the end of each financial year. The annual remuneration amounts to EUR 40,000.00 for the individual member, EUR 85,000.00 for the chairman of the Supervisory Board and EUR 55,000.00 for the deputy chairman.

For membership in the Supervisory Board's Executive and Nomination Committee, the individual member receives an additional remuneration of EUR 13,500.00 per year and the respective chairperson of the committee receives an additional compensation of EUR 23,500.00 per year.

For membership in the Supervisory Board's Audit and Digitalization Committee, the individual member receives an additional remuneration of EUR 18,500.00 per year and the respective chairperson of the committee receives an additional compensation of EUR 33,500.00 per year.

For membership in the Supervisory Board's Risk Management and Liquidity Strategy Committee, the individual member receives an additional remuneration of EUR 17,500.00 per year and the respective chairperson of the committee receives an additional compensation of EUR 32,500.00 per year.

For membership in other committees of the Supervisory Board, the individual member receives an additional remuneration of EUR 12,500.00 per committee membership per year and the respective chairperson of the committee receives an additional compensation of EUR 22,500.00 per committee chair per year.

The members of the Supervisory Board receive their compensation plus statutory sales tax, if any. Furthermore, the members of the Supervisory Board receive compensation for their reasonable out-of-pocket expenses.

Supervisory Board members who only belong to the Supervisory Board and/or a Supervisory Board committee for part of the financial year receive a pro rata remuneration. In this case, the annual fee will be calculated on a daily basis, including the day on which the mandate begins or ends.

The regulation according to this paragraph 1, which was revised by resolution of the Annual General Meeting on 19 May 2022, applies for the first time to the remuneration to be paid for the 2022 financial year”

b) Resolution on the remuneration and approval of the remuneration system

The provisions on remuneration, as amended and otherwise unchanged, are confirmed and the remuneration system for the members of the Supervisory Board, which is printed out as Annex III to this Agenda, is resolved.

With effect of the change of section 11 (1) of the Company's Articles of Association, i.e., with the entry of the change in the commercial register of the Company, the new provisions on compensation of the Supervisory Board will be applied for the first time for the financial year started on 1 January 2022.

II. Additional information

1. Holding the Annual General Meeting as a virtual Annual General Meeting

The Company's Management Board, with the approval of the Supervisory Board, decided to hold the Annual General Meeting as a virtual Annual General Meeting without the physical presence of the shareholders or their authorized representatives ("**Virtual Annual General Meeting**"). A physical participation by shareholders or their proxies (with the exception of the proxies appointed by the Company) is therefore excluded. The basis of the Virtual Annual General Meeting is the Act on Measures in Corporate, Cooperative, Association, Foundation and Residential Property Law to Combat the Effects of the COVID-19 Pandemic (article 2 of the Act on Mitigating the Consequences of the COVID-19 Pandemic in Civil, Insolvency and Criminal Procedure Law of 27 March 2020, Federal Law Gazette I 2020, p. 570), last changed by article 15 of the Act on the Establishment of a Special Fund "Reconstruction Assistance 2021" and on the Temporary Suspension of the obligation to file for insolvency due to heavy rainfall and floods in July 2021, and for the Amendment of Further Laws of 10 September 2021 (Federal Law Gazette I 2021, p. 4153) ("**Covid-19 Act**").

The Annual General Meeting will be broadcasted for duly registered shareholders by audio-visual means live on the internet via the Online AGM Service (www.pfandbriefbank.com/investoren/hauptversammlung/) on Thursday, 19 May 2022, starting at 10:00 hours (CEST). The live broadcasting does not allow for participation in the Annual General Meeting within the meaning of section 118 (1) sentence 2 AktG. The opening of the Annual General Meeting by the chairman of the meeting and the speech of the Chairman of the Management Board can also be followed live by other interested parties on the internet at www.pfandbriefbank.com/investoren/hauptversammlung/.

Further shareholder rights, in particular voting rights, can also be exercised via the Online AGM Service in accordance with the following conditions. Duly registered shareholders will receive personal access data required for the Online AGM Service with their voting card together with further information on using the Online AGM Service.

Shareholders or their authorized representatives can exercise their voting rights by postal vote (by electronic means or in paper form) or by authorizing of the Company appointed proxies as specified below. The intended votes on Agenda items 2 to 6 and 8 are binding, the one on Agenda item 7 is of a recommendatory nature. There is always the option to vote with yes, no or abstention.

Questions to the Management Board may be submitted electronically as described in more detail below until Wednesday, 18 May 2022, 12:00 hours (CEST).

2. Preconditions for the participation in the Virtual Annual General Meeting and for the exercise of voting rights

All shareholders who have registered for the Annual General Meeting by no later than Thursday, 12 May 2022, 24:00 hours (CEST) while providing proof of their share ownership, are entitled, pursuant to section 14 (5) of the Articles of Association, to participate in the Virtual Annual General Meeting by electronic connection and to exercise their voting rights either in person or through authorized representatives. Proof of such share ownership is required by the final intermediary. This proof must refer to the existence of share ownership as of 21 days prior to the Annual General Meeting (record date), i.e., Thursday, 28 April 2022, 0:00 hours (CEST). The record date is the decisive cut-off date for the determination of the shareholder status regarding the exercise of shareholder rights in the Annual General Meeting. According to section 123 (4) sentence 5 AktG, only those shareholders who have provided proof of their shareholder status will be deemed a shareholder *vis-à-vis* the Company for the purposes of attending the Annual General Meeting or exercising their

voting rights. Both the registration and the proof of shareholding must be submitted in text form (*Textform*) in German or English language to the address of Deutsche Pfandbriefbank AG, Annual General Meeting 2022, c/o Link Market Services GmbH, Landshuter Allee 10, 80637 Munich, Germany, or to the e-mail address inhaberaktien@linkmarketservices.de. The time of receipt of the registration by the Company is decisive for meeting the deadline.

We kindly ask shareholders wanting to participate in the Annual General Meeting or to exercise their voting rights to arrange for the required registration as well as proof of shareholding with their custodian bank in a timely manner. Shares will not be barred or blocked due to the registration for the Annual General Meeting. Thus, shareholders can continue to freely dispose of their shares even after registration. The record date is not relevant for the dividend entitlement.

3. Voting procedure

a) General

Once duly registered, you may exercise your voting rights by way of a postal vote, through Company Proxies or an authorized representative. In all of these cases, a timely and formal registration is required.

b) Procedure for postal vote

Shareholders who wish to exercise their voting rights by way of postal vote (also through electronic communication) must consider the following: The Company offers an access restricted Online AGM Service at www.pfandbriefbank.com/investoren/hauptversammlung/ for voting by (electronic) postal vote. You will receive the required personal access data with your voting card. Postal votes, including their changes and revocations, can be exercised via the Online AGM Service until the beginning of voting in the Annual General Meeting. In addition, postal votes may be sent in, changed or revoked in text form until Wednesday, 18 May 2022, 18:00 hours (CEST) at the latest to the address Deutsche Pfandbriefbank AG, Annual General Meeting 2022, c/o Link Market Services GmbH, Landshuter Allee 10, 80637 Munich, Germany, or under the e-mail address inhaberaktien@linkmarketservices.de. You will receive a form for this purpose with the voting card. In addition, a universal postal vote form is available on the Company's website at www.pfandbriefbank.com/investoren/hauptversammlung/. It will also be sent to you free of charge on request. In all these cases, the time of receipt of the postal vote, its change or revocation by the Company' is decisive for meeting the deadline.

c) Procedure for voting by Company Proxies

Shareholders may also opt to be represented by Company-appointed proxies bound by instructions ("Company Proxies"). In this case, shareholders must consider the following: Company Proxies may only vote on Agenda items for which they have received explicit instructions regarding the exercise of the voting right. Said Company Proxies are under an obligation to cast their votes in line with the instructions given. Company Proxies will not exercise voting rights for which they have not received instructions. Please note that the Company Proxies will not accept any instructions to raise objections against Annual General Meeting resolutions or to ask questions or submit motions as well as to submit statements. Powers of attorney and instructions for Company Proxies may be issued, amended or revoked in text form until Wednesday, 18 May 2022, 18:00 hours (CEST) at the latest to the address of Deutsche Pfandbriefbank AG, Annual General Meeting 2022, c/o Link Market Services GmbH, Landshuter Allee 10, 80637 Munich, Germany, or under the e-mail address inhaberaktien@linkmarketservices.de. In addition, it is also possible to grant power of attorney and to issue instructions to the Company Proxies – including the amendment or revocation – via the access restricted Online AGM Service at www.pfandbriefbank.com/investoren/hauptversammlung/ before and also during the Annual General Meeting, but they must be received by the beginning of the voting at the

latest. You will receive the access data required for the Online AGM Service with your voting card. In all these cases, the time of receipt of the power of attorney, instruction, amendment, or revocation by the Company is decisive for meeting the deadline.

d) Ranking of votes and other information on voting

Please note that voting by way of postal vote, or when power of attorney and instructions are given to the proxies appointed by the Company, is only possible on those motions and election nominations in respect of which proposals by the Management Board and/or the Supervisory Board pursuant to section 124 (3) AktG, or of shareholders pursuant to section 124 (1) AktG were either announced in this invitation to the Annual General Meeting or subsequently, or which are made available in accordance with sections 126 and 127 AktG. If separate votes are held on an Agenda item instead of collective voting, the declaration made on this Agenda item applies accordingly to each item of the individual vote. Postal votes or voting instructions on the proposed resolution announced under Agenda item 2 shall remain valid even in the event of an adjustment of the proposed resolution at the Annual General Meeting due to a change in the number of shares entitled to dividends as described under Agenda item 2. Postal votes or power of attorney and instructions that cannot be clearly assigned to a proper registration will not be taken into account.

If divergent, formally valid declarations are received via different transmission channels and it is not possible to determine which was submitted last, these declarations will be considered in the following order, with the first-mentioned transmission channel having priority in each case: (1) via Online AGM Service, (2) via e-mail, (3) in paper form. If postal votes and power of attorney/instructions to the Company Proxies are received, postal votes will always be given priority.

e) Procedure for voting through other authorized representatives

Shareholders may also exercise their voting rights through other representatives to whom they have duly granted power of attorney. In this case, shareholders must consider the following:

If the power of attorney is not granted pursuant to section 135 AktG, the power of attorney must be issued either in text form *vis-à-vis* the Company at any of the addresses set forth above under section II. 2. of this invitation for registration purposes or directly to the authorized representative (in which case, proof of such authorization is required to be provided to the Company in text form). The same applies if a shareholder wishes to revoke a power of attorney.

Shareholders and their authorized representatives can submit the proof of authorization or of the revocation of the power of attorney no later than Wednesday, 18 May 2022, 18:00 hours (CEST) to the Company at any of the addresses set forth above under section II. 2. of this invitation for registration purposes.

If the power of attorney is granted pursuant to section 135 AktG (granting of power of attorney to intermediaries (in particular credit institutions), proxy advisors, shareholders' associations or commercial proxy services), the authorized representative is required to keep verifiable records of the power of attorney. Furthermore, the declaration of the power of attorney must be complete, and may contain only statements relating to the exercise of the voting rights. In these cases, shareholders should consult with the authorized representative as to the formal requirements of such power of attorney.

Authorized representatives (except for the Company Proxies) may not physically participate in the Annual General Meeting. They may only exercise the voting rights of the shareholders they represent by way of postal vote or by granting (sub-) authorization to the Company Proxies. The exercise

of rights by an authorized representative via the Online AGM Service requires that the authorized representative receives the personal access data sent with the voting card from the person granting the power of attorney. The use of the personal access data by the authorized representative is also deemed to be proof of authorization.

In the event that a shareholder appoints more than one person as authorized representative, the Company is entitled to reject one or several of these persons pursuant to section 134 (3) sentence 2 AktG.

4. Shareholders' rights

Shareholders' rights, before and during the Annual General Meeting, include – among others – the following rights. More information regarding such rights is available on our website www.pfandbriefbank.com/investoren/hauptversammlung/.

a) Additions to the Agenda pursuant to section 122 (2) AktG

Pursuant to section 122 (2) AktG, shareholders whose combined shareholdings reach the pro-rata amount of EUR 500,000.00 (the latter corresponding to 176,767 shares) of the Company's share capital, may request that certain items be included in the Agenda and communicated. Each new Agenda item must be accompanied by an explanation or a proposed resolution. Such a request must be addressed, in writing or in electronic form according to section 126a of the German Civil Code (*Bürgerliches Gesetzbuch*, "BGB") (i.e., with qualified electronic signature), to the Management Board of Deutsche Pfandbriefbank AG, Parkring 28, 85748 Garching, Germany, or by e-mail (with qualified electronic signature) to inhaberaktien@linkmarketservices.de. The Company must receive such a request no later than Monday, 18 April 2022, 24:00 hours (CEST). Applicants must prove that they have held the shares for at least 90 days before the request is received, and that they will hold the shares until the Management Board decides on the request. For the calculation of the shareholding period, section 70 AktG applies. Furthermore, section 121 (7) AktG shall apply *mutatis mutandis*. As such, the day of receipt of the request shall not be included in the calculation. Postponing to or bringing forward from a Sunday, Saturday or a public holiday to a preceding or following business day is not permissible. Sections 187 to 193 BGB shall not apply analogously.

Amendments to the Agenda that require communication – unless they were already communicated with the convocation - will be published, without undue delay following receipt of the request, in the German Federal Gazette and will be forwarded to such media for publication that can be assumed to distribute the information throughout the entire European Union. In addition, they will also be published on the website www.pfandbriefbank.com/investoren/hauptversammlung/, and communicated to the shareholders in accordance with section 125 (1) sentence 3 AktG.

