



**DEUTSCHE
PFANDBRIEFBANK**

Invitation to the Annual General Shareholders' Meeting

Convenience translation

Please note that only the German language version of the invitation to the 2024 Annual General Shareholders' Meeting of Deutsche Pfandbriefbank AG, as published in the German Federal Gazette (*Bundesanzeiger*), is binding.

Deutsche Pfandbriefbank AG
Registered office: Munich
ISIN DE0008019001

Overview of the Agenda

Item 1	Presentation of the adopted annual financial statements and the approved consolidated financial statements as well as the combined management report of Deutsche Pfandbriefbank AG and of the Deutsche Pfandbriefbank Group for the 2023 financial year as well as the report of the Supervisory Board for the 2023 financial year	p. 3
Item 2	Discharge of the members of the Management Board	p. 3
Item 3	Discharge of the members of the Supervisory Board	p. 4
Item 4	Election to the Supervisory Board	p. 4
Item 5	Appointment of the auditor for the annual financial statements and the consolidated financial statements, and the auditor for any review of interim financial information	p. 4
Item 6	Approval of the remuneration report	p. 6
Item 7	Amendment of the Articles of Association with regard to the German Act on Financing the Future (<i>Zukunftsfinanzierungsgesetz</i>)	p. 6
Item 8	Amendment of the Articles of Association with regard to the place of venue for virtual General Shareholders' Meetings	p. 6
Item 9	Approval of the Profit- and Loss-Transfer and Domination Agreement between the Company and pbb Beteiligungs GmbH	p. 6

We hereby invite our shareholders to attend the Annual General Shareholders' Meeting of Deutsche Pfandbriefbank AG (the "**Company**") which will be held on Wednesday, 5 June 2024, at 10:00 hours (CEST) as a virtual General Shareholders' Meeting without any physical presence of shareholders or their authorized representatives.

For properly registered shareholders, the Annual General Shareholders' Meeting will be broadcast in a live video and audio stream on the Internet. The shareholders will exercise their voting rights exclusively by postal vote or by issuing powers of attorney to the Company-appointed proxies (*Stimmrechtsvertreter*).

The venue of the Annual General Shareholders' Meeting within the meaning of the German Stock Corporation Act (*Aktiengesetz*, "**AktG**") is Eisbach Studios, Grasbrunner Straße 20, 81677 Munich, Germany.

All members of the Management Board and the Supervisory Board intend to attend the entire Annual General Shareholders' Meeting.

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 2023 financial year as well as the report of the Supervisory Board for the 2023 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/.

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

The annual financial statement of Deutsche Pfandbriefbank AG as of 31 December 2023, prepared in accordance with the provisions of the HGB, do not show any profit. Therefore, the Agenda for this year's Annual General Shareholders' Meeting does not contain any item that would require the Annual General Shareholders' Meeting to pass a resolution on the appropriation of profits.

2. Discharge of the members of the Management Board

The Management Board and the Supervisory Board propose that discharge be granted, for the 2023 financial year, for the members of the Management Board who were in office during that period.

3. Discharge of the members of the Supervisory Board

The Management Board and the Supervisory Board propose that discharge be granted, for the 2023 financial year, for the members of the Supervisory Board who were in office during that period.

4. 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 Article 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. Dr. Thomas Duhnkrack has resigned his mandate as a member of the Supervisory Board elected by the shareholders with effect from 15 November 2023. At the joint request of the Management Board and the Supervisory Board of the Company, Mr. Karim Bohn was court-appointed as a member of the Supervisory Board by resolution of 30 November 2023. His mandate will expire at the end of the 2024 Annual General Shareholders' Meeting. Therefore, one member of the Supervisory Board is to be elected by the Annual General Shareholders' Meeting.

The Supervisory Board proposes to elect

Mr. Karim Bohn, managing director, Augsburg, Germany,

as shareholder representative to the Supervisory Board. The appointment is made for a term of office until the end of the Annual General Shareholders' 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 (including the target (minimum) quota for the underrepresented sex in each case) as well as the individual requirement profile for members of the Supervisory Board specified by the Supervisory Board in the internal Suitability Policy and the competence profile for the full board. Furthermore, the nomination takes into account recommendations C.1 to C.12 of the German Corporate Governance Code as well as the legal and regulatory requirements, e.g. with regard to the required expertise, reliability, avoidance of conflicts of interest and the maximum number of mandates.

Karim Bohn meets the requirement profile defined by the Supervisory Board to a high degree given his many years of work in investment banking, at private equity firms and particularly given his work as CFO of several real estate companies such as GAGFAH, Süddeutsche Wohnen and Patrizia AG. With this, he perfectly complements the Supervisory Board, the Audit and Digitalization Committee and the Risk Management and Liquidity Strategy Committee. His main job is as CFO of Canyon Bicycles GmbH.

Candidate	Membership in other statutory Supervisory Boards	Membership in comparable domestic and foreign supervisory bodies of commercial enterprises
Karim Bohn	n/a	n/a

The 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, the competency profile for the Supervisory Board and the declaration on corporate governance including a competency matrix 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 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 Karim Bohn, who is proposed for election by the Supervisory Board and has been a member of the Company's Supervisory Board since 30 November 2023 by court appointment.

According to the Supervisory Board's assessment, Karim Bohn 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 the qualification matrix as set out in recommendation C.1 of the German Corporate Governance Code and the 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 2023. It can be found on the Company's website at www.pfandbriefbank.com/investoren/finanzberichte.html.

5. Appointment of the auditor for the annual financial statements and the consolidated financial statements, and the auditor for any review of interim financial information

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

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, shall be appointed as auditor for the annual financial statements (HGB) and group auditor (IFRS) for the financial year 2024 and as the auditor for the review of any interim condensed financial statements and any interim management reports for the Group for the financial year 2024, if and insofar as they are subject to an audit review.

The recommendation made by the Audit and Digitalization 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.

6. 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.

7. Amendment of the Articles of Association with regard to the German Act on Financing the Future (*Zukunftsfinanzierungsgesetz*)

Pursuant to the Future Financing Act dated 11 December 2023 (Federal Gazette (*Bundesgesetzblatt*) BGBl. I 2023, No. 354 as of 14 December 2023), the determination of the date for proof of share ownership in connection with the registration for General Shareholders' Meetings for bearer shares of listed companies was adjusted. According to section 123 (4) sentence 2 AktG, proof of share ownership no longer refers to the "beginning of the 21st day" before the meeting, but rather to the "close of business on the 22nd day" before the meeting. This does not result in a change in content. The current provision of the Articles of Association (Article 14 (5) Sentence 3 of the Company's Articles of Association) still uses the deadline provision of the previous legal regulation. This should be adapted to the new wording of the law.

The Management Board and the Supervisory Board therefore propose that Article 14 (5) Sentence 3 of the Company's Articles of Association be amended as follows:

"Proof of shareholding must be provided by the last intermediary in text form in German or English; the proof must refer to the close of business on the 22nd day before the Annual General Shareholders' Meeting."