If requests for an addition to the Agenda are to be announced in accordance with the above explanations, the resolution proposals attached thereto made by duly registered and legitimized shareholders are deemed to have been submitted at the Annual General Meeting.

b) Counter-proposals and nominations pursuant to sections 126, 127 AktG

Each shareholder is entitled to lodge counter-proposals in response to resolutions proposed on the items on the Agenda. If the counter-proposals are to be made available by the Company prior to the Annual General Meeting, they must be sent to the Company no later than 14 days prior to the Annual General Meeting, i.e., by Wednesday, 4 May 2022, 24:00 hours (CEST), to the address of Deutsche Pfandbriefbank AG, Investor Relations, attn. Mr. Michael Heuber, Parkring 28, 85748 Garching, Germany, stating the reasons for them. Counter-proposals sent to other addresses need

not be made available. The time of receipt of a counter-proposal by the Company is decisive for meeting the deadline in all cases of sending a counter-proposal. If one of the exclusions in accordance with section 126 (2) AktG applies, a counter-proposal need not be made available. Substantiations of a counter-proposal also do not need to be made available where they exceed 5,000 characters in total. Subject to section 126 (2) and (3) AktG, shareholders' counter-proposals that are to be made available will be published at www.pfandbriefbank.com/investoren/hauptversammlung/ together with the shareholder's name and the substantiation as well as any related statements by the management.

According to section 127 AktG, these rules also apply, *mutatis mutandis*, to shareholder nominations for the election of members of the Supervisory Board and for the appointment of auditors. Shareholder nominations must also be sent exclusively to the address specified above under section II. 4. b) by no later than 14 days prior to the Annual General Meeting, i.e., by Wednesday, 4 May 2022, 24:00 hours (CEST). Such nominations need not be justified. In addition to the grounds defined in section 126 (2) AktG, a nomination also need not be made available by the Management Board, *inter alia*, if the nomination does not contain name, executed profession and residence of the candidate. Nominations for the election of members of the Supervisory Board also do not need to be made available if they are not accompanied by information on the membership of the nominated Supervisory Board candidates in other statutory Supervisory Boards within the meaning of section 125 (1) sentence 5 AktG.

Counter-proposals and nominations to be made accessible are deemed to have been made in the Annual General Meeting in accordance with section 1 (2) sentence 3 of the Covid-19 Act if the shareholder submitting the proposal or the nomination is properly legitimized and registered for the Annual General Meeting.

c) Possibility to submit statements

Due to the design of the Virtual Annual General Meeting based on the Covid-19 Act, shareholders will not be able to comment on the Agenda at the Annual General Meeting. The Company therefore provides duly registered shareholders the possibility of submitting statements with reference to the Agenda prior to the Annual General Meeting in order to make them accessible via the Online AGM Service also to other shareholders. Shareholders who wish to submit their statement are requested to send it, including the name and the number of their voting card, to the Company in text form in German or English language, by Wednesday, 18 May 2022, 12:00 hours (CEST) at the latest to the address of Deutsche Pfandbriefbank AG, Investor Relations, attn. Mr. Michael Heuber, Parkring 28, 85748 Garching, Germany, or by e-mail to inhaberaktien@linkmarketservices.de. The length of a statement should not exceed 10,000 characters in total. The name of the submitting shareholder will be disclosed in the publication only if the shareholder has expressly agreed to such disclosure when submitting the statement.

In addition, it is intended that statements by shareholders will also be presented at the Annual General Meeting by a Company's spokesman if the submitting shareholders wish to do so. The Company reserves the right to shorten statements for the purpose of presentation and to summarize them thematically with other shareholder statements to be presented. The Management Board may also decide at its free discretion not to present statements at all if this would prevent the Annual General Meeting from being held within a reasonable period of time. The Management Board may also decide at its free discretion that only some of the submitted statements will be presented. When making his decision, the Management Board may in particular take into account the statements' connection to the Agenda, the time required for presenting them, the number of statements to be presented and the number of shares represented by the submitting shareholders or represented by the submitting shareholders' proxy representatives, and may, for example, give preference to shareholder associations and investment companies.

This does not imply a right to have a submitted statement published or presented. In particular, the Company reserves the right to refrain from publishing, and/or presenting statements at the Annual General Meeting, with offensive content, content that could qualify as a criminal offence, obviously false or misleading content or content without any reference to the Agenda of the Annual General Meeting. This also applies to statements the length of which exceed 10,000 characters or which have not been received by the Company in text form in German or English language by Wednesday, 18 May 2022, 12:00 hours (CEST). Furthermore, the Company reserves the right to publish, and/or to present at the Annual General Meeting, only one statement per shareholder. The Company will decide whether published statements will be made accessible on the Company's website after the Annual General Meeting.

If shareholders wish to address questions to the Management Board of the Company, this is only possible by way of electronic communication via the Online AGM Service at www.pfandbriefbank.com/investoren/hauptversammlung/ as described below under section II. 4. d) of this invitation.

d) Right to disclosure / Right to ask questions pursuant to section 1 (2) sentence 1 no. 3, sentence 2 Covid-19 Act

According to the Covid-19 Act, the shareholders at the Annual General Meeting are not entitled to disclosure within the meaning of section 131 AktG, but they are to be given the right to ask questions by means of electronic communication (section 1 (2) sentence 1 no. 3 Covid-19 Act). With the approval of the Supervisory Board, the Management Board has decided that questions from shareholders duly registered can be addressed to the Management Board via the Online AGM Service at www.pfandbriefbank.com/investoren/hauptversammlung/. Any other form of transmission is excluded. Questions from shareholders must be received by the Company via the Online AGM Service by Wednesday, 18 May 2022, 12:00 hours (CEST) at the latest. The Management Board decides at its due and free discretion how to answer those questions (section 1 (2) sentence 2 half-sentence 1 Covid-19 Act). In particular, it may summarize questions and their answers if this seems reasonable. Questions in foreign languages are not considered. The Management Board reserves the right to answer recurring questions in general form in advance via the Online AGM Service. Furthermore, the Management Board intends to answer those questions from shareholders in advance, at the latest in the course of Tuesday, 17 May 2022, which the Company receives by Friday, 13 May 2022, 24:00 hours (CEST) via the Online AGM Service. If and to the extent that the shareholder asking the question does not explicitly object to an advance answer, such answer will be provided via the Online AGM Service by naming the respective shareholder. Even in the case of an advance answer via the Online AGM Service, the Management Board will answer these questions (again) during the Annual General Meeting.

e) Objection to the minutes according to section 245 no. 1 AktG and section 1 (2) sentence 1 no. 4 Covid-19-Act

Shareholders duly registered for the Annual General Meeting may declare objections to resolutions of the Annual General Meeting via the Online AGM Service at www.pfandbriefbank.com/investoren/hauptversammlung/ for recording in the minutes in accordance with section 245 no. 1 AktG and section 1 (2) sentence 1 no. 4 Covid-19 Act. The declaration can be made via the Online AGM Service from the beginning of the Annual General Meeting until the end of the meeting. The notary has authorized the Company to accept objections via the Online AGM Service and will himself have access to the objections received.

5. Information and documents on the Annual General Meeting; audio-visual recording and publicly accessible broadcast; disclosure of the speeches by the Chairman of the Management Board and the Chairman of the Supervisory Board

This convocation of the Annual General Meeting, including the legally required information and explanations, as well as the documents to be made available pursuant to section 124a AktG, can be viewed and downloaded on the internet at www.pfandbriefbank.com/investoren/hauptversammlung/. All documents required to be made available to the Annual General Meeting by law will also be available on the Company's website during the Annual General Meeting. The voting results will be published on the same website following the Annual General Meeting.

The main content of the speeches by the Chairman of the Management Board as well as the Chairman of the Supervisory Board will be made available at the Online AGM Service by Thursday, 12 May 2022 at the latest. The right to adapt to current developments is reserved. The opening of the Annual General Meeting by the chairman of the meeting and the speech of the Chairman of the Management Board can also be followed live by other interested parties by audio-visual means on the internet at www.pfandbriefbank.com/investoren/hauptversammlung/. The speech of the Chairman of the Management Board will be recorded and made available on the same website after the Annual General Meeting.

After the Annual General Meeting, a confirmation of the counting of votes in accordance with section 129 (5) AktG will be automatically provided via the Online AGM Service, which can be downloaded within one month of the day of the Annual General Meeting.

6. Total number of shares and voting rights

At the time the Annual General Meeting was convened, the Company's share capital of EUR 380,376,059.67 was divided into 134,475,308 no-par value shares, each of which grants one vote. If the Company holds own shares directly or indirectly within the meaning of section 71d AktG, the Company has no rights arising from these shares pursuant to section 71 b AktG. Treasury shares would therefore be neither entitled to vote at the Company's Annual General Meeting nor would they be entitled to dividends. At the time the Annual General Meeting is convened, the Company does not hold any treasury shares, either directly or indirectly, and does not intend to acquire treasury shares, either directly or indirectly, until the Annual General Meeting.

7. Information on data protection

The following notice is intended to provide you with information on processing of your personal data by the Company and your rights under data protection law. You can obtain more information on data protection in the Privacy Notice which can be viewed on the internet at www.pfandbriefbank.com/en/privacy.

The responsible data controller is Deutsche Pfandbriefbank AG, Parkring 28, 85748 Garching, Germany. You can contact the data privacy officer of the Company by mail under the aforementioned address or by e-mail to group.dataprotection@pfandbriefbank.com.

With regard to the Virtual Annual General Meeting, the Company processes your personal data (repository data of the shareholder, the name, address and e-mail address of his/her representative, if applicable, the type of ownership of the shares, postal votes/voting instructions, and the number of the voting card) on the basis of prevailing data protection legislation.

Processing of your personal data is legally mandatory in order to enable you as a shareholder to participate at the Virtual Annual General Meeting, in particular to exercise voting rights and to follow

the complete audio-visual broadcast of the Virtual Annual General Meeting, and to conduct the Virtual Annual General Meeting. Legal basis for the processing is article 6 (1) sentence 1 letter c) of the EU General Data Protection Regulation in conjunction with sections 118 et seqq., 67e AktG, section 1 Covid-19 Act and section 14 of the Articles of Association. In addition, data processing that is necessary for the organization of the Annual General Meeting (e.g. publication of pre-submitted statements on the Agenda on the Online AGM Service) may be carried out on the basis of overriding legitimate interests (article 6 (1) sentence 1 letter f) of the EU General Data Protection Regulation). In general, the Company receives the shareholder's personal data from the registration office of the credit institution which the shareholders have instructed to hold their shares in safe custody (so-called custodian bank). Insofar as the processing of personal data is necessary for organisational reasons in order to conduct the Virtual Annual General Meeting, the legal basis for this is article 6 (1) sentence 1 letter f) of the EU General Data Protection Regulation.

The Company uses the services of external service providers and their subcontractors for the conduction of the Virtual Annual General Meeting. They are based in the European Union. The service providers commissioned for the conduction of the Virtual Annual General Meeting process your personal data exclusively in member states of the European Union or the European Economic Area and in accordance with the instructions of the Company and only to the extent that this is required for the execution of the commissioned service. All employees of the Company and the employees of the commissioned service providers who have access to and/or process personal data of shareholders and shareholder representatives are obliged to treat this data confidentially. Moreover, the publication and/or transfer of your personal data to third parties, in particular to other shareholders and their representatives, may also be required, e.g. as a result of the legal notification obligations under sections 126, 129 AktG.

The Company will delete your personal data in accordance with the statutory regulations, in particular if your personal data is no longer necessary for the original purposes of the collection or processing, the data is no longer required in connection with any administrative or court proceedings and there are no statutory storage obligations.

At the aforementioned address, you can demand information on the data stored about you. If the legal requirements are met, you also have the right to demand that your data be rectified or erased or that processing of it is restricted.

If the legal basis for the processing of personal data is article 6 (1) sentence 1 letter f) of the EU General Data Protection Regulation, shareholders also have a right of objection under the statutory conditions.

In case you wish to lodge a complaint about how your data is being used you have the possibility to contact the aforementioned data privacy officer or a data protection supervisory authority.

Garching, April 2022

Deutsche Pfandbriefbank AG
The Management Board

Annex I

Résumé of the person nominated to be elected to the Supervisory Board under Agenda item 5

Ms. Gertraud Dirscherl

Date and place of birth: 6 September 1958/Landshut
Nationality: German
First appointment effective from: 2 February 2022 (appointed by court order)

Professional career:

02/1986 – 12/1997	Bayerische Treuhand AG, Munich
02/1986 – 06/1992	Associate / Lead Auditor
01/1992 – 12/1997	Manager / Senior Manager Audit
01/1998 – 05/2015	KPMG AG and Bayerische Treuhand AG (until 2003), Munich
1998 – 2001	Partner Audit
1998 – 2001	Partner Valuation
2000 – 2015	Senior Partner Deal Advisory
2001 – 2007	Head of Corporate Finance Valuation Germany
2004 – 2007	Country Head Corporate Finance Germany
2007 – 2011	Head of Corporate Finance Valuation KPMG Europe LLP (ELLP)/ EMEA
2011 – 2015	Management for Excellence Partner Deal Advisory (Corporate Finance, Transaction Service, Restructuring and Strategy)
since 09/2015	self-employed auditor, Landshut Transaction advisory services for listed and non-listed companies, domestic and foreign, pertaining to due diligence, valuation and strategic aspects

Education: Master in Economics (*Diplom-Volkswirtin*), University of Munich (LMU)
 Certified Public Accountant, Tax Consultant

Supervisory Board memberships and equivalent positions:

Statutory domestic Supervisory Boards:	Hans DEHN SE, Neumarkt i.d. Oberpfalz Member of the Supervisory Board
	DEHN SE, Neumarkt i.d. Oberpfalz Member of the Supervisory Board
Equivalent domestic and foreign supervisory bodies:	n/a

Annex II

Remuneration Report 2021

The Remuneration Report follows the recommendations of the German Corporate Governance Code (the "Code" or "GCGC") in its latest version and includes the information required pursuant to the German Commercial Code (*Handelsgesetzbuch* – "HGB") and in accordance with the International Financial Reporting Standards (IFRS). The new statutory provisions governing the content and disclosure requirements of remuneration reports pursuant to the German Act Implementing the Second Shareholder Rights Directive ("ARUG II") dated 19 December 2019, as laid out in section 162 of the German Stock Corporation Act (*Aktiengesetz* – "AktG"), have been applied for the first time.