8. Amendment of the Articles of Association with regard to the place of venue for virtual General Shareholders' Meetings

According to Article 14 (1) of the Company's Articles of Association, General Shareholders' Meetings take place at the Company's headquarters (i.e., in Munich) or in another German city which has a stock exchange, or in a German city with more than 100,000 inhabitants. This regulation has proven successful for physical General Shareholders' Meetings, as it enables the choice of a suitable meeting location with appropriate venues for a large number of shareholders present. At the same time, it ensures that shareholders are not only able to travel by public transport, but also have a sufficient range of accommodation available at the location of the General Shareholders' Meeting.

In the case of purely virtual General Shareholders' Meetings, however, there is no need to limit the meeting locations to those currently provided for in the Articles of Association. Rather, the focus here should be solely on the practicality of holding the General Shareholders' Meeting.

The Management Board and the Supervisory Board therefore propose to supplement Article 14 (1) of the Articles of Association with the following sentence 2:

"In the case of a purely virtual General Shareholders' Meeting, this can take place at any location in the Federal Republic of Germany."

9. Approval of the Profit- and Loss-Transfer and Domination Agreement between the Company and pbb Beteiligungs GmbH

The Company (as the controlling company) intends to enter into a profit- and loss-transfer and domination agreement ("**Contract**") with pbb Beteiligungs GmbH, Munich (as a controlled company).

The Contract shall have the following content:

“Profit and Loss Transfer and Domination Agreement

Between

Deutsche Pfandbriefbank AG

with its registered seat in Munich
(business address: Parkring 28, 85748 Garching)

- “Parent” -

and

pbb Beteiligungs GmbH

with its registered seat in Munich
(business address: Parkring 28, 85748 Garching)

- “Subsidiary” -

the following profit and loss transfer and domination agreement is concluded:

**§ 1
Preamble**

The Parent directly holds all of the shares in the Subsidiary since the foundation of the Subsidiary in March 2024. The Subsidiary will remain a legally independent entity.

**§ 2
Power of Control**

1. The Subsidiary shall submit itself to the control of the Parent
2. The Parent shall issue organizational, economical, technical, financial and personal instructions to the management of the Subsidiary (to the extent it appears necessary) by its representative bodies or other authorized persons of the Parent. The instructions shall be given in a general manner or on a case-by-case basis and must be writing. If they are given orally, they shall be confirmed in writing without undue delay. Notwithstanding the instruction right, the management and representatives of the Subsidiary shall remain responsible for the management of the Subsidiary.
3. The Subsidiary shall be obliged to follow the Parent's instructions by all accounts, unless and to the extent they do not comply with mandatory supervisory, corporate, commercial or accounting law. The amendment, maintenance or termination of this agreement shall not be subject to the instruction right.
4. The Parent shall continuously be informed of all material matters regarding the Subsidiary and the business development. In addition to the Parent's shareholder rights, the Subsidiary shall be obliged to provide and make available to the representative bodies of the Parent and their representatives all books, records and information of the Subsidiary.

§ 3

Profit Transfer

1. *The Subsidiary is obliged to transfer its entire profit. Subject to the formation or liquidation of reserves in accordance with paragraph 2 or paragraph 3, the maximum amount of profit transfer resulting from the corresponding application of all provisions of Section 301 of the German Stock Corporation Act (Aktiengesetz, "AktG"), as amended from time to time, is to be transferred.*
2. *With the consent of the Parent, the Subsidiary may allocate parts of the annual net income to the earnings reserves (Section 272 (3) of the German Commercial Code, "HGB") to the extent this is permitted by commercial law and economically justified by sound commercial judgment.*
3. *Other earning reserves within the meaning of Section 272 (3) HGB created during the term of the agreement shall be dissolved upon the request of the Parent, to the extent legally permissible, and transferred as profit. Other reserves or profits carried forward resulting from a time prior to the term of this agreement may not be transferred as profit.*
4. *The claim for the profit transfer arises upon expiry of the respective financial year of the Subsidiary and becomes due at this point in time.*

§ 4

Loss Compensation

1. *The provisions of Section 302 AktG, as amended from time to time, apply accordingly to the loss compensation.*
2. *The claim for the loss compensation arises upon expiry of the respective financial year of the Subsidiary and becomes due at this point in time.*

§ 5

Annual Financial Statements of the Subsidiary

In order to conduct the profit transfer or loss compensation, the Subsidiary shall jointly prepare the annual financial statements, prior to their adoption, with the Parent and conduct the profit or loss accounting in a manner which can already be reflected in the annual financial statements.

§ 6

Term of Contract

1. *Except for § 2 of this agreement, the agreement will apply for the first time with retroactive effect as from the beginning of the financial fiscal year of the Subsidiary in which the agreement will be registered with the commercial register of the Subsidiary. In order to meet the time requirements of Section 14 (1) sentence 1 no. 3 sentence 1 of the German Act on Corporate Income Taxes (Körperschaftsteuergesetz, "KStG"), the agreement can be terminated for the first time at the end of five years after the start of the financial year of the Subsidiary for which the agreement applies for the time pursuant to sentence 1. A notice period of three months must be observed for termination, provided that the financial year of the Subsidiary ends on this day; otherwise, termination is permissible for the first time at the end of the then-current financial year of the Subsidiary, subject to the same notice period. If the agreement is not terminated in writing, it shall be renewed until the end of the respective next financial year of the Subsidiary which is current at that day.*

2. *The right to terminate the agreement for good cause without notice remains unaffected. A good cause is particularly present if the financial integration of the Subsidiary into the Parent is not continued, which would be required for the recognition of the tax group for tax purposes, by means of:*
 - a) *the disposal of the shares in the Subsidiary by way of sale or contribution;*
 - b) *the first-time participation in the Subsidiary by outside third parties who are not affiliated with the Parent within the meaning of Sections 15 et. seqq. AktG;*
 - c) *the merger, demerger or dissolution of the Parent or Subsidiary;*
 - d) *the transformation of the Subsidiary into a partnership; or*
 - e) *the liquidation of the Subsidiary or the Parent.*

§ 7

Effectiveness

This agreement will only become effective with the consent of the shareholders' meeting of the Parent and the Subsidiary as well as the registration with the commercial register of the Subsidiary.

§ 8

Final Provisions

1. *Should any single provisions of this contract be or become invalid, the validity of the remaining provisions will not be affected. In such a case, the parties are obliged to replace the invalid provision by a provision that comes closest to the purpose of the invalid provision. The same applies in the event of a gap in the agreement.*
2. *The provisions of this agreement shall be construed in a manner that they comply with the requirements of the recognition of a tax group within the meaning of Sections 14, 17 KStG and Section 2 (2) sentence 2 of the German Trade Tax Act (Gewerbesteuergezet).*
3. *The Subsidiary bears the costs of the notarization of the resolution by which of the shareholders' meeting of the Subsidiary consents to this agreement and the costs of registration with the commercial register."*

The Company currently is, and will be at the time of signing the contract, the sole shareholder of pbb Beteiligungs GmbH. The same will, thus, hold true at the time of the Annual General Shareholders' Meeting on June 5, 2024. For this reason, the Company must not grant any compensation payments or severance payments to outside shareholders of pbb Beteiligungs GmbH.

The agreement becomes effective only with the approval of the Annual General Meeting of the Company and the approval of the shareholders' meeting of pbb Beteiligungs GmbH, and only when its existence has been entered in the commercial register of the registered office of pbb Beteiligungs GmbH. The shareholders' meeting of pbb Beteiligungs GmbH has not yet agreed to the Contract. The Company in its capacity as sole shareholder of pbb Beteiligungs GmbH plans to approve pbb Beteiligungs GmbH's entering into the Contract immediately following the approval by the Annual General Shareholders' Meeting of the Company.

The Management Board of the Company and the managing directors of the controlled company have submitted a joint report in accordance with Section 293a AktG, in which the conclusion of the Profit- and Loss-Transfer and Domination Agreement was explained and substantiated. Since all of the shares in the controlled company are in the hands of the Company, an audit by a contract auditor in accordance with Section 293b (1) 2nd half sentence AktG is not necessary.

The Management Board and the Supervisory Board propose that the Profit- and Loss-Transfer and Domination Agreement to be entered into between the Company and pbb Beteiligungs GmbH be approved.

Note on agenda item 9:

The following documents are accessible on the Company's website (www.pfandbriefbank.com/investoren/hauptversammlung/) and will be available for inspection during the Annual General Meeting:

- the draft version of the Profit- and Loss-Transfer and Domination Agreement with pbb Beteiligungs GmbH,
- the annual financial statements and consolidated financial statements of the Company for the 2021, 2022 and 2023 financial years, as well as the management reports of the Company and the group management reports for the financial years 2021, 2022 and 2023, and
- the joint report of the Management Board of the Company and the Management Board of pbb Beteiligungs GmbH pursuant to section 293a of the AktG.

As pbb Beteiligungs GmbH has only been incorporated in 2024, financial statements of pbb Beteiligungs GmbH for the financial years 2021, 2022 and 2023 are not available.

II. Additional information

1. Conducting the Annual General Shareholders' Meeting as a virtual general shareholders' meeting

On the basis of section 118a AktG in conjunction with Article 14 (11) of the Company's Articles of Association, the Management Board has resolved to hold the Annual General Shareholders' Meeting as a virtual general shareholders' meeting without the shareholders or their authorized representatives being physically present ("**virtual General Shareholders' Meeting**"). It is therefore not possible for shareholders or their authorized representatives to physically attend the Meeting (except for the proxies appointed by the Company).

Holding the Annual General Shareholders' Meeting as a virtual general shareholders' meeting entails some modifications in the procedure of the Meeting as well as the exercise of shareholder rights compared to an in-person general shareholders' meeting. We therefore ask for particular attention to be paid to the information below, especially with regard to the option of tuning in to the Annual General Shareholders' Meeting by video and audio and on exercising voting rights, the right to file motions, the right to submit comments, the right to speak, the right to information and the right to lodge objections.

The Company has set up an online service for the Annual General Shareholders' Meeting ("**AGM Portal**"). Properly registered shareholders can tune in to the Annual General Shareholders' Meeting electronically via the AGM Portal and in this way participate in the Meeting and exercise shareholder rights as well as follow along with the entire Annual General Shareholders' Meeting in a live audio and video stream by means of electronic communication. The password-protected AGM Portal may be accessed as from Wednesday, 15 May 2024 via the Company's website at

www.pfandbriefbank.com/investoren/hauptversammlung/.

Other interested parties may also watch and listen to the opening of the Annual General Shareholders' Meeting by the chair of the Meeting as well as the chairman of the Management Board's speech live on the Internet at www.pfandbriefbank.com/investoren/hauptversammlung/.

Properly registered shareholders will receive their personal login details for the AGM Portal with their voting card together with further information on the use of the AGM Portal.

Shareholders or their authorized representatives have the opportunity to exercise their voting rights by postal vote (in electronic form or on paper) or by authorizing the Company-appointed proxies as specified below.

2. Preconditions for the participation in the virtual Annual General Shareholders' Meeting and for the exercise of voting rights

All shareholders who have registered for the Annual General Shareholders' Meeting by no later than Wednesday, 29 May 2024, 24:00 hours (CEST), while providing proof of their share ownership, are entitled, pursuant to Article 14 (5) of the Articles of Association, to participate in the virtual Annual General Shareholders' Meeting by electronic means and to exercise their voting rights either in person or through authorized representatives. Proof of such share ownership is required by the ultimate intermediary. This proof must refer to the existence of share ownership as of the close of business on the 22nd day prior to the Annual General Shareholders' Meeting, i.e., Wednesday, 14 May 2024, 24:00 hours (CEST), (record date). In view of Article 14 (5) sentence 3 half-sentence 2 of the Articles of Association, the Company this year also accepts proof that refers to the beginning of the 21st day

before the Annual General Shareholders' Meeting, i.e. Wednesday, 15 May 2024, 0:00 hours (CEST). The record date is the decisive cut-off date for the determination of the shareholder status regarding the exercise of the shareholder rights in the Annual General Shareholders' 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 Shareholders' 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 Shareholders' Meeting 2024, 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. Proof of shareholding provided by the ultimate intermediary pursuant to the requirements stipulated in section 67c (3) AktG is sufficient.

We kindly ask shareholders wanting to attend the Annual General Shareholders' Meeting or to exercise their voting rights to have their custodian bank submit the required registration and shareholding proof in good time.

Shares will not be barred or blocked due to the registration for the Annual General Shareholders' 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 and procedure for voting by proxy

a) General

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

b) Postal voting

Shareholders who wish to exercise their voting rights by postal vote (including by electronic communication) must consider the following: The Company offers a password-protected AGM Portal at www.pfandbriefbank.com/investoren/hauptversammlung/ for voting by (electronic) postal vote. You will receive the required personal login details for the AGM Portal with your voting card. Votes may be cast, amended and revoked during the General Shareholders' Meeting via the AGM Portal until the time stipulated by the chair of the Meeting, with the time of receipt by the Company being decisive in each case. In addition, postal votes may be cast, amended or revoked in text form until Tuesday, 4 June 2024, 18:00 hours (CEST) under the address of Deutsche Pfandbriefbank AG, Annual General Shareholders' Meeting 2024, c/o Link Market Services GmbH, Landshuter Allee 10, 80637 Munich, Germany, or by e-mail to inhaberaktien@linkmarketservices.de. You will receive a form for this purpose with your voting card. In addition, a universal postal vote form is available on the Company's website at www.pfandbriefbank.com/investoren/hauptversammlung/. This form will also be sent to you free of charge on request. In all such cases, receipt of the postal vote, its amendment or its revocation at the Company is decisive.

c) Voting by proxy appointed by the Company

Shareholders may also opt to be represented by proxies who are appointed by the Company and bound by instructions. In this case, shareholders must consider the following:

Proxies may only vote on Agenda items for which they have received explicit instructions regarding the exercise of the voting right. Said proxies are under an obligation to cast their votes in line with the instructions given. Proxies will not exercise voting rights for which they have not received instructions. Please note that the proxies will neither accept any instructions to raise objections against Annual

General Shareholders' Meeting resolutions nor to ask questions nor to submit motions or to submit comments. Powers of attorney and instructions for proxies may be issued, amended or revoked in text form until Tuesday, 4 June 2024, 18:00 hours (CEST), at the latest to the address of Deutsche Pfandbriefbank AG, Annual General Shareholders' Meeting 2024, c/o Link Market Services GmbH, Landshuter Allee 10, 80637 Munich, Germany, or by e-mail to inhaberaktien@linkmarketservices.de. In addition, powers of attorney and instructions may be granted or issued to proxies – as well as amended and revoked – via the AGM Portal at www.pfandbriefbank.com/investoren/hauptversammlung/ before and even during the Annual General Shareholders' Meeting, but must be made available no later than by the time stipulated by the chair of the Meeting. You will receive the login details for the AGM Portal together with your voting card. 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

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. The instruction to vote in favor of a candidate for election to the Supervisory Board proposed by the management will be deemed a rejection of any opposing candidate. Likewise, a vote cast by way of postal voting in favor of a management candidate will be deemed a vote against any opposing candidate. This only applies in both of these cases insofar as no explicit instruction is issued or vote is cast with regard to the opposing candidate. 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 the AGM Portal, (2) via e-mail and (3) in paper form. If postal votes and powers of attorney/instructions to the proxies are received, postal votes will always be given priority.

e) Voting through other authorized representatives

Shareholders may also have their right to participating and their voting right exercised by other authorized representatives, to whom they have granted proper power of attorney for this purpose. In this case, shareholders must consider the following:

If no power of attorney is granted pursuant to section 135 AktG, the power of attorney must be issued in text form to 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.

In case of authorizations granted vis-à-vis the authorized representatives, Shareholders and their authorized representatives may submit the proof of authorization or the revocation of the power of attorney on or before Tuesday, 4 June 2024, 18:00 hours (CEST) to the Company at any of the addresses set forth above under section II. 2. for registration.

For the power of attorney and its proof, a universally usable power-of-attorney form is available on the Company's website at www.pfandbriefbank.com/investoren/hauptversammlung/. The power of attorney and its proof as well as changes and revocation can also be done in any other way that is true to form.

Where 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 coordinate the form of the power of attorney with the intended representative.

Authorized representatives (other than the proxies appointed by the Company) cannot physically participate in the Annual General Shareholders' Meeting. They may participate by connecting electronically and exercise meeting-related participation rights. They may exercise the voting rights of the shareholders they represent only by postal vote or by granting (sub-) powers of attorney to the Company-appointed proxies. The authorized representatives receive their own access data to the AGM Portal in order to exercise the power of attorney. The Company will transmit this either by post or by email, as determined by the person granting the power of attorney. For the transmission, when granting power of attorney, a postal address of the authorized representative can be provided by declaration to the Company using the form provided by the Company and, when using the AGM Portal for granting power of attorney, either a postal address of the authorized representative or an e-mail address of the authorized representative must be provided. If the person giving the power of attorney does not provide the authorized person's postal address or email address, the authorized person's access data will be sent by post to the address of the person granting the power of attorney. When providing a postal address, please take into account the usual processing and postal times for transmitting the access data. In any case, please note that the authorization or proof must be provided to the Company in a timely manner so that the authorized representative can receive the access data and exercise the shareholder rights on the basis of the authorization.

If a shareholder grants power of attorney to more than one individual, the Company may reject one or more of these individuals in accordance with section 134 (3) sentence 2 AktG.

4. Shareholders' rights

Shareholders' rights, before and during the Annual General Shareholders' 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 add up to a twentieth of the share capital, or reach the nominal amount of EUR 500,000.00 of the Company's share capital (the latter corresponding to 176,767 shares), may request that certain items be included in the Agenda and communicated. Each new Agenda item must be accompanied by an explanation or a proposal. Such a request must be addressed, in writing to the Management Board of Deutsche Pfandbriefbank AG, Parkring 28, 85748 Garching, Germany, or by e-mail (in electronic form according to section 126a of the German Civil Code (*Bürgerliches Gesetzbuch*, "BGB") (i.e., with qualified electronic signature)) to inhaberaktien@linkmarketservices.de. The Company must receive such a request no later than Sunday, 5 May 2024, 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 of the deadline. 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 other media for publication that can be assumed to distribute information throughout the entire European Union. In addition, they will also be published on our website www.pfandbriefbank.com/investoren/hauptversammlung/, and communicated to the shareholders in accordance with section 125 (1) sentence 3 AktG.

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 Shareholders' Meeting, they must be sent to the Company no later than 14 days prior to the Annual General Shareholders' Meeting, i.e. by Tuesday, 21 May 2024, 24:00 hours (CEST), either to the address of Deutsche Pfandbriefbank AG, Investor Relations, Attn. Michael Heuber, Parkring 28, 85748 Garching, Germany, or by e-mail to inhaberaktien@linkmarketservices.de stating the reasons for them. Counter-proposals sent to other addresses need not be made available. The time of receipt of a counter-proposal in the Company's mailroom is decisive for meeting the deadline. In the case that 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 do not need to be made accessible 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 an explanatory remark 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 appointment of members of the Supervisory Board or of auditors. Shareholder nominations must also be sent exclusively to the addresses specified above under section II. 4. b) by no later than 14 days prior to the Annual General Meeting, i.e., by Tuesday, 21 May 2024, 24:00 hours (CEST). Such nominations need not be justified. In addition to the grounds defined in section 126 (2) AktG, a nomination 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 Supervisory Board members do not need to be made available if they do not include details on the membership of the proposed candidates for election to the Supervisory Board in other statutory supervisory boards within the meaning of section 125 (1) sentence 5 AktG.

Pursuant to section 126 (4) AktG, counter-proposals and nominations that are to be made available will be deemed made at the time they are made available. Voting rights may be exercised regarding such counter-proposals and nominations after timely registration through the channels described above. If the shareholder submitting the proposal or nomination is not duly entitled to do so and properly registered for the Annual General Shareholders' Meeting, the proposal need not be dealt with at the Meeting.

Counter-proposals, nominations and other motions may also be submitted during the Annual General Shareholders' Meeting by means of video communication, i.e., within the scope of the right to speak.

c) Right to submit comments pursuant to sections 118a (1) sentence 2 no. 6, 130a (1) to (4) AktG

Properly registered shareholders have the possibility to submit comments regarding the agenda before the Annual General Shareholders' Meeting in order to make them available to other shareholders via the AGM Portal. For this purpose, the AGM Portal is available to shareholders at www.pfandbriefbank.com/investoren/hauptversammlung/ until Thursday, 30 May 2024, 24:00 hours (CEST) at the latest. Comments should not exceed 10,000 characters.