The first section of the Remuneration Report describes the structure, specifications and amount of remuneration for members of the Management Board and Supervisory Board. Next, a brief overview of the remuneration system for employees is given. The final section comprises information on the governance structure regarding remuneration. This Remuneration Report does not comprise any quantitative remuneration information on employees, to be disclosed in compliance with Article 450 of the CRR in conjunction with section 16 of the German Regulation on Remuneration in Financial Institutions (*Institutsvergütungsverordnung* – "InstVergV").

This Remuneration Report was jointly prepared by the Management Board and the Supervisory Board of Deutsche Pfandbriefbank AG. The external auditors have formally reviewed the Remuneration Report to ensure that information stated in the Remuneration Report is in line with section 162 (1) and (2) of the AktG. In accordance with section 162 (3) of the AktG, the contents of the Remuneration Report were not audited. The audit opinions in accordance with section 162 (3) of the AktG are attached to the Remuneration Report.

Contribution to promoting and supporting corporate strategy and long-term development of the Company

The remuneration system and the remuneration strategy are integral components of the business and risk strategy. The remuneration strategy sets out the framework for the performance and remuneration of Management Board members. It was developed as part of the business and risk strategy, involving all of the relevant business divisions and the Remuneration Officer, and was most recently updated on 10 November 2021.

The strategy aims to guarantee a performance-oriented and appropriate remuneration – one that is geared to achieving the targets enshrined in the business and risk strategy. It reflects the basic principle of appropriateness regarding the amount and structure of individual remuneration components. Another goal is to avoid incentives for taking disproportionately high risks.

Within the performance-related variable remuneration system, performance measurement at the level of pbb as an institution ("institution's performance") represents an integral part of business management targeted towards a sustainable enhancement of profitability, whilst maintaining the Group's strict risk policy. Referring to performance measurement at institutional level, particular attention is given to (key) performance indicators – as defined within the business and risk strategy as well as business planning – which particularly reflect the defined business and risk strategy, fulfil all regulatory requirements regarding risk, capital and liquidity, and are transparent as well as comprehensible.

The institution's performance is measured based on the key control parameters of (adjusted) profit before tax and the risk-reward ratio, each of which is assigned a 50% weighting. The average performance of the institution, measured on the basis of these key performance indicators for the remuneration year in question and the two preceding financial years, defines the total amount of variable remuneration available for disbursement. Hence, variable remuneration for Management Board members is directly linked to – and driven by – the business and risk strategy. Moreover, this guarantees compatibility of the remuneration system with the Group's capital and liquidity planning, as stipulated in the applicable regulatory requirements. The target achievement level for the institution's performance is assigned a weighting of 60% when measuring performance. The target achievement level at the level of the institution that is relevant to variable remuneration depends on the achievement of the institution's targets for three financial years, i.e. for the remuneration year concerned and the two preceding financial years, with each year being assigned a weighting of one-third.

Performance measurement comprises two other performance levels: divisional performance and individual performance. Targets for these subsequent performance levels are derived from the business and risk strategy. The performance criteria set by the Supervisory Board for the divisional and individual targets and to be agreed with the Management Board members are also based on the long-term/sustainable business strategy, meaning that they support pbb Group's strategic objectives. The annual targets for variable remuneration promote pbb Group's long-term/sustainable development. The financial and non-financial performance criteria include strategic targets relating to new business, risk management, digitalisation and funding, as well as environmental, social and governance (ESG) targets. Divisional and individual performance is assigned a combined weight 40%. Further details on performance measurement and the performance criteria set by the Supervisory Board can be found in the section entitled "Principles Governing the Remuneration System".

The (disbursement) structure of variable remuneration also takes pbb Group's long-term/sustainable development into account. 60% of the variable remuneration is subject to pro rata vesting with a total deferral period of five years ("deferral portion"). When granting deferral portions at the end of the annual deferral period, the Supervisory Board takes into account – as part of a retrospective review – any subsequent negative deviations affecting the performance of the institution, the organisational unit, or the individual Management Board member (back-testing). The Supervisory Board also considers any unethical behaviour or behaviour in breach of duties, as well as negative performance contributions within the meaning of section 18 (5) of the InstVergV (malus test). In particular in the event of serious misconduct on the part of a member of the Management Board, the Supervisory Board has the option of cancelling variable remuneration components that have not yet been paid out, or of clawing back variable remuneration components that have already been paid from the Management Board member concerned (malus and clawback rule). These aspects reinforce and incentivise the long-term nature/sustainability of target achievement. Further details on the (disbursement) structure and the malus and clawback rule are set out in the section entitled "Principles governing the remuneration system".

In addition, a total of 50% of the variable remuneration is share-based, in the sense that the amount initially determined by the Supervisory Board – following the calculation of the target achievement level, and the decision to grant a deferral portion – participates in calculatory terms in pbb's share price performance during a one-year holding period, and is converted into a cash payment, based on pbb's share price at that time, once this holding period has expired. This supports the sustainable/long-term development of the Company as well as strengthening the extent to which Management Board members identify with the Company. Further details on the share-based structure can be found in the section entitled "Principles governing the remuneration system".

Management Board

In November 2015, the Supervisory Board adopted the remuneration system for the Management Board members that has been in effect since 1 January 2016. The adjustment of the remuneration system to reflect the revised version of the InstVergV dated 4 August 2017 was adopted and implemented by the Supervisory Board on 17 December 2018, with effect from 1 January 2018. On 6 November 2020, the Supervisory Board adjusted the remuneration system to reflect the new requirements set out in the ARUG II legislation and adopted this system after consulting with the Remuneration Committee accordingly. The maximum remuneration, in particular, was newly regulated in this context. The 2021 ordinary Annual General Meeting adopted the remuneration system by 95.42% of the valid votes cast.

There were no deviations from the remuneration system for the members of the Management Board in the 2021 financial year.

In view of the broad approval, the Supervisory Board did not envisage any changes to the remuneration system for 2022. It was not necessary either to make changes to the remuneration system for the members of the Management Board after publication of the amendments to the InstVergV (clawback) on 24 September 2021.

PRINCIPLES GOVERNING THE REMUNERATION SYSTEM

The remuneration paid to pbb's Management Board members consists of non-performance related fixed remuneration components and performance-related variable remuneration.

The non-performance related fixed remuneration components comprise the basic annual remuneration, as well as fringe benefits (in particular non-cash benefits) and the company pension scheme.

The performance-related variable remuneration is granted in cash, with half of the amount depending on pbb's share price performance (share-based remuneration system).

In principle, remuneration for members of the Management Board is designed to ensure a performance-oriented payment, taking the Company's size and international business activities into account. The remuneration is compared, on the one hand, against the remuneration paid to Management Board members at comparable companies in Germany and abroad (horizontal remuneration comparison based on the remuneration paid to Management Board members) and, on the other hand, against the remuneration paid to those employees who report directly to the Management Board members (second level of management), as well as that paid to other employees within pbb Group (vertical remuneration comparison). The economic and financial situation of pbb Group is also taken into account when determining the remuneration.

In terms of the horizontal remuneration review, the Supervisory Board takes the following peer group into account (as at November 2021, unchanged from the previous year):

- Deutsche Hypothekenbank (Actien-Gesellschaft)
- Berlin Hyp AG
- Münchener Hypothekenbank eG
- Aareal Bank AG
- DZ HYP AG
- Landesbank Hessen-Thüringen Girozentrale
- Landesbank Baden-Württemberg
- UniCredit Bank AG
- Commerzbank AG
- DZ BANK AG

In order to conduct the horizontal remuneration review, pbb has positioned itself within the peer group on the basis of the indicators – total assets and number of employees – customarily used for this purpose.

As part of the vertical remuneration comparison, the Supervisory Board generally includes the remuneration paid to pbb Group's senior management team, i.e. employees at the second level of management. It also looks at the remuneration paid to employees not covered, as well as those covered, by collective wage agreements. In its vertical comparison, the Supervisory Board checks whether the Management Board remuneration can be classed as appropriate based on the pay differential between the Management Board and the workforce as a whole.

The Supervisory Board also takes care to ensure that the remuneration system for members of the Management Board has a largely similar structure to the remuneration system for all employees in Germany and abroad. As a result, and with the exception of deviations required under supervisory law, the structure of the variable remuneration system for the members of the Management Board largely matches the structure of the variable remuneration paid to employees not covered by collective bargaining agreements who can exert a significant influence over the Bank's risk profile („risk takers“).

Non-performance-related Remuneration

The non-performance related fixed remuneration components comprise the basic annual remuneration, fringe benefits (in particular non-cash benefits) and the company pension scheme.

The basic annual remuneration is a fixed annual salary that is paid out in twelve equal monthly instalments. It is reviewed, and adjusted if appropriate, at regular intervals, using an external market survey. No automatic adjustment will take place.

In addition, pbb grants fringe benefits (non-cash benefits) to the members of the Management Board which are within the customary scope. These include the following fringe benefits in particular: pbb provides each member of the Management Board with a company car and a driver, also for their personal use, and assumes all of the costs incurred in this regard. In addition, the members of the Management Board are included in pbb's D&O insurance scheme. pbb reimburses the Management Board members for the employer's contribution to health and long-term care insurance. Relocation costs are assumed to the extent, and in the amount, that is customary, in particular in cases involving new hires. For employees with dual residence, pbb covers the travel expenses for one trip home a week to their previous place of residence, as well as the costs for a second home at their place of work for a period that is generally limited to two years. Moreover, the Company has taken out a group accident insurance policy for the members of the Management Board (providing death and invalidity cover). The Management Board members pay taxes due on these benefits in kind for all the ancillary benefits referred to above.

The Management Board members are also entitled to company pension benefits which are described in a separate section below.

Non-performance-related remuneration for the 2021 financial year

In 2021, fixed remuneration amounted to € 500,000 gross p.a. for each Management Board member.

For the first time since 2015, fixed remuneration of the Management Board members has been increased to an appropriate extent in 2022. Since 1 January 2022, fixed remuneration for the Chairman of the Management Board has been raised to € 550,000 gross p.a.; for other ordinary Management Board members, it has been lifted to € 525,000 gross p.a. By adjusting the remuneration of the Chairman of the Management Board, pbb is taking appropriate account of the customary difference in remuneration between the Chairman of the Management Board and other Management Board members.

Performance-related Variable Remuneration

The performance-related variable remuneration system is described in detail below. In particular, this information clarifies the link between the achievement of the performance criteria and the defined variable remuneration amount, any remuneration amount that may be redefined following backtesting and the malus test, and the amount paid out as part of the variable remuneration system. The information also explains when and in what form Management Board members have access to the variable remuneration components that have been defined.

pbb's variable remuneration system is in line with the regulatory requirements as set out in the CRD, the Commission Delegated Regulation (EU) 2021/923, the German Banking Act (*Kreditwesengesetz* – "KWG"), the InstVergV and the requirements of the AktG, and generally in line with the requirements set out in the GCGC. Regarding the deviations from the GCGC which exist with regard to the InstVergV, please refer to the declaration of compliance in accordance with section 161 of the AktG.

The variable remuneration is determined on the basis of an individual calculatory reference value agreed with each Management Board member in his or her service contract. The calculatory reference value is shown as an annual amount. This is a calculated value that reflects the amount of the allocation of variable remuneration on the basis of 100% target achievement at the three relevant levels, i.e. the institution's performance, the performance of the organisational unit (the Management Board member's respective division) and the Management Board member's individual performance. If the employment relationship is established or terminated during the year, the calculatory reference value is reduced accordingly pro rata temporis. This also applies to any periods of absence due to illness or for other reasons during which the member has no statutory or contractual entitlement to continued salary payments, as well as to periods during which the employment relationship is suspended.

The calculatory reference value for both 2021 and 2022 has been set at € 315,000 for the Chairman of the Management Board, and at € 240,000 for all other Management Board members.

The variable remuneration allocated to each Management Board member for a given year is capped at 150% of his/her individual calculatory reference value.

According to section 25a (5) sentence 2 of the KWG, the variable remuneration may not exceed 100% of fixed remuneration. pbb's Annual General Meeting may increase this threshold to 200% of fixed remuneration. No such resolution has been taken by pbb's Annual General Meeting to date, and neither the Management Board nor the Supervisory Board intend to submit such a proposal to the Annual General Meeting.

Target-setting process

Before the start of every financial year, the Supervisory Board sets targets for the members of the Management Board. As described above, the targets are defined based on the business strategy. In addition, the quantitative targets are set on the basis of the multi-year plan, depending on the Management Board members' departmental responsibilities. The targets are aimed at ensuring success-oriented, sustainable and long-term corporate management.

Institutional targets

Before the start of every financial year, the Supervisory Board sets the institutional targets for all members of the Management Board based on the proposal put forward by the Remuneration Committee and defines the target value for 100% target achievement.

The performance of the institution is determined by adding together two equally-weighted key performance indicators, the target achievement levels for (adjusted) profit before taxes and the risk-reward ratio. The (adjusted) profit before tax reflects the profit before taxes, as reported in the financial statements (based on the audited and adopted consolidated financial statements in accordance with IFRS) and reflects pbb Group's overall performance, for which the Management Board is jointly responsible. The risk-reward ratio is calculated as the ratio between net margin times average portfolio volume and risk-weighted assets, and reflects client profitability and risk allocation. The Supervisory Board sets the target for the institution's performance at the beginning of each financial year at the latest. The target for (adjusted) profit before tax is defined as an amount in euros, while the target for the risk-reward ratio is expressed as a percentage.