In the cases set forth in sections 126 (2) sentence 1 nos. 1, 3 or 6 AktG, comments will not be published. This also applies to comments exceeding 10,000 characters and those not received by the Company in text form by Thursday, 30 May 2024, 24:00 hours (CEST).

Comments to be made available, including the name and place of residence or, as applicable, registered office of the submitting shareholder, will be published for properly registered shareholders and their representatives via the AGM Portal at www.pfandbriefbank.com/investoren/hauptversammlung/ no later than on Friday, 31 May 2024. Any comments by the management will also be published in the AGM Portal at that web address.

The possibility to submit comments does not constitute a possibility to submit questions in advance pursuant to section 131 (1a) AktG. Any questions included in comments will therefore not be answered at the virtual Annual General Shareholders' Meeting unless they are asked by way of video communication during the Meeting. Motions, nominations or objections to resolutions of the Annual General Shareholders' Meeting contained in comments will not be considered either. These are to be submitted or made or declared exclusively in the ways described separately in this notice.

d) Right to speak pursuant to sections 118a (1) sentence 2 no. 7, 130a (5) and (6) AktG

At the Annual General Shareholders' Meeting, properly registered shareholders and their representatives who are attending the Meeting by electronic means have the right to speak using video communication. As part of their speech, shareholders may submit motions and nominations pursuant to section 118a (1) sentence 2 no. 3 AktG as well as all types of requests for information pursuant to section 131 AktG.

Requests to speak must be submitted during the Annual General Shareholders' Meeting when called by the chair of the Meeting via the AGM Portal at the Internet address www.pfandbriefbank.com/investoren/hauptversammlung/. The chair of the Meeting will give more detailed information during the Annual General Shareholders' Meeting regarding the procedure for requests to speak and their granting.

The Company reserves the right to check the proper functioning of the video communication between the shareholder and the Company during the Annual General Shareholders' Meeting and prior to that shareholder's turn to speak and will refuse the shareholders' right to speak if a properly functioning connection cannot be ensured. The minimum technical requirements for being permitted to speak via live video are therefore a web-enabled device equipped with a camera and microphone and a stable Internet connection. Tips on how to optimize the proper functioning of video communication can be found at www.pfandbriefbank.com/investoren/hauptversammlung/.

e) Right to disclosure pursuant to section 131 (1) AktG

At the Annual General Shareholders' Meeting, every shareholder or shareholder representative may – after having submitted a request in due time pursuant to section 131 (1) AktG – request to be informed by the Management Board about the Company's affairs, the Company's legal and business relationships with affiliated companies, and the position of the Group and the companies included in the consolidated financial statements to the extent that such information is necessary for proper assessment of an agenda item. Furthermore, section 131 (1d) AktG permits questions to be asked during the Annual General Shareholders' Meeting regarding all answers given by the Management Board.

If the chair of the Meeting so orders based on section 131 (1f) AktG, the right to information under section 131 AktG may be exercised (in all its forms) at the Annual General Shareholders' Meeting

exclusively by way of video communication via the AGM Portal. Submitting questions any other way, whether by electronic or other form of communication, will not be possible either before or during the Annual General Shareholders' Meeting.

f) Lodging an objection to a resolution for the record (*Widerspruch zur Niederschrift*) pursuant to sections 118a (1) sentence 2 no. 8, 245 AktG

Objections to resolutions of the Annual General Shareholders' Meeting can be stated for the record in accordance with sections 118a (1) sentence 2 no. 8, 245 no. 1 AktG by shareholders and their representatives who have properly registered via the AGM Portal at www.pfandbriefbank.com/investoren/hauptversammlung/. A statement may be made via the AGM Portal from the start of the Annual General Shareholders' Meeting until the end of the Meeting. The notary has authorized the Company to accept objections via the AGM Portal and will have access to the AGM Portal himself/herself.

5. Information and documents on the Annual General Shareholders' Meeting; recording and publicly accessible transmission

This convocation of the Annual General Shareholders' 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 www.pfandbriefbank.com/investoren/hauptversammlung/. All documents required to be made available to the Annual General Shareholders' Meeting by law will also be available on the Company's website during the Annual General Shareholders' Meeting. The voting results will be published on the same website following the Annual General Shareholders' Meeting.

The opening of the General Shareholders' Meeting by the chair of the Meeting and the speech by the chairman of the Management Board can also be followed by other interested parties in audio and video live 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 Shareholders' Meeting.

Furthermore, during the virtual Annual General Shareholders' Meeting prior to the first vote, the list of participants will be made available via the AGM Portal at www.pfandbriefbank.com/investoren/hauptversammlung/ to all shareholders and their representatives who have properly registered for the Annual General Shareholders' Meeting and are attending it by electronic means.

After the Annual General Shareholders' Meeting, a confirmation of the counting of the votes pursuant to section 129 (5) AktG will be made available automatically via the AGM Portal and can be downloaded within one month after the day of the Annual General Shareholders' Meeting.

6. Total number of shares and voting rights

At the time of the convocation of the Annual General Shareholders' Meeting, the Company's share capital in the amount of EUR 380,376,059.67 is divided into 134,475,308 no-par value shares, each entitling the shareholder to one vote. If the Company, directly or indirectly, holds any treasury shares within the meaning of section 71d AktG, section 71b AktG prohibits the exercise of any rights arising from such shares. Hence, any treasury shares would not confer any voting or dividend rights in the Company's Annual General Shareholders' Meeting. At the time of the convocation of the Annual General Shareholders' Meeting, the Company is not holding any treasury shares, neither directly nor indirectly, and does not intend to acquire any treasury shares, either directly or indirectly, until the Annual General Shareholders' 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 additional information on data protection law regarding the processing of personal data that we collect when our website (including the AGM Portal) is used, in the Privacy Notice that 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 regular mail under the aforementioned address or by e-mail to group.dataprotection@pfandbriefbank.com.

With regard to the virtual General Shareholders' Meeting, the Company processes your personal data (e.g., 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 to enable the Company to organize, and enable you as a shareholder to participate in, the virtual Annual General Shareholders' Meeting, in particular as regards the exercise of voting rights and the audio and video transmission of the virtual Annual General Shareholders' Meeting, and to conduct the virtual Annual General Shareholders' Meeting. The legal basis for the processing in this respect is point (c) of article 6 (1) sentence 1 of the EU General Data Protection Regulation ("**GDPR**") in conjunction with sections 118 et seqq., 130a and 67e AktG and Article 14 of the Company's Articles of Association. In general, the Company receives the shareholder's personal data from the registration office of the credit institution that the shareholders have entrusted with the safekeeping of their shares. Participation is not possible without providing the personal data required to hold the Annual General Shareholders' Meeting. In addition, data processing that is expedient for the organization of the Annual General Shareholders' Meeting (e.g., publication of comments on the Agenda submitted in advance via the AGM Portal) can take place on the basis of our overriding legitimate interests (point (f) of article 6(1) sentence 1 GDPR). Moreover, the publication and/or transfer of your personal data to third parties, in particular to other shareholders and their representatives as well as intermediaries and shareholder associations, may also be required, e.g. as a result of the legal notification obligations under sections 126, 129 AktG. The legal basis for the data processing in this case is point (f) of article 6 (1) sentence 1 GDPR in conjunction with the relevant applicable law. To the extent that this is necessary for the proper conduct of the Annual General Shareholders' Meeting or to protect its legitimate interests, the Company may also transmit personal data to notaries and lawyers commissioned by it who are subject to professional confidentiality.

The Company uses the services of external service providers and their subcontractors for conducting the virtual General Shareholders Meeting. They are based in the European Union. The service providers commissioned for conducting the virtual General Shareholders' 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 executing 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.

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 purpose of the collection, the data is no longer required in connection with any administrative or court proceedings and there are no statutory storage obligations or other justification reasons for storage.

At the aforementioned address, you can demand information on the data stored about you. If the legal requirements are met, which has to be checked on a case-by-case basis, you also have the right to demand that your data be rectified or erased or that processing of it is restricted and you further have the right to receive your personal data in a structured, commonly used and machine-readable format.

If the legal basis for the processing of personal data is point (f) of article 6 (1) sentence 1 GDPR, you also have a right of objection under the statutory conditions.

In addition, you have the possibility to contact the aforementioned data privacy officer or a data protection supervisory authority.

Garching, April 2024

Deutsche Pfandbriefbank AG

The Management Board

Annex I

Résumé of the person nominated to be elected to the Supervisory Board under Agenda item #4

Karim Bohn

Date and place of birth: 30 November 1971 / Frankfurt (Main)
Nationality: German
First appointment effective from: 30 November 2023 (court appointment)

Professional career:

1998 – 2004	Merrill Lynch & Co., Inc., Frankfurt Vice President, Corporate Finance and M&A
2004 – 2006	Deutsche Bank AG, London Vice President, Equity Capital Markets
2006 – 2009	Fortress Investment Group LLC, London Vice President, Private Equity Group
2009 – 2011	GAGFAH S.A., Essen CFO
2011 – 2012	Vitus Group, Mönchengladbach CFO
2012 – 2015	Süddeutsche Wohnen GmbH, Stuttgart CFO
	Patrizia AG, Augsburg
2015 – 2022	CFO and member of the Supervisory Board of various group companies:
2013 – 2022	Member of the Supervisory Board, Dawonia Group
2020 – 2022	Chairman of the Supervisory Board, PATRIZIA Augsburg KVG
2020 – 2022	Chairman of the Supervisory Board, PATRIZIA Immobilien
2020 – 2023	Chairman of the Supervisory Board, PATRIZIA Frankfurt KVG
2020 – 2022	Member of the Supervisory Board, PATRIZIA RE Investment Management S.a.r.l.
since 2023	Canyon Bicycles GmbH, Koblenz CFO

Education:

1993 – 1998

Master of Business Administration (*Diplom-Kaufmann*),
University of Bayreuth**Supervisory Board memberships and equivalent positions:**

Statutory domestic

Supervisory Boards: ./.

Equivalent domestic and foreign
supervisory bodies: ./.**Other mandates:**

./.

Annex II

Remuneration Report 2023

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), complying with the requirements under section 162 of the German Stock Corporation Act (*Aktiengesetz* – "AktG").

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 the company's business strategy and long-term development

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 2023.

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 as well 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. The Annual General Meeting approved the remuneration report for the 2022 financial year with 77.58% of the valid votes cast. There were no deviations from the remuneration system for the members of the Executive Board in the 2023 financial year.

PRINCIPLES OF 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 2023):

- Berlin Hyp AG
- Münchener Hypothekenbank eG
- Aareal Bank AG
- DZ Hyp AG
- Landesbank Hessen-Thüringen Girozentrale
- Landesbank Baden-Württemberg
- Hamburg Commercial Bank AG
- UniCredit Bank AG
- Commerzbank AG
- DZ Bank AG

The peer group is unchanged from the previous year and is reviewed regularly.

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. Due to the bank-wide abolishment of company cars, pbb will grant an economically equivalent payment to the members of the Management Board upon expiry of the respective lease agreement. 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 2023 Financial Year

The fixed remuneration for the Chairman of the Management Board is € 550,000 gross per year; for the other Management Board members, it is € 525,000 gross per year. The fixed remuneration of the new members of the Management Board who only joined the Management Board in 2024, Kay Wolf and Dr Pamela Hoerr, is shown in the section "Conclusion and termination of service contracts".

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.

With effect from 2023, the calculatory reference value for the Chairman of the Management Board was increased from € 315,000 to € 350,000 and for the other members of the Management Board from € 240,000 to € 270,000. The increase in the calculatory reference values is appropriate in a market comparison and takes into account the customary differentiation between the Chairman of the Management Board and the other members of the Management Board. The respective calculatory reference value of the new Management Board members who only joined the Management Board in 2024, Kay Wolf and Dr Pamela Hoerr, is reported in the section "Conclusion and termination of service contracts". 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

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.

Institute Goals

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 resembles 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 of	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-return 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 and 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 2023 financial year can be found in the section entitled "Targets and Target Achievement for the 2023 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. 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.

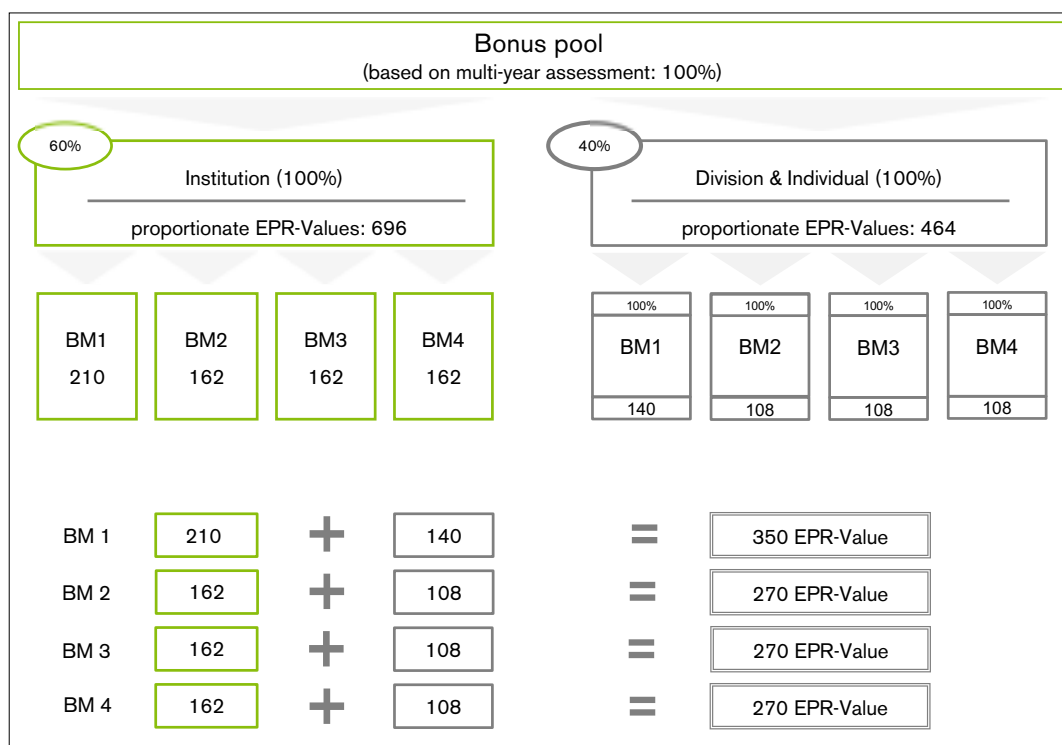


Figure 2: Calculation of the EPR value (example with 100% target achievement at all levels of performance measurement); values in € thousand.