Key performance indicators	Definition	Weighting
Profit before tax	<ul style="list-style-type: none"> ■ reflects profit before taxes, as reported in the financial statements (consolidated figures in accordance with IFRS) ■ reflects the Bank's overall performance, for which the Management Board is jointly responsible 	50%
Risk-reward ratio	<ul style="list-style-type: none"> ■ is defined as the net margin from client business multiplied by portfolio volume, divided by risk-weighted assets ■ reflects client profitability and risk allocation 	50%

Figure 1: Key performance indicators for the institution's performance

The target achievement level at the level of the institution depends on the achievement of the institution's targets for the remuneration year concerned and the two preceding financial years, with each year being assigned a weighting of one-third.

With a weighting of 60%, the institutional targets are the decisive factor for the overall target achievement level of the Management Board members in a given financial year.

Divisional/individual targets

In addition to the institutional targets, divisional and individual targets are defined with each Management Board member in a target agreement. These contribute 40% to the overall target achievement level and are defined based on the institutional targets and the plans for the financial year in question in accordance with the long-term/sustainable business strategy.

The Supervisory Board defines quantitative and qualitative targets, the bases for assessment and the target values that constitute 100% target achievement, as well as the weightings to be assigned to the targets, based on a proposal made by the Remuneration Committee.

The details about the targets and target achievement set for the 2021 financial year can be found in the section entitled "Targets and Target Achievement for the 2021 Financial Year"

Target achievement

After the end of every financial year, the Supervisory Board makes a decision, based on a recommendation by the Remuneration Committee, on the extent to which the targets have been achieved. 60% is allocated to the institution's performance, while 40% is allocated to the divisional and individual performance on a combined basis. The target achievement level is calculated based on the calculation basis/target values defined back when the targets were set.

The target achievement level at the level of the institution that is relevant to variable remuneration depends on the institution's performance for the remuneration year concerned and the two preceding financial years, with each year being assigned a weighting of one-third. The calculation is performed by comparing the planned target values against the actual values achieved for the financial year in question, based on the year-end results, and calculating the percentage target achievement level. An average percentage target achievement level is then calculated for the three relevant financial years.

In the event that extraordinary overall conditions arise that are beyond pbb Group's control, the Supervisory Board can increase or reduce the target achievement level at institutional level by up to 20 percentage points in order to neutralise positive and negative effects on the target achievement level as appropriate (known as 'modifiers'). The list of modifiers includes, for instance: short-term changes of regulatory requirements considered material to pbb Group, short-term macroeconomic events, one-off effects or foreign trade limitations due to the acquisition or disposal of material business units, particularly in the case of external M&A activities.

The target achievement level at divisional and individual level is determined separately for each target. For the quantitative targets, this is generally done by comparing the defined target value for 100% target achievement with the actual values achieved. For qualitative targets, the procedure involves the Supervisory Board evaluating the performance on the basis of the target value for 100% target achievement that was defined in advance. The average percentage target achievement level for each Management Board member (which is weighted depending on the target level) is calculated for each target at the divisional and individual level.

Target achievement can range from 0% to 150% at both the institutional and the divisional/individual level and is thus capped at 150%.

On the basis of the target achievement level at institutional, divisional and individual level as described above, a share of the calculatory reference value is calculated and allocated to each Management Board member as a variable remuneration amount for the financial year as follows (the envisaged personal reward value, "EPR value"):

The first step involves calculating the total variable remuneration amount for the Management Board members. This means adding up the calculatory reference values for the Management Board members and multiplying the amount by the target achievement level at institutional level, i.e. by the average percentage target achievement level for the three relevant financial years. The total variable remuneration amount calculated in this manner is allocated to the two levels of performance measurement, namely 60% to the institutional level ("institution pool") and 40% to the divisional and individual level ("division and individual pool").

In a second step, at the institutional level, the institution pool (60%) is allocated to the Management Board members, weighted based on the amount of the relevant calculatory reference value. At the joint divisional and individual performance level, the division and individual pool (40%) is distributed among the Management Board members, weighted based on the amount of the relevant calculatory reference value, and is then multiplied by the average percentage target achievement level for the individual targets at divisional and individual level. If the division and individual pool is insufficient to account for the target achievement level measured for all targets at the divisional and individual level, pro rata reductions are to be applied accordingly.

In a third step, the EPR value is calculated for each Management Board member as the sum of the value at institutional level and the value at the joint divisional and individual performance level. In principle, the calculatory EPR value allocated to the individual Management Board member can range between a minimum of 0% and a maximum of 150% of the relevant calculatory reference value.

When calculating the EPR value, the Supervisory Board also takes into account whether the Management Board member can be accused of any unethical behaviour or behaviour in breach of duties during the relevant assessment period. This inevitably leads to a reduction in the EPR value and cannot be offset by positive performance contributions.

In addition, the Supervisory Board reviews any negative performance contributions within the meaning of section 18 (5) of the InstVergV (malus test). In particular in the event of serious misconduct on the part of a member of the Management Board, it has the option of reducing the EPR value to an appropriate extent and even to zero if necessary (malus and clawback rule) (for details on the malus and clawback rule, please refer to the section below).

The Supervisory Board also reviews the financial conditions for disbursement in accordance with section 7 of the InstVergV. Based on this review, the Supervisory Board can reduce or cancel the variable remuneration due to a Management Board member.

If the calculation of the EPR value yields an exceptionally high value, the Supervisory Board also checks its appropriateness on a case-by-case basis and is entitled to reduce the EPR value due to the Management Board member concerned, taking into account the potential risk and in order to avoid reputational damage. The Supervisory Board can also limit the EPR value in the event of extraordinary developments (e.g. windfall profits).

According to section 25a (5) sentence 2 of the KWG, the variable remuneration may not exceed 100% of fixed remuneration. pbb's Annual General Meeting may increase this threshold to 200% of fixed remuneration. No such resolution has been taken by pbb's Annual General Meeting to date, and neither the Management Board nor the Supervisory Board intend to submit such a proposal to the Annual General Meeting.

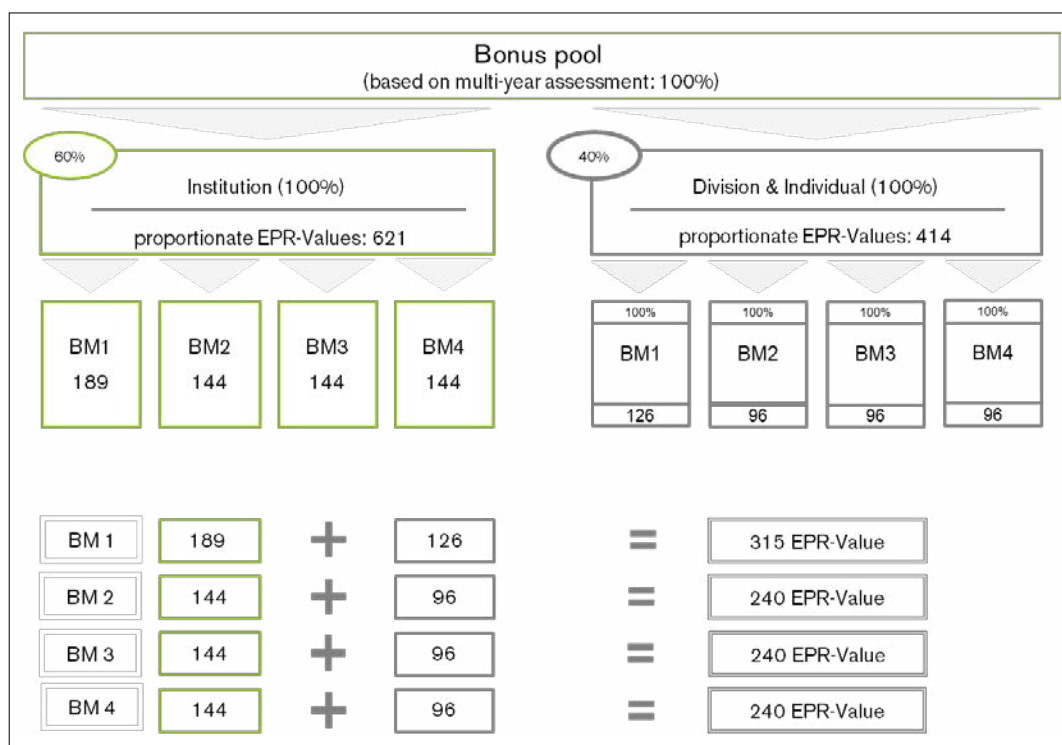


Figure 2: Calculation of the EPR value (sample calculation based on 100% target achievement at all levels of performance measurement); €'000

Examination of requirements according to section 7 of the InstVergV

The granting and disbursement of variable remuneration to Management Board members is subject to the prior determination of a total amount of variable remuneration by the Supervisory Board (taking into account the requirements of section 7 of the InstVergV). This amount is determined at the end of each financial year, within the framework of a formal and transparent process. The Supervisory Board uses relevant recovery threshold values, as set out in the recovery plan, as indicators. If the requirements are met, a total amount is made available for variable remuneration. If the requirements are not met or are only met to a limited extent, the Supervisory Board has to reduce or cancel the variable remuneration.

Disbursement structure: short-term and long-term variable remuneration

As a significant institution, as defined by section 1 (3c) of the KWG, pbb must in particular observe the requirements of section 20 of the InstVergV regarding variable remuneration of risk takers. Management Board members are risk takers. The disbursement structure of the variable remuneration for Management Board members is therefore generally subject to the following conditions:

The EPR value is broken down into a disbursement portion and a deferral portion, whereby the purpose of the latter includes establishing a multi-year assessment basis and thus – just like the multi-year measurement of the institution's success – gears the variable remuneration of the Management Board members upon the Company's long-term/sustainable performance.

The disbursement for Management Board members amounts to 40% of their personal EPR value, with the deferral portion amounting to 60%.

50% of the disbursement portion is generally paid out in cash at the end of the first half of the financial year following the remuneration year and in September of that year at the latest, provided that the

disbursement conditions pursuant to section 7 of the InstVergV are met. The remaining 50% is disbursed after a holding period of one year, with the amount being adjusted in line with pbb's share price performance during the holding period (virtual shares; no physical share option programme). The applicable amount is translated into the corresponding number of virtual shares at the start of the holding period. The calculation of the number of virtual shares is based on the average Xetra closing price of the pbb share in February of the year subsequent to the financial year for which the variable remuneration is granted (subscription price). The resulting number of virtual shares is automatically converted into a cash amount after a holding period of one year, and is paid out with the variable remuneration for the financial year following the remuneration year. The conversion is based on the average Xetra closing price of the pbb share in February of the disbursement year (disbursement price). The EPR value portions linked to the sustainability component are granted on the basis of the performance of the pbb share during the retention period.

The deferral period for the deferral portion due to Management Board members is five years. In the five years following establishment of the EPR value, the Supervisory Board takes a resolution, every year, regarding the granting of one fifth of the deferral portion. The beneficiary may not claim the relevant remuneration component until the end of each deferral period. As soon as the Management Board members have the right to claim a deferred remuneration component, half of the respective deferral portion is paid out in cash. Another retention period of one year applies to the other half of the respective deferral portion, during which it is subject to a sustainable share performance according to the share-based sustainability component described earlier.

When granting/recalculating deferral portions at the end of the annual deferral period, the Supervisory Board takes the following aspects into account:

As part of a retrospective review of the variable remuneration (ex-post risk adjustment), the Supervisory Board checks any subsequent negative deviations affecting the performance of the institution, the organisational unit, or the individual Management Board member (back-testing). This retrospective performance evaluation allows the Supervisory Board to check whether the originally calculated target achievement level is still accurate in retrospect, e.g. whether risks were underestimated or were not identified or whether any unexpected losses have occurred. If the Supervisory Board finds that any targets were missed as part of the backtesting process, the deferral portion is to be reduced to the extent required to reduce the variable remuneration to the newly calculated level.

The Supervisory Board also checks whether the respective Management Board member can be accused of any unethical behaviour or behaviour in breach of duties during the relevant assessment period. This inevitably leads to a reduction in the deferral portion and cannot be offset by positive performance contributions.

In addition, the Supervisory Board reviews any negative performance contributions within the meaning of section 18 (5) of the InstVergV (malus test) and, in particular in the event of serious misconduct on the part of a member of the Management Board, has the option of cancelling variable remuneration components that have not yet been paid out, or of clawing back variable remuneration components that have already been paid from the Management Board member concerned (malus and clawback rule) (for details on the malus and clawback rule, please refer to the section below).

Finally, the Supervisory Board reviews the financial conditions for disbursement in accordance with section 7 of the InstVergV. Based on this review, the Supervisory Board can reduce or cancel the variable remuneration due to a Management Board member.

If a Management Board member ends his or her employment relationship as what is known as a “bad leaver”, pbb decides at its reasonable discretion whether, and to what extent, the variable remuneration portion that has not yet been re-calculated at the time the notice of termination is received will be forfeited. A member of the Management Board is considered to be a bad leaver if his or her employment relationship ends (also) due to legally effective extraordinary termination by the Company or due to unjustified extraordinary termination by the Management Board member. If the employment relationship ends before the variable remuneration portion that has not yet been determined has been paid out in full, without the Management Board member being classed as a bad leaver, the rules on the disbursement structure and the due date for payment remain unaffected.

In individual cases and to the extent that is permissible under supervisory law, the Supervisory Board can also, for the purposes of attracting new Management Board members, enter into agreements to compensate new Management Board members for remuneration entitlements they have forfeited under a previous employment relationship and/or agree on sign-on bonuses and/or an appropriate amount of guaranteed variable remuneration with the new Management Board member.