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 for the necessity of an in-depth review of the legal requirements. If the legal requirements are met, a total amount is made available for variable remuneration. If the legal 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.

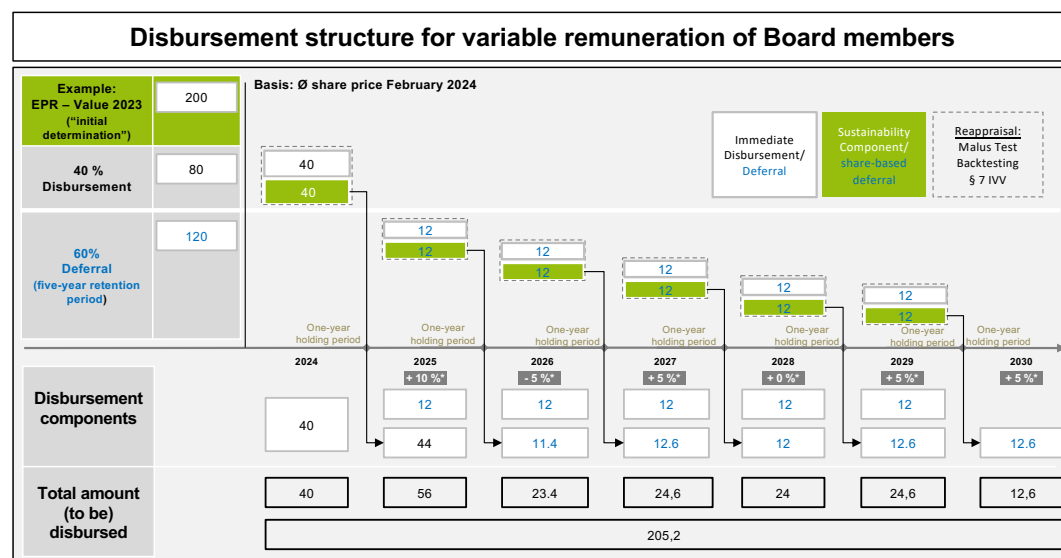


Figure 3: Payment system for the variable remuneration of the members of the Executive Board (example); figures in € thousand.

Malus and Clawback

pbb has entered into agreements with the members of the Management Board regarding the clawback of variable remuneration (“clawback agreement”). According to this agreement, all claims for 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 repay the variable remuneration already paid out for the relevant assessment period if he or she was significantly involved in or responsible for behaviour that led to significant losses or a significant regulatory sanction for the institution. The same applies if the Management Board member has seriously breached relevant external or internal regulations with regard to suitability and behaviour. pbb may reclaim variable remuneration already paid out up to two years after the end of the retention period for the corresponding financial year. The more detailed specification of the clawback criteria set out in the IVV takes into account the supervisory requirements and applies these – against the background of the special features of pbb Group’s business model and risk profile – with a view to the sustainability of the Company’s success and the synchronisation of the Company’s success 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 2023 financial year

At its meeting on 11 November 2022, the Supervisory Board set the institutional target and the Management Board's divisional and individual targets for the 2023 financial year; the Supervisory Board determined target achievement levels at its meeting on 23 February 2024.

Institute target: At 76%, the institute's success was below the defined target value.

Key Performance Indicators	Weighting	Target value	Actual value	Overall target achievement pbb
Profit before tax (€ mn)	50 %	170 – 200	90	76%
Risk-return ratio (in %)	50 %	2.60	2.61	

Figure 4: Target achievement on institutional level in 2023

The average percentage target achievement for the three relevant financial years 2023, 2022 and 2021 is 98.18%.

Divisional and individual targets: at its meeting on 11 November 2022, the Supervisory Board set the divisional and individual targets for the members of the Management Board for the 2023 financial year.

Five key strategic objectives were determined as departmental objectives, which were defined according to the individual departmental responsibilities.

The divisional targets included two ESG targets on the environment, social issues and governance, the anchoring of risk models in overall management and the further development of the digitalisation strategy, as well as the implementation of pbb Group's digitalisation initiatives. In addition, the implementation of key strategic projects was targeted.

The environmental and climate-related ESG target for 2023 focused on the one hand on implementing the ESG strategy as part of pbb Group's business and risk strategy, and on new business and portfolio planning based on a target of 24% green loan eligible new business for 2023. Secondly, the Management Board was responsible for the expansion and further preparation of the financial and non-financial reporting system as well as the data architecture/processing with a view to the EU taxonomy, Pillar 3 and CSRD. In addition, the portfolio was screened (including data collection) for options to upgrade to a green portfolio, active transformation support and the implementation of quantitative ESG KPIs on the one hand and the identification of ESG risks on the other. Another focus was on implementing the 3 Lines of Defence concept in the instructions and processes of the relevant

departments. With the promotion of junior staff and talent, retention and the promotion of diversity with a focus on the management of women and the management of age structure changes, the Management Board's activities once again focused on key social sustainability goals.

With the objective of embedding the risk models in the Bank's overall management, this targeted the further establishment of internal rating models (IRBA models) vis-à-vis the supervisory authorities and compliance with the planned RWA targets.

The creation and implementation of the digitalisation initiatives comprised in particular the implementation of the digital client portal and of measures for digital credit processes.

In addition, the implementation of key strategic projects, in particular to diversify the business model including the funding base, for portfolio growth and as part of the ESG agenda, was defined as a strategic priority objective.