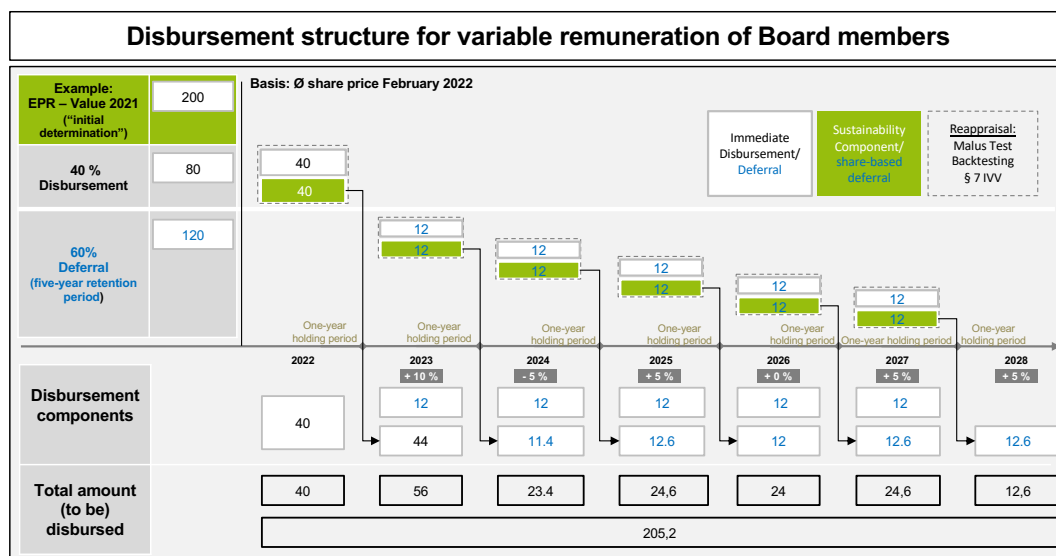


Figure 3: Disbursement system for variable remuneration for Management Board members (illustrative); € 000's

Malus and clawback

pbb has concluded agreements with the members of the Management Board regarding clawbacks of variable remuneration (“Clawback Agreement”). Under this agreement, all entitlements to payment of variable remuneration for the relevant assessment period that have not yet been paid out lapse, or the Management Board member is obliged to pay back the variable remuneration already paid out for the relevant assessment period, if he or she was significantly involved in, or responsible for, any behaviour which led to considerable losses, or material regulatory sanctions, for the Bank. The same applies if a Management Board member breached external or internal provisions related to suitability and conduct to a serious degree. pbb can claw back variable remuneration already paid out up to two years after the end of the retention period for the financial year concerned. In its specific implementation of the InstVergV criteria for clawback purposes, pbb Group considers and applies all regulatory requirements, taking the distinctive features of pbb Group’s business model and risk profile into account, and reflecting the overall sustainability aspects of the Company’s performance – as well as the synchronisation of Company performance and bonus payments.

Hedging ban (section 8 of the InstVergV)

The risk adjustment of variable remuneration must not be restricted or neutralised by way of hedging or other countermeasures, such as third-party contracts obliging the third party to make direct or indirect compensation payments to the Management Board member or employee in the event of a reduction of variable remuneration (insurance); this applies mutatis mutandis to derivatives designed to hedge price losses of pbb financial instruments.

pbb Group has taken appropriate measures to prevent hedging or other countermeasures of members of the Management Board and employees in this context. Moreover, the banning of hedging and other countermeasures is contractually regulated in individual employment agreements. Compliance with these agreements is subject to reviews (spot checks).

Targets and target achievement for the 2021 financial year

At its meeting on 6 November 2020, the Supervisory Board set the institutional target and the Management Board's divisional and individual targets for the 2021 financial year; the Supervisory Board determined target achievement levels at its meeting on 25 February 2022.

Institutional target: at 114%, the institution's performance exceeded the defined target value.

Key performance indicators	Weighting	Target value	Actual value	Overall target achievement at pbb
Profit before taxes (€ mn)	50 %	180 – 220	242	114 %
Risk-reward ratio (%)	50 %	2.74	2.99	

Figure 4: Target achievement on institutional level in 2021

The average percentage target achievement level for the three relevant financial years 2021, 2020 and 2019 is 105 %.

Divisional and individual targets: at its meeting on 6 November 2020, the Supervisory Board set the divisional and individual targets for the members of the Management Board for the 2021 financial year.

Five corporate strategic priorities were determined as divisional targets, which were defined in line with the individual divisional responsibilities.

The divisional targets comprise the management of the division-specific impact of the COVID-19 pandemic, the embedding of the risk models in the overall management, and the creation and design of pbb Group's digitalisation initiatives. In addition, with environmental sustainability targets and pbb as a modern employer, two divisional targets were set in relation to environmental, social and governance (ESG) targets.

Managing the impact of the COVID-19 pandemic comprised the monitoring and management of the impact on business strategy and risk management on the one hand. On the other hand, the focus was on the management of preventive measures and safeguarding the Bank's capacity to act, in particular with regard to working conditions, which take account of the official regulations and health protection, and promote productivity and workforce cohesion.

With the objective of embedding the risk models in the Bank's overall management, this targeted the establishment of internal rating models (IRBA models) that were developed in the previous year, *vis-à-vis* the supervisory authorities as well as in the overall management, and compliance with the planned RWA targets.

The creation and implementation of the digitalisation initiatives comprised in particular the development of interfaces to clients (through a new digital Client Portal) and enhancing process efficiency in the core business (using end-to-end digital credit processes). The ongoing development of CAPVERIANT GmbH was also added as a target for the Chairman of the Management Board's divisional responsibility.

The ESG targets for 2021 focused on the one hand on analysing the effects of climate and environmental risks on the Bank's business and risk. On the other hand, the Management Board was responsible for further developing and intensifying criteria for green buildings that can be measured in the Bank's systems, and developing a concept for green financing (pbb's Green Loan Framework). In keeping with pbb as a modern employer, the Management Board focused in particular on the advancement of young people, promotion of women, and talent management.

In relation to the individual targets, the Chairman of the Management Board, Andreas Arndt was responsible for the ongoing maintenance, selection and acquisition of strategic investors.

As the Management Board member responsible for Real Estate Finance, Thomas Köntgen's targets related to the results from client business in the REF segment, measured in terms of plan achievement, based on the KPIs of average margin, new business volume, and portfolio development.

As CRO, Andreas Schenk was responsible in particular for maintaining a balanced risk profile and securing the constructive implementation of the risk strategy.

In his division, Marcus Schulte was responsible for Treasury and IT, defining quantitative and qualitative targets for funding and stable and efficient IT operations.

	Andreas Arndt	Thomas Köntgen	Andreas Schenk	Marcus Schulte
Management of the impact of the COVID-19 pandemic	Divisional impact of the COVID-19 pandemic and management of preventive measures, with a particular focus on the business strategy	Divisional impact of the COVID-19 pandemic and management of preventive measures, with a particular focus on new business	Divisional impact of the COVID-19 pandemic and management of preventive measures, with a particular focus on risk monitoring and risk management	Divisional impact of the COVID-19 pandemic and management of preventive measures, with a particular focus on IT and in the role as head of the Bank's crisis management team
Risk models and overall Bank management	Embedding the risk models in the overall Bank management	Embedding the risk models in the overall Bank management	Embedding the risk models in the overall Bank management	Embedding the risk models in the overall Bank management
Digitalisation	Divisional digitalisation initiatives; in particular: Client Portal, digital credit workplace, CAPVERIANT	Divisional digitalisation initiatives; in particular: Client Portal, digital credit workplace, digital KYC/ onboarding process	Divisional digitalisation initiatives; in particular: Client Portal, digital credit workplace, digital KYC/ onboarding process	Divisional digitalisation initiatives; in particular: Client Portal, digital credit workplace, integration/ expansion in existing IT architecture/ infrastructure
ESG (1)	Ecological sustainability	Ecological sustainability	Ecological sustainability	Ecological sustainability
ESG (2)	pbb as a modern employer: talent acquisition and promotion, promotion of women, and human resources development	pbb as a modern employer: talent acquisition and promotion, promotion of women, and human resources development	pbb as a modern employer: talent acquisition and promotion, promotion of women, and human resources development	pbb as a modern employer: talent acquisition and promotion, promotion of women, and human resources development
Individual targets	Further broadening of the investor base	Results from client business in the REF segment – measured in terms of plan achievement, based on the KPIs of average margin, new business volume, and portfolio development	Constructive implementation of the risk strategy	Quantitative (refinancing according to planning) and qualitative (external representation of pbb as an issuer) funding targets Stable and efficient IT
Average target achievement level	110%	109%	109%	109%
Achievement level range	105% – 115%	100% – 115%	100% – 120%	100% – 115%

Figure 5: Divisional/individual target achievement in 2021

Overall target achievement level for 2021: the overall target achievement of the Management Board members averages 109%, before applying the respective pro rata reductions.

Variable remuneration retained for previous years

At its meeting on 25 February 2022, the Supervisory Board decided on the recalculation of deferral portions for variable remuneration for 2016 to 2020. The review conducted by the Supervisory Board of the requirements for a malus and/or clawback and backtesting did not reveal any findings. The Supervisory Board therefore did not make use of the option to reduce or claw back any variable remuneration components.

REMUNERATION GRANTED AND OWED TO ACTIVE MANAGEMENT BOARD MEMBERS IN THE 2021 FINANCIAL YEAR.

The following tables show the remuneration granted and owed to active Management Board members in the financial years 2021 and 2020 in accordance with section 162 (1) sentence 1 of the AktG.

The tables contain all the amounts granted for their activities in the financial year under review (granted remuneration). This includes the fixed salary and ancillary benefits granted on the one hand and the one-year and multi-year variable remuneration on the other hand, some of which is share-based. The variable remuneration is reported at the value set initially by the Supervisory Board for the respective financial year. This facilitates transparent and understandable reporting that shows the correlation between the performance of the individual Management Board members and the remuneration granted for this in the period under review, even if the disbursement – especially of variable components – takes place after the end of the respective financial year.

The tables also include (on a voluntary basis) all amounts paid to the respective Management Board member in the financial years 2021 or 2020 from variable remuneration for previous years.

The pension expenses incurred as part of company pension schemes are reported separately in the section "Company pension scheme".

Minor differences may occur regarding the figures added, due to rounding.

Andreas Arndt

CEO/CFO

€ 000's	2021		2020	
	€'000	% of total remuneration	€'000	% of total remuneration
Fixed remuneration				
Fixed remuneration	500	58%	500	58%
Ancillary benefits ¹⁾	19	1%	18	1%
Total	519	59%	518	59%
Variable remuneration for the financial year				
One-year variable remuneration	66	8%	68	8%
Multi-year variable remuneration				
Disbursement portion subject to holding period (second quarter 2022)	-	-	68	8%
Disbursement portion subject to holding period (second quarter 2023)	66	8%	-	-
Deferral (second quarter 2022)	-	-	41	5%
Deferral (second quarter 2023)	40	5%	41	5%
Deferral (second quarter 2024)	40	5%	41	5%
Deferral (second quarter 2025)	40	5%	41	5%
Deferral (second quarter 2026)	40	5%	41	5%
Deferral (second quarter 2027)	40	5%	-	-
Total remuneration	851	100%	859	100%
Additional voluntary information²⁾				
Variable remuneration 2020	68	-	-	-
Variable remuneration 2019	49	-	57	-
Variable remuneration 2018	33	-	105	-
Variable remuneration 2017	24	-	31	-
Variable remuneration 2016	28	-	38	-

¹⁾ Including expenses for taxable non-cash benefits within the customary scope.

²⁾ Statement of the variable remuneration paid out to the Management Board member in the 2021 or 2020 financial year from previous years.

Due to the performance of the share-based variable remuneration, the variable remuneration portion received in the 2021 financial year from multi-year remuneration for previous years is € 36 thousand lower overall than the amount determined at the beginning of the respective holding period.

Thomas Köntgen

Deputy Chairman of the Management Board,
Real Estate Finance

€ 000's	2021		2020	
	€'000	% of total remuneration	€'000	% of total remuneration
Fixed remuneration				
Fixed remuneration	500	64%	500	64%
Ancillary benefits ¹⁾	18	2%	17	2%
Total	518	66%	517	66%
Variable remuneration for the financial year				
One-year variable remuneration	50	7%	51	7%
Multi-year variable remuneration				
Disbursement portion subject to holding period (second quarter 2022)	-	-	51	7%
Disbursement portion subject to holding period (second quarter 2023)	50	7%	-	-
Deferral (second quarter 2022)	-	-	31	4%
Deferral (second quarter 2023)	30	4%	31	4%
Deferral (second quarter 2024)	30	4%	31	4%
Deferral (second quarter 2025)	30	4%	31	4%
Deferral (second quarter 2026)	30	4%	31	4%
Deferral (second quarter 2027)	30	4%	-	-
Total remuneration	768	100%	774	100%
Additional voluntary information²⁾				
Variable remuneration 2020	51	-	-	-
Variable remuneration 2019	42	-	49	-
Variable remuneration 2018	27	-	88	-
Variable remuneration 2017	24	-	31	-
Variable remuneration 2016	28	-	38	-

¹⁾Including expenses for taxable non-cash benefits within the customary scope.

²⁾Statement of the variable remuneration paid out to the Management Board member in the 2021 or 2020 financial year from previous years.

Due to the performance of the share-based variable remuneration, the variable remuneration portion received in the 2021 financial year from multi-year remuneration for previous years is € 32 thousand lower overall than the amount determined at the beginning of the respective holding period.

Andreas Schenk

CRO

€ 000's	2021		2020	
	€'000	% of total remuneration	€'000	% of total remuneration
Fixed remuneration				
Fixed remuneration	500	65%	500	65%
Ancillary benefits ¹⁾	7	1%	6	1%
Total	507	66%	506	66%
Variable remuneration for the financial year				
One-year variable remuneration	50	7%	52	7%
Multi-year variable remuneration				
Disbursement portion subject to holding period (second quarter 2022)	-	-	52	7%
Disbursement portion subject to holding period (second quarter 2023)	50	7%	-	-
Deferral (second quarter 2022)	-	-	31	4%
Deferral (second quarter 2023)	30	4%	31	4%
Deferral (second quarter 2024)	30	4%	31	4%
Deferral (second quarter 2025)	30	4%	31	4%
Deferral (second quarter 2026)	30	4%	31	4%
Deferral (second quarter 2027)	30	4%	-	-
Total remuneration	757	100%	765	100%
Additional voluntary information²⁾				
Variable remuneration 2020	52	-	-	-
Variable remuneration 2019	41	-	48	-
Variable remuneration 2018	27	-	88	-
Variable remuneration 2017	24	-	31	-
Variable remuneration 2016	28	-	38	-

¹⁾ Including expenses for taxable non-cash benefits within the customary scope.

²⁾ Statement of the variable remuneration paid out to the Management Board member in the 2021 or 2020 financial year from previous years.

Due to the performance of the share-based variable remuneration, the variable remuneration portion received in the 2021 financial year from multi-year remuneration for previous years is € 32 thousand lower overall than the amount determined at the beginning of the respective holding period.

Marcus Schulte

Treasurer

€ 000's	2021		2020	
	€'000	% of total remuneration	€'000	% of total remuneration
Fixed remuneration				
Fixed remuneration	500	65%	500	64%
Ancillary benefits ¹⁾	16	1%	22	2%
Total	516	66%	522	66%
Variable remuneration for the financial year				
One-year variable remuneration	50	7%	52	7%
Multi-year variable remuneration				
Disbursement portion subject to holding period (second quarter 2022)	-	-	52	7%
Disbursement portion subject to holding period (second quarter 2023)	50	7%	-	-
Deferral (second quarter 2022)	-	-	31	4%
Deferral (second quarter 2023)	30	4%	31	4%
Deferral (second quarter 2024)	30	4%	31	4%
Deferral (second quarter 2025)	30	4%	31	4%
Deferral (second quarter 2026)	30	4%	31	4%
Deferral (second quarter 2027)	30	4%	-	-
Total remuneration	766	100%	781	100%
Additional voluntary information²⁾				
Variable remuneration 2020	52	-	-	-
Variable remuneration 2019	41	-	48	-
Variable remuneration 2018 ³⁾	-	-	-	-
Variable remuneration 2017 ³⁾	-	-	-	-
Variable remuneration 2016 ³⁾	-	-	-	-

¹⁾ Including expenses for taxable non-cash benefits within the customary scope.

²⁾ Statement of the variable remuneration paid out to the Management Board member in the 2021 or 2020 financial year from previous years.

³⁾ Marcus Schulte joined pbb on 1 January 2017 in die pbb and was appointed as member of the Management Board with effect from 1 January 2019. Only details about the activity as member of the Management Board are reported.

Due to the performance of the share-based variable remuneration, the variable remuneration portion received in the 2021 financial year from multi-year remuneration for previous years is € 21 thousand lower overall than the amount determined at the beginning of the respective holding period.

REMUNERATION GRANTED AND OWED TO FORMER MANAGEMENT BOARD MEMBERS

The following table shows the remuneration granted and owed to former Management Board members in the 2021 financial year in accordance with section 162 (1) sentence 1 of the AktG. Pursuant to section 162 (5) sentence 2 of the AktG, no personal details are provided for former members of the Management Board who left the Bank's Management Board prior to 31 December 2011.

Dr Bernhard Scholz

Member of the Management Board until 30 April 2017

€ 000's	Benefits received
	2021
Pensions	
Pension	13
Additional voluntary information	
Multi-year variable remuneration for 2016	28
Multi-year variable remuneration for 2017	8

Due to the performance of the share-based variable remuneration, the variable remuneration portion received in the 2021 financial year from multi-year remuneration for previous years is € 4 thousand lower overall than the amount determined at the beginning of the respective holding period.

Pension payments of € 4,661 thousand were paid in 2021 to former members of the Management Board who had retired before 31 December 2011.

PENSION COMMITMENTS

Commitments to pension benefits for old age, and for occupational or general disability, were made to members of the Management Board who were in office in 2021, based on individual contractual agreements.

As member of pbb's Management Board, Andreas Arndt receives a pension in the amount of 5.2% of his basic annual remuneration for each completed year of service, subject to a cap of 60%. The pension entitlements are considered to be immediately vested. They may be drawn upon once the age of 62 has been reached. However, they shall be suspended as long as (and to the extent that) the service contract continues beyond the age of 62. The higher basic annual remuneration of € 550,000 p.a. applies as the relevant basic annual remuneration for the pension commitment as of 1 January 2022.

As member of pbb's Management Board, Thomas Köntgen receives a pension in the amount of 5.2% of his basic annual remuneration for each completed year of service, subject to a cap of 55%. The pension entitlements are considered to be immediately vested. They may be drawn upon once the age of 62 has been reached. However, they shall be suspended as long as (and to the extent that) the service contract continues beyond the age of 62. For all pension entitlements acquired up to 31 December 2021, the relevant basic annual remuneration is € 500,000; for all pension entitlements to be acquired since 1 January 2022, the relevant basic annual remuneration is € 525,000.

As member of pbb's Management Board, Andreas Schenk receives a pension in the amount of 5.2% of his basic annual remuneration for each completed year of service, subject to a cap of 50%. The pension entitlements are considered to be immediately vested. They may be drawn upon once the age of 63 has been reached. However, they shall be suspended as long as (and to the extent that) the service contract continues beyond the age of 63. For all pension entitlements acquired up to 31 December 2021, the relevant basic annual remuneration is € 500,000; for all pension entitlements to be acquired since 1 January 2022, the relevant basic annual remuneration is € 525,000.

Section 16 of the German Company Pensions Act (Betriebsrentengesetz) applies to the examination of whether pension benefits need to be adjusted after retirement.

pbb makes defined-contribution pension commitments to Marcus Schulte in the amount of € 250,000 p.a. The pension contribution was raised to € 310,000 p.a. with effect from 1 January 2022. The adjustment was made within reasonable limits. The pension entitlements may be drawn upon once the age of 63 has been reached and may be paid out as a one-off payment or as pension payments. However, they shall be suspended as long as (and to the extent that) the service contract continues beyond the age of 63. Starting from the date of the first pension payment, the guaranteed amount is adjusted by 1 % p.a.

In case of the death of a Management Board member, his or her spouse receives 60% of the pension entitlement. In addition, pensions to half-orphans or orphans are paid until the respective children reach the age of 18. Where a child is still in education beyond the age of 18, orphans' benefits will continue to be paid until conclusion of vocational training – however, not after the child has reached the age of 25. The total amounts received by half-orphans must not exceed 30% of the pension entitlement of the deceased Management Board member as long as the surviving spouse receives survivor benefits. Full orphans will jointly receive up to 60% of the pension of the deceased Management Board member. Surviving spouses and children from a marriage that the member of the Management Board enters into after retirement are not entitled.

Pension obligations to pbb Management Board members who were in office in the 2021 financial year (in accordance with IFRS)¹⁾

	2021				2020			
	Present value of pension claims earned during the financial year	Interest expenses	Past service costs	Pension obligations as at 31 Dec 2021	Present value of pension claims earned during the financial year	Interest expenses	Past service costs	Pension obligations as at 31 Dec 2020
€ 000's								
Andreas Arndt	717	43	439	4,829	768	50	-	4,319
Thomas Köntgen	757	48	-	5,173	728	50	-	4,750
Andreas Schenk	715	43	-	4,643	677	44	-	4,287
Marcus Schulte ²⁾	-	-	-	-	-	-	-	-
Total	2,189	134	439	14,645	2,173	144	-	13,356

¹⁾ Excluding deferred compensation

²⁾ A defined-contribution pension commitment (no defined-benefit pension commitment) is in place for Marcus Schulte, so that no pension obligations have to be recognised.

The pension obligation for Dr Bernhard Scholz from his employment relationship amounts to € 364 thousand as at 31 December 2021. The pension obligations for the other former members of the Management Board who had retired before 31 December 2011 amounted to € 50,809 thousand as at 31 December 2021.

Pension obligations to pbb Management Board members who were in office in the 2021 financial year (in accordance with HGB)¹⁾

€ 000's	2021		2020	
	Pension provisions as at 31 Dec 2021	Additions to pension provisions	Pension provisions as at 31 Dec 2020	Additions to pension provisions
Andreas Arndt	5,147	1,276	3,871	812
Thomas Köntgen	4,556	1,059	3,497	784
Andreas Schenk	3,970	1,022	2,948	724
Marcus Schulte ²⁾	-	-	-	-
Total	13,673	3,357	10,316	2,320

¹⁾ Excluding deferred compensation

²⁾ A defined-contribution pension commitment (no defined-benefit pension commitment) is in place for Marcus Schulte, so that no pension obligations have to be recognised.

Pension provisions for Dr Bernhard Scholz from his employment relationship amount to € 335 thousand as at 31 December 2021. Pension provisions for the other former members of the Management Board who had retired before 31 December 2011 amounted to € 47,828 thousand as at 31 December 2021.

The fair value of the defined-contribution pension commitments for Marcus Schulte amounted to € 1,042 thousand as at 31 December 2021, taking the contributions from the years 2017 – 2020 into account.

Maximum remuneration

The Supervisory Board has set a maximum remuneration amount for the members of the Management Board.

The maximum remuneration is the maximum total remuneration to be granted in a given financial year, i.e. the sum of all remuneration amounts paid for the financial year in question, including the basic annual salary, performance-related variable remuneration, company pension expenses and fringe benefits.

The maximum remuneration does not represent the level of remuneration that the Supervisory Board is aiming for, or the level that is necessarily considered appropriate. It merely sets an absolute upper limit to avoid disproportionately high remuneration for Management Board members. This means that it can be clearly distinguished from the total target remuneration.

The maximum remuneration is € 2,200,000 for the Chairman of the Management Board and € 2,000,000 for ordinary members of the Management Board. Should the maximum remuneration for a financial year be exceeded, the disbursement amount of performance-related variable remuneration for the financial year in question will be reduced accordingly.

The actual remuneration granted or promised can exceed the defined maximum remuneration in the first twelve months after a new Management Board member takes up his or her position, provided that this is permissible under supervisory law and that the Supervisory Board has entered – in individual cases and for the purposes of attracting new Management Board members – into agreements to compensate new Management Board members for remuneration entitlements they have forfeited under a previous employment relationship and/or has agreed on sign-on bonuses and/or an appropriate amount of guaranteed variable remuneration with the new Management Board member.

Since the fifth and last (share-based) deferral portion of the variable remuneration for the 2021 financial year does not fall due before 2028, a final review whether the maximum remuneration has been complied with has to wait until a subsequent financial year.

Irrespective of the defined maximum remuneration, the disbursement amounts for performance-related variable remuneration are also capped at 150% of the individually agreed calculatory reference value in any given calendar year.

Pursuant to section 25a (5) sentence 2 of the KWG, the variable remuneration must not exceed 100% of the fixed remuneration unless the threshold is increased by way of a resolution passed by the Annual General Meeting. Neither the Management Board nor the Supervisory Board intend to submit such a proposal to the Annual General Meeting. Pursuant to section 5 (5) sentence 3 of the InstVergV, guaranteed variable remuneration (including sign-on bonuses) can be disregarded when calculating the ratio of variable to fixed annual remuneration pursuant to section 25a (5) sentence 2 of the KWG if this remuneration was promised before the individual took up his or her position.

OTHER RULES

A claim to severance payments was neither agreed upon in the service contracts of the Management Board members nor elsewhere. Specifically, the service contracts entered into with the Management Board members do not contain any clauses for severance payments upon a change of control. Nor have compensation agreements, as defined in section 315a (1) no. 9 of the HGB, which provide for compensation in the event of a takeover bid, been entered into with Management Board members or employees. However, it has been agreed that if Management Board activities are terminated prematurely without good cause, a cap of two years' remuneration will apply to any severance payment agreed for Management Board members in such cases. The two years' remuneration represents twice the sum of the basic annual remuneration for the previous calendar year and the share of the calculatory variable remuneration attributable to the previous calendar year relating exclusively to the institution's performance. In this context, the Supervisory Board is entitled to determine a higher or lower amount for the share of the calculatory variable remuneration attributable to a given calendar year, if there is sufficient evidence that the institution's performance during the current calendar year will be higher or lower than its performance in the preceding calendar year. Furthermore, the severance payment would be limited to the extent that it must not exceed the remuneration due for the remaining term of the employment relationship.

To the best of our knowledge, no member of the Management Board received payments from or benefits committed upon by third parties, by reference to the office held as member of the Management Board during the year under review.

Conclusion of service contracts

Marcus Schulte was re-appointed as member of the Management Board for a further five years, with effect from 1 January 2022 until 31 December 2026. A corresponding service contract was concluded.

Andreas Arndt was re-appointed as member and Chairman of the Management Board for two years, with effect from 15 April 2022 until 14 April 2024. A corresponding service contract was concluded.

Supervisory Board

The Annual General Meeting of a listed company is required to pass a resolution on the remuneration of the Supervisory Board members at least every four years. Accordingly, the 2021 ordinary Annual General Meeting adopted such a resolution on the remuneration of the Supervisory Board members, which also included an amendment to article 11 of the Company's Memorandum and Articles of Association. The remuneration system for Supervisory Board members and the proposed new version of article 11 of the Memorandum and Articles of Association were passed by a majority of 99.82% of the valid votes cast. The new version of article 11 of the Company's Memorandum and Articles of Association shall have retrospective effect from 1 January 2021.

In accordance with article 11 (1) of the Memorandum and Articles of Association, the members of the Supervisory Board receive a basic annual remuneration of € 35,000. Deviating from this, the Chairman receives a basic annual remuneration of € 80,000 and the Deputy Chairman a basic annual remuneration of € 50,000. The basic remuneration is increased by € 10,000 p.a. for any Supervisory Board committee member, and by twice this amount for chairmanship of a Supervisory Board committee. The annual remuneration for membership in a Supervisory Board committee with highly time-consuming tasks, i.e. the Audit and Digitalisation Committee and the Risk Management and Liquidity Strategy Committee, amounts to € 15,000 for ordinary members, and to € 30,000 for each of the committee chairs. Remuneration entitlements accrue on a pro rata basis for the period of the appointment in each case.

In addition, members of the Supervisory Board receive a € 500 attendance fee for each meeting of the Supervisory Board (or Supervisory Board committee) they attend.

The members of the Supervisory Board receive their remuneration and attendance fees plus statutory value-added tax. Furthermore, members of the Supervisory Board are reimbursed for their reasonable expenses.

pbb may take out a Directors & Officers (D&O) liability insurance policy in favour of members of the Supervisory Board, with a maximum annual aggregate cover of € 200 million, which covers statutory third-party liability claims which may arise from Supervisory Board work (including work on Supervisory Board committees), as well as any statutory third-party liability claims arising from Supervisory Board members' work on corporate bodies and committees of the institution's subordinated associates.

pbb has entered into a liability insurance policy with an aggregate cover of € 175 million, which covers all Supervisory Board members, all Management Board members, as well as certain specific other employees of pbb Group. The Management Board and the Supervisory Board are convinced that, given its risk profile, the aggregate cover is adequate. pbb shall bear the costs of this insurance.

Remuneration granted and owed to current and retired members of the Supervisory Board on the 2021 and 2020 financial year¹⁾

€'000 ²⁾	2021							2020	
	Basic remuneration and remuneration for committee activity	% of total remuneration	Attendance fees	% of total remuneration	Sub-total	VAT (19%)	% of total remuneration	Total	Total
Dr Günther Bräunig ³⁾	140	91%	14	9%	154	-	-	154	171
Dr Jutta Dönges (until 24 March 2021)	15	72%	3	14%	18	3	14%	21	86
Dr Thomas Duhnkrack	51	73%	8	11%	59	11	16%	70	66
Dr Christian Gebauer-Rochholz ⁴⁾ (until 12 May 2021)	13	72%	2	11%	15	3	17%	18	45
Dagmar Kollmann ⁵⁾ (until 31 October 2021)	96	89%	12	11%	108	-	-	108	130
Susanne Klöß-Braekler (since 12 May 2021)	35	72%	6	12%	41	8	16%	49	-
Georg Kordick ⁴⁾	35	73%	5	10%	40	8	17%	48	45
Olaf Neumann ⁴⁾ (since 12 May 2021)	22	73%	3	10%	25	5	17%	30	-
Joachim Plesser (until 12 May 2021)	31	68%	7	16%	38	7	16%	45	112
Oliver Puhl	50	74%	7	10%	57	11	16%	68	65
Hanns-Peter Storr ³⁾ (since 12 May 2021)	66	93%	5	7%	71	-	-	71	-
Heike Theißing ⁴⁾	45	73%	7	11%	52	10	16%	62	59
Total	599	-	79	-	678	66	-	744	778

¹⁾ The cost of the D&O insurance policy taken out in favour of members of the Supervisory Board is not shown separately in this table, as pbb has entered into a group insurance policy. In addition to the Supervisory Board members, this also covers the members of the Management Board and certain other employees of pbb Group. The total cost of this D&O insurance amounts to approximately € 1.34 million p.a. plus insurance tax. Remuneration received by the employee representatives on the Supervisory Board are not shown here either, as this is included in the employment contracts agreed with them.

²⁾ Minor differences may occur regarding the figures added, due to rounding. Deviations therefore arise from the Note "Related party disclosures" in pbb Group's 2021 annual report.

³⁾ No statutory value-added tax must be shown for the remuneration for 2021.

⁴⁾ Employee representative

⁵⁾ No statutory value-added tax applies due to the domicile abroad. pbb pays the Supervisory Board tax on behalf of the Supervisory Board member.

Comparison of earnings development and the annual change in remuneration

Pursuant to section 162 (1) sentence 2 no. 2 of the AktG, the follows table shows pbb Group's earnings development, the annual change in the remuneration paid to members of the Management Board and the Supervisory Board, as well as the annual change in the average remuneration paid to employees on a full-time equivalent basis over the last five financial years.

Earnings development is shown on the basis of pbb Group's profit before tax and operating income. Remuneration granted and owed within the meaning of section 162 (1) sentence 1 of the AktG to members of the Management Board and the Supervisory Board is shown in the respective year. The average remuneration paid to employees is shown on the basis of pbb Group's workforce (employees, excluding interns, temporary staff and working students). The workforce in the 2021 financial year comprised on average 777 employees (on a full-time equivalent basis). The average remuneration paid to employees comprises personnel expenses for wages and salaries, for ancillary benefits, for employer contributions to social insurance and for any variable remuneration component granted for the financial year, regardless of their due date. Earnings development and employee remuneration therefore each relate economically to one financial year.

Minor differences may occur regarding the figures added, due to rounding.

Results of operations

€ mn	2017	2018	Change in %	2019	Change in %	2020	Change in %	2021	Change in %
Profit before tax	204	215	5%	216	0%	151	-30%	242	60%
Operating income	453	471	4%	506	7%	526	4%	591	12%

Average remuneration paid to employees¹⁾

€ 000's	2017	2018	Change in %	2019	Change in %	2020	Change in %	2021	Change in %
pbb Group workforce	139	138	-1%	146	6%	140	-4%	147	5%

¹⁾ Remuneration includes (positive and negative) inflows from multi-year variable remuneration, which are based on the development of the share-based remuneration.

Remuneration of current members of the Management Board

€ 000's		2017	2018	Change in %	2019	Change in %	2020 ²⁾	Change in %	2021	Change in %
Andreas Arndt (since Apr 2014)	Remuneration	768	813	6%	795	-2%	859	8%	851	-1%
	Previous years' share-based inflow	-	(+22) ¹⁾	-	(-14) ¹⁾	-	(+36) ¹⁾	-	(-36) ¹⁾	-
Thomas Köntgen (since Oct 2014)	Remuneration	775	769	-1%	761	-1%	774	2%	768	-1%
	Previous years' share-based inflow	-	(+22) ¹⁾	-	(-14) ¹⁾	-	(+32) ¹⁾	-	(-32) ¹⁾	-
Andreas Schenk (since Mar 2014)	Remuneration	759	759	0%	751	-1%	765	2%	757	-1%
	Previous years' share-based inflow	-	(+22) ¹⁾	-	(-13) ¹⁾	-	(+32) ¹⁾	-	(-32) ¹⁾	-
Marcus Schulte (since Jan 2019)	Remuneration	-	-	-	763	-	781	2%	766	-2%
	Previous years' share-based inflow	-	-	-	-	-	-	-	(-21) ¹⁾	-

¹⁾ Positive and negative inflows from multi-year variable remuneration, which are based on the development of the share-based remuneration.

²⁾ The calculatory reference value for 2020 for the Chairman of the Management Board was increased from € 240,000 to € 315,000 and the calculatory reference values for the ordinary Management Board members from € 200,000 to € 240,000.

Due to his resignation from the Management Board as at 30 April 2017, the pro rata remuneration for Dr Bernhard Scholz for 2017 amounted to € 255 thousand. Due to the share-based development of the multi-year variable remuneration, Dr Scholz received € 22 thousand in 2018 and € 8 thousand in 2020. Due to the share-based development of the multi-year variable remuneration, the amount received in 2019 and 2021 was € 4 thousand lower than the amount set at the beginning of the respective holding period.

Remuneration of current and former Supervisory Board members in €'000

	2017	2018	Change %	2019 ¹⁾	Change %	2020	Change %	2021	Change %
Dr Günther Bräunig	177	167	-6%	174	4%	171	-2%	154 ⁵⁾	-10%
Dr Jutta Dönges (until 24 March 2021)	-	36 ⁴⁾	-	87	59%	86	-1%	21 ⁵⁾	-76%
Dr Thomas Duhnkrack	53	54	2%	64	15%	66	3%	70	6%
Dr Christian Gebauer-Rochholz ²⁾ (until 12 May 2021)	39	39	0%	45	13%	45	0%	18 ⁵⁾	-60%
Dagmar Kollmann ³⁾ (until 31 Oct 2021)	97	101	4%	129	28%	130	1%	108 ⁵⁾	-17%
Susanne Klöß-Braekler (since 12 May 2021)	-	-	-	-	-	-	-	49 ⁴⁾	-
Georg Kordick ²⁾	39	39	0%	45	13%	45	0%	48	7%
Olaf Neumann ²⁾ (since 12 May 2021)	-	-	-	-	-	-	-	30 ⁴⁾	-
Joachim Plesser (until 12 May 2021)	96	95	-1%	113	16%	112	-1%	45 ⁵⁾	-60%
Oliver Puhl	53	53	0%	65	18%	65	0%	68	4%
Hanns-Peter Storr (since 12 May 2021)	-	-	-	-	-	-	-	71 ⁴⁾	-
Heike Theißing ²⁾	54	54	0%	60	10%	59	-2%	62	5%
Dr Hedda von Wedel (until 21 Jun 2018)	68	33 ⁵⁾	-51%	-	-	-	-	-	-

¹⁾ The remuneration of the Supervisory Board members was adjusted with effect from 1 January 2019.

²⁾ Employee representative

³⁾ No statutory value-added tax applies due to the domicile abroad. pbb pays the Supervisory Board tax on behalf of the Supervisory Board member.

⁴⁾ Remuneration in year of joining

⁵⁾ Remuneration in year of retirement

⁶⁾ Unlike in 2020, no statutory value-added tax must be shown for remuneration in 2021. Remuneration for 2021 is therefore lower than in 2020.

Employees

Remuneration Components

In the financial year 2021, total remuneration of senior staff and employees comprised the following elements:

- Non-performance-related (monetary) remuneration, including social insurance and fringe benefits
- Performance-related variable remuneration

Non-performance-related Remuneration

All employees receive an annual fixed salary, which is reviewed – and adjusted if necessary – as part of an annual standard process. pbb Group uses functional and country-specific market comparisons for the determination of fixed salaries. The appropriateness and competitiveness of fixed salaries, and compliance with regulatory requirements, is subject to review by independent external remuneration and legal advisors.

Taking various tax and social security aspects into account, pbb Group offers its employees social insurance and fringe benefits. pbb Group established a series of company pension schemes in order to provide retirement benefits to employees.

Performance-related Variable Remuneration

The key elements of the variable remuneration system are harmonised for Management Board members and employees. This applies to the following elements:

- examination of requirements for determining the total amount of variable remuneration;
- risk-adjusted performance measurement parameters at the level of the institution;
- maximum level of target achievement (150%);
- disbursement structure for risk takers; and
- determination of the variable remuneration component on the basis of an individual calculatory reference value.

Performance Measurement

Employee performance is also measured on three levels: institutional, organisational unit (division) and individual performance. Allocation of variable remuneration is based on the achievement of qualitative and quantitative targets at both divisional and individual level – to the extent possible, reference shall be made to pbb Group's business and risk strategy; target achievement shall be determined for every division and every employee.

Employee performance measurement is based on a pool system which links the three levels of performance measurement. For this purpose, pbb compiles the calculatory reference values of all employees into a bonus pool, the total amount of which is based on institutional performance. The bonus pool is subsequently allocated to the different divisions: 50% is allocated based on divisional performance, and 50% based on institutional performance. Divisional bonus pools are allocated to the employees of the respective division on the basis of their individual performance. The share in the relevant divisional pool is allocated to each respective employee in the form of an calculatory EPR value. In principle, the calculatory EPR value allocated may range between a minimum of 0% and a maximum of 150% of the relevant personal calculatory reference value.

Disbursement Structure

Regarding the disbursement structure, pbb distinguishes between employees who have a material influence on pbb Group's overall risk profile (so-called risk takers), and other employees (so-called non-risk takers). If an employee becomes a risk taker in the course of a year for a period of at least three months, the risk-taker regulations apply to his/her variable remuneration earned during the entire financial year.

For non-risk takers, the EPR value corresponds to the variable remuneration, which is usually granted in cash at the end of the first half of the year subsequent to the financial year for which the variable remuneration is granted.

The requirements to the disbursement of variable remuneration, pursuant to section 20 of the InstVergV, were implemented on a uniform basis for Management Board members and employees. This applies in particular to:

- the deferral portion (60% for Management Board members and second-level managers; 40% for all other risk takers);
- the deferral period (five years for Management Board members and second-level managers; three years for all other risk takers) and the rule governing the (pro rata) vesting of deferrals;
- the requirements for back-testing and malus tests as well as clawbacks; and
- the sustainability component.

Regarding risk takers who are employees, the Company implemented a threshold specific to the institution for annual variable remuneration, from which the deferral for risk takers is increased from 40% to 60% (employees with a particularly high level of variable remuneration, in accordance with section 20 (3) of the InstVergV). For employees in sales functions, the threshold was set at € 150,000. The threshold for non-sales employees was set at € 100,000, given their usually low variable remuneration. The threshold for pbb's employees in New York is higher than the threshold at other locations due to the overall higher local remuneration level in New York.

However, the separation of variable remuneration into a disbursement and a deferral portion does not apply if the EPR value established for an employee and a specific financial year is below the threshold value established for regulatory purposes. At present, this threshold value amounts to € 50,000 per person and year.

For 2021, pbb identified risk takers according to section 18 of the InstVergV, in line with the criteria laid out in Delegated Regulation (EU) 2021/923. These criteria refer in particular to:

- function of senior manager or other form of executive position;
- lending authorities;
- voting rights in important committees; and
- remuneration of the employee.

In total, besides the four members of the Management Board, a further 101 employees (2020: 106 risk takers, of which 93 employees) were identified as risk takers in 2021. The Management Board informed the Supervisory Board concerning the identified risk takers, while details of the internal risk analysis were documented.

Governance of the Remuneration System

pbb established a two-tier organisational and management structure in line with the AktG: it comprises the Supervisory Board as an independent supervisory body, and the Management Board, responsible for the management of the Bank. The Supervisory Board monitors, determines, and is responsible for the remuneration of the Management Board members, while the Management Board monitors, determines, and is responsible for the remuneration systems pertaining to senior staff and other employees of the pbb Group; in addition, the Management Board ratifies the amount and allocation of the remuneration granted. In accordance with section 111 (4) of the AktG, the Supervisory Board has introduced a requirement that the remuneration system for employees requires Supervisory Board approval.

In line with the regulatory requirements as set by the KWG and the InstVergV, pbb's remuneration governance comprises the Remuneration Committee established by the Supervisory Board, and the Remuneration Officer appointed by the Management Board.

The Remuneration Committee supports the Supervisory Board in ensuring that the remuneration systems for the members of the Management Board have an appropriate structure, and prepares Supervisory Board resolutions on the remuneration of Management Board members. This includes in particular the preparation of Supervisory Board resolutions regarding the determination of the total amount available for variable remuneration as well as the determination of appropriate remuneration parameters, performance contributions, performance and retention periods, the conditions for partial or full reduction, or clawback, of variable remuneration. In addition, the Remuneration Committee supports the Supervisory Board with a regular – at least annual – review considering the appropriateness of the regulations of the remuneration system established by the Supervisory Board.

Furthermore, the Remuneration Committee monitors the appropriate structure of the remuneration systems for employees, and in particular for the heads of Risk Controlling and Compliance, and for risk takers. In this context, the Remuneration Committee assesses the effects of the remuneration systems on the Group's risk, capital, and liquidity management.

In addition, the Remuneration Committee supports the Supervisory Board in monitoring the proper inclusion of internal control instances and any other relevant areas in the structuring of remuneration systems. As part of its duties, the Remuneration Committee assesses the impact of remuneration systems on the Bank's risk, capital and liquidity situation; it also ensures that remuneration systems are in line with (i) the Bank's business strategy (which is geared towards the Bank's sustainable development) and the risk strategies derived from such strategy, as well as (ii) the remuneration strategies at institutional and Group level.

The Remuneration Committee consists of the Supervisory Board's Chairman and Deputy Chairperson, as well as one shareholder and one employee representative. The Remuneration Committee convened four times during 2021.

pbb appointed a Remuneration Officer and a deputy in order to ensure appropriate, sustained and effective monitoring of employee remuneration. The Remuneration Officer is responsible for the constant monitoring of the appropriateness of pbb's remuneration systems for employees. Therefore, the Remuneration Officer is involved with the ongoing processes regarding remuneration systems, both in terms of the conceptual and further redevelopment of such systems, as well as with regard to their current implementation. An institutional reporting channel was established for the Remuneration Officer to report directly – i.e. excluding involvement of the Management Board – to the chair of the Remuneration Committee. At least once per year, the Remuneration Officer produces a remuneration report containing an assessment of the appropriateness of the remuneration systems for employees (section 24 of the InstVergV).

Munich/Germany, 21 March 2022

Deutsche Pfandbriefbank AG
The Management Board

Signed:
Andreas Arndt

CEO/CFO

Signed:
Andreas Schenk

CRO

Deutsche Pfandbriefbank AG
The Supervisory Board

Signed:
Dr. Günther Bräunig

Chairman

Report of the independent auditor on the audit of the remuneration report in accordance with Section 162 (3) AktG

To Deutsche Pfandbriefbank AG, Munich/Germany

Audit Opinion

We conducted a formal audit of the remuneration report of Deutsche Pfandbriefbank AG, Munich/Germany, for the financial year from 1 January to 31 December 2021, to assess whether the disclosures required under Section 162 (1) and (2) German Stock Corporation Act (AktG) have been made in the remuneration report. In accordance with Section 162 (3) AktG, we did not audit the content of the remuneration report.

In our opinion, the disclosures required under Section 162 (1) and (2) AktG have been made, in all material respects, in the accompanying remuneration report. Our audit opinion does not cover the content of the remuneration report.

Basis for the Audit Opinion

We conducted our audit of the remuneration report in accordance with Section 162 (3) AktG and in compliance with the *IDW Auditing Standard: Audit of the Remuneration Report pursuant to Section 162 (3) AktG (IDW AuS 870 (08.2021))*. Our responsibilities under those requirements and this standard are further described in the "Auditor's Responsibilities" section of our auditor's report. Our audit firm has applied the requirements of the *IDW Quality Assurance Standard: Quality Assurance Requirements in Audit Practices (IDW QS 1)*. We have fulfilled our professional responsibilities in accordance with the German Public Auditor Act (WPO) and the Professional Charter for German Public Auditors and German Sworn Auditors (BS WP/vBP) including the requirements on independence.

Responsibilities of the Executive Board and the Supervisory Board

The executive board and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of Section 162 AktG. In addition, they are responsible for such internal control as they consider necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the disclosures required under Section 162 (1) and (2) AktG have been made in the remuneration report, in all material respects, and to express an audit opinion thereon as part of an auditor's report.

We planned and conducted our audit so as to be able to determine whether the remuneration report is formally complete by comparing the disclosures made in the remuneration report with the disclosures required under Section 162 (1) and (2) AktG. In accordance with Section 162 (3) AktG, we did neither audit whether the contents of these disclosures are correct, nor whether the contents of individual disclosures are complete, nor whether the remuneration report has been reasonably presented.

Handling of possible misrepresentations

In connection with our audit, our responsibility is to read the remuneration report taking into account our knowledge obtained in the financial statement audit while remaining attentive to any signs of misrepresentations in the remuneration report regarding the correctness of the disclosures' contents, the completeness of individual disclosures' contents or the reasonable presentation of the remuneration report.

If, based on the work we have performed, we conclude that there is such a misrepresentation, we are required to report that fact. We have nothing to report in this regard.

Munich/Germany, 21 March 2022

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:
Prof. Dr. Carl-Friedrich Leuschner

Wirtschaftsprüfer
(German Public Auditor)

Signed:
Martin Kopatschek

Wirtschaftsprüfer
(German Public Auditor)

Annex III**Remuneration System for the Supervisory Board****1. Statutory regulations on remuneration**

Section 11 of the Company's Articles of Association reads as follows, taking into account the amendments proposed under Agenda item 8:

“Section 11: Remuneration for the Supervisory Board

(1) *The members of the Supervisory Board receive a fixed compensation payable after the end of each financial year. The annual remuneration amounts to EUR 40,000.00 for the individual member, EUR 85,000.00 for the chairman of the Supervisory Board and EUR 55,000.00 for the deputy chairman.*

For membership in the Supervisory Board's executive and nomination committee, the individual member receives an additional remuneration of EUR 13,500.00 per year and the respective chairperson of the committee receives an additional compensation of EUR 23,500.00 per year.

For membership in the Supervisory Board's audit and digitalization committee, the individual member receives an additional remuneration of EUR 18,500.00 per year and the respective chairperson of the committee receives an additional compensation of EUR 33,500.00 per year.

For membership in the Supervisory Board's risk management and liquidity strategy committee, the individual member receives an additional remuneration of EUR 17,500.00 per year and the respective chairperson of the committee receives an additional compensation of EUR 32,500.00 per year.

For membership in other committees of the Supervisory Board, the individual member receives an additional remuneration of EUR 12,500.00 per committee membership per year and the respective chairperson of the committee receives an additional compensation of EUR 22,500.00 per committee chair per year.

The members of the Supervisory Board receive their compensation plus statutory sales tax, if any. Furthermore, the members of the Supervisory Board receive compensation for their reasonable out-of-pocket expenses.

Supervisory Board members who only belong to the Supervisory Board and/or a Supervisory Board committee for part of the financial year receive a pro rata remuneration. In this case, the annual fee will be calculated on a daily basis, including the day on which the mandate begins or ends.

The regulation according to this paragraph 1, which was revised by resolution of the Annual General Meeting on 19 May 2022, applies for the first time to the remuneration to be paid for the 2022 financial year.

(2) *The Company may take out a liability insurance in favour of the members of the Supervisory Board up to an amount covered of EUR 200 million of annual aggregate liability which shall cover the legal liability arising from their activity for the Supervisory Board (including activity in committees of the Supervisory Board) and, if applicable, legal liability for executive functions of the Supervisory Board members in subordinate affiliates. The costs of this insurance shall be borne by the Company.”*

2. Explanation of the underlying remuneration system including information pursuant to sections 113 (3) sentence 3, 87a (1) sentence 2 AktG

The remuneration system for the members of the Supervisory Board on which the provision of the Articles of Association is based is detailed as follows (information in accordance with section 113 (3) sentence 3 in conjunction with section 87a (1) sentence 2 AktG):

a) Basics

The remuneration system for the members of the Supervisory Board provides for pure fixed remuneration. In addition to the basic remuneration, depending on the tasks assumed, there may be a fee for committee work. In addition, reimbursement of expenses is granted. Performance-based or share-based remuneration components are not provided. However, the remuneration system has so far provided for attendance fees, which, in the opinion of the tax authorities, could lead to a VAT liability for the remuneration granted to a member of the Supervisory Board. Attendance fees are therefore no longer granted.

Granting pure fixed remuneration corresponds to the prevailing practice in other listed companies and has proven itself. The Management Board and the Supervisory Board are of the opinion that a pure fixed remuneration of the Supervisory Board members is best suited to strengthen the independence of the Supervisory Board, to take into account the advisory and monitoring function of the Supervisory Board, which has to be fulfilled independently of the Company's success, and to avoid potential false incentives. A pure fixed remuneration of the members of the Supervisory Board is also provided for in the suggestion G.18 sentence 1 of the German Corporate Governance Code (Deutscher Corporate Governance Kodex, DCGK).

b) Compensation components in accordance with section 11 of the Articles of Association

The annual remuneration for the individual member is EUR 40,000.00, for the chairman of the Supervisory Board EUR 85,000.00 and for his deputy EUR 55,000.00.

In accordance with recommendation G.17 DCGK, the time required for certain additional tasks is adequately taken into account. For membership in Committees, the following additional annual remuneration per Committee membership or chairmanship is therefore granted, the amount of which is based on the experience of necessary preparation time and workload for the respective committee work:

- for membership in the Executive and Nomination Committee of the Supervisory Board EUR 13,500.00 and for the chairmanship EUR 23,500.00;
- for membership in the Audit and Digitalization Committee of the Supervisory Board EUR 18,500.00 and for the chairmanship EUR 33,500.00;
- for membership in the Risk Management and Liquidity Strategy Committee of the Supervisory Board EUR 17,500.00 and for the chairmanship EUR 32,500.00;
- for membership in other Committees of the Supervisory Board EUR 12,500.00 and for the respective chairmanship EUR 22,500.00.

The upper limit of the remuneration results for the respective Supervisory Board member from the total of the fixed remuneration and the individual tasks assumed in the Supervisory Board or its Committees.

c) Reimbursement of expenses, value added tax, D&O insurance

Expenses incurred by members of the Supervisory Board in the exercise of their office will be reimbursed by the Company to an appropriate extent. Furthermore, the Company may enter into a liability

insurance in favor of the members of the Supervisory Board with a total insurance coverage amount of up to EUR 200 million p.a., which covers the statutory liability arising from Supervisory Board activities (including activities in Committees of the Supervisory Board) as well as, if applicable, the statutory liability for board functions of the Supervisory Board members in subordinated affiliated companies. The Company bears the costs of this insurance. The members of the Supervisory Board receive their remuneration and their attendance fees plus statutory value added tax, if any. The Company assumes that no value added tax will be incurred under the revised Supervisory Board remuneration.

d) Further remuneration-related regulations

The remuneration is paid out after the end of the financial year. The granting of remuneration is based on the duration of the appointment of the members of the Supervisory Board. Members of the Supervisory Board who belong to the Supervisory Board and/or a Committee of the Supervisory Board for only part of the financial year receive pro-rata remuneration. In this case, the annual remuneration is calculated to the exact day, including the day on which the mandate begins or ends.

There are no compensation-related agreements between the Company and the members of the Supervisory Board that go beyond the provisions of the Articles of Association. A shareholding obligation for members of the Supervisory Board is not provided. Compensation agreements for taking office, dismissal payments, and retirement and early retirement arrangements are also not provided.

3. Procedure for establishing and implementing as well as reviewing the remuneration system and dealing with conflicts of interest

The Annual General Meeting resolves at least every four years on the remuneration of the members of the Supervisory Board and the remuneration system for the Supervisory Board. The corresponding resolution can also confirm the applicable remuneration. If the Annual General Meeting does not approve the proposed remuneration system, a revised remuneration system must be submitted at the latest at the following Annual General Meeting. The resolution and the remuneration system must be published immediately on the Company's website and must be kept publicly available free of charge for the duration of applicability of the remuneration system, but at least for ten years.

At regular intervals, but at least every four years, the Management Board and the Supervisory Board review whether the amount and structure of the remuneration are still in reasonable proportion to the tasks of the Supervisory Board and the situation of the Company. A comparison can be made with the remuneration regulations of comparable companies in order to ensure that the remuneration on the Company's Supervisory Board is in line with the market. Due to the specifics of the work of the Supervisory Board, a comparison with the remuneration of employees of the Company is not meaningful from the point of view of the Management Board and the Supervisory Board and is therefore generally not used. The Supervisory Board can, if necessary, seek advice from an external remuneration expert on this activity.

The statutory competency code counteracts any conflicts of interest when examining the remuneration system. The ultimate decision-making authority on the remuneration of the Supervisory Board is assigned to the Annual General Meeting. A resolution proposal is submitted to the Annual General Meeting by both the Management Board and the Supervisory Board, so that a system of mutual control is already provided for in the statutory regulations. In addition, the general rules for conflicts of interest in the Supervisory Board apply, according to which such conflicts must in particular be disclosed and dealt with appropriately. If advice is sought from an external compensation expert, their independence shall be ensured.