In the area of individual targets, the CEO, Andreas Arndt, was responsible for the repositioning of investor relations and the further cultivation, 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 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
ESG "E&G"	Implementation of the ESG strategy, expansion of the reporting system/data architecture with a view to the EU taxonomy, Pillar 3 and CSRD; target of 24% Green Loan Eligible Assets in the REF portfolio, implementation of ESG KPIs; implementation of the 3-Lines of Defence concept	Implementation of the ESG strategy, expansion of the reporting system/data architecture with a view to the EU taxonomy, Pillar 3 and CSRD; target of 24% Green Loan Eligible Assets in the REF portfolio, implementation of ESG KPIs; implementation of the 3-Lines of Defence concept	Further detailing and alignment of the ESG risk strategy and the individual credit analysis process; portfolio screening (including data collection) for options to upgrade to a green portfolio; identification of ESG risks and active transformation support; implementation of the 3-Lines of Defence concept	Overall responsibility for ESG programme; expansion and further development of the ESG strategy and sustainability plan, ESG portfolio data collection and ESG scoring of the REF loan portfolio; transformation support; collection/reduction of pbb's CO2 footprint; implementation of the 3-Lines of Defence concept
ESG "S"	Promoting young talent and talent development, retention, promoting diversity with a focus on promoting women and managing age structure changes	Promoting young talent and talent development, retention, promoting diversity with a focus on promoting women and managing age structure changes	Promoting young talent and talent development, retention, promoting diversity with a focus on promoting women and managing age structure changes	Promoting young talent and talent development, retention, promoting diversity with a focus on promoting women and managing age structure changes
Digitisation	Divisional digitalisation initiatives; in particular: Client Portal, digital credit workplace, CAPVERIANT	Divisional digitalisation initiatives; in particular: Client Portal, digital credit workplace	Divisional digitalisation initiatives; in particular: Client Portal, digital credit workplace	Divisional digitalisation initiatives; in particular: Client Portal, digital credit workplace, integration/expansion in existing IT architecture/infrastructure
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
Key strategic projects	Strategic projects, primarily to diversify the business model including the funding base, for portfolio growth and as part of the ESG agenda	Strategic projects, primarily to diversify the business model including the funding base, for portfolio growth and as part of the ESG agenda	Strategic projects, primarily to diversify the business model including the funding base, for portfolio growth and as part of the ESG agenda	Strategic projects, primarily to diversify the business model including the funding base, for portfolio growth and as part of the ESG agenda
Individual goals	Further broadening of the investor base	Customer result in the REF area measured against plan achievement using the KPIs average margin, new business volume and portfolio development	Constructive implementation of risk strategy	Quantitative (refinancing according to plan) and qualitative (external representation of the issuer pbb) funding targets, stable and efficient IT operations
Average target achievement	77%	73%	75%	85%
Range of target achievement	50% – 100%	50% – 100%	50% – 100%	50% – 110%

Figure 5: Target achievement for departmental and individual targets 2023

Overall target achievement 2023: The overall target achievement of the Management Board members averaged 78%.

Variable Remuneration Retained for Previous Years

At its meeting on 23 February 2024, the Supervisory Board decided on the recalculation of deferral portions for variable remuneration for 2018 to 2022. 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 2023 FINANCIAL YEAR.

The following tables show the remuneration granted and owed to active Management Board members in the financial years 2023 and 2022 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 2023 or 2022 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".

Rounding may result in minor discrepancies in totals and the calculation of percentages.

Andreas Arndt

CEO
CFO (until 30 November 2023)

in € thousand	2023		2022	
	in € thousand	in % of total remuneration	in € thousand	in % of total remuneration
Fixed remuneration				
Fixed remuneration	550	63 %	550	62 %
Fringe benefits ¹⁾	15	2 %	19	2 %
Total	565	65 %	569	64 %
Variable remuneration for the financial year				
One-year variable remuneration	62	7 %	65	8 %
Multi-year variable remuneration				
Disbursement portion with holding period (2 nd quarter 2024)	-	-	65	8 %
Disbursement portion with holding period (2 nd quarter 2025)	62	7 %		
Deferral (2 nd quarter 2024)	-	-	39	4 %
Deferral (2 nd quarter 2025)	37	4 %	39	4 %
Deferral (2 nd quarter 2026)	37	4 %	39	4 %
Deferral (2 nd quarter 2027)	37	4 %	39	4 %
Deferral (2 nd quarter 2028)	37	4 %	39	4 %
Deferral (2 nd quarter 2029)	37	4 %	-	-
Total remuneration	874	100 %	894	100 %
Supplementary, voluntary information²⁾				
Variable remuneration from 2022	65	-	-	-
Variable remuneration from 2021	73	-	66	-
Variable remuneration from 2020	42	-	112	-
Variable remuneration from 2019	28	-	30	-
Variable remuneration from 2018	34	-	38	-
Variable remuneration from 2017	25	-	27	-
Variable remuneration from 2016	14	-	32	-

¹⁾ Included therein: Material expenses for fringe benefits within the usual scope, which are subject to taxation.

²⁾ Presentation of the variable remuneration received by the Executive Board member in the 2023 and 2022 financial years from previous years.

The shares of variable remuneration received in the 2023 financial year from multi-year remuneration for previous years are € 27 thousand lower than the amount determined at the beginning of the holding period due to the performance of the share-based variable remuneration.

Thomas Köntgen

Deputy CEO,
Real Estate Finance

Public Finance (until 7 August 2023)

in € thousand	2023		2022	
	in € thousand	in % of total remuneration	in € thousand	in % of total remuneration
Fixed remuneration				
Fixed remuneration	525	68%	525	67%
Fringe benefits ¹⁾	18	2%	17	2%
Total	543	70%	542	69%
Variable remuneration for the financial year				
One-year variable remuneration	47	6%	49	6%
Multi-year variable remuneration				
Disbursement portion with holding period (2 nd quarter 2024)	-	-	49	6%
Disbursement portion with holding period (2 nd quarter 2025)	47	6%	-	-
Deferral (2 nd quarter 2024)	-	-	29	4%
Deferral (2 nd quarter 2025)	28	4%	29	4%
Deferral (2 nd quarter 2026)	28	4%	29	4%
Deferral (2 nd quarter 2027)	28	4%	29	4%
Deferral (2 nd quarter 2028)	28	4%	29	4%
Deferral (2 nd quarter 2029)	28	4%	-	-
Total remuneration	777	100%	787	100%
Supplementary, voluntary information²⁾				
Variable remuneration from 2022	49		-	-
Variable remuneration from 2021	56	-	50	-
Variable remuneration from 2020	32	-	84	-
Variable remuneration from 2019	23	-	26	-
Variable remuneration from 2018	28	-	31	-
Variable remuneration from 2017	25	-	27	-
Variable remuneration from 2016	14	-	32	-

¹⁾ Included therein: Material expenses for fringe benefits within the usual scope, which are subject to taxation.

²⁾ Presentation of the variable remuneration received by the Executive Board member in the 2023 and 2022 financial years from previous years.

The shares of variable remuneration received in the 2023 financial year from multi-year remuneration for previous years are € 23 thousand lower than the amount determined at the beginning of the holding period due to the performance of the share-based variable remuneration.

Andreas Schenk

CRO

in € thousand	2023		2022	
	in € thousand	in % of total remuneration	in € thousand	in % of total remuneration
Fixed remuneration				
Fixed remuneration	525	68 %	525	67 %
Fringe benefits ¹⁾	7	1 %	7	1 %
Total	532	69 %	532	68 %
Variable remuneration for the financial year				
One-year variable remuneration	48	6 %	50	6 %
Multi-year variable remuneration				
Disbursement portion with holding period (2 nd quarter 2024)	-	-	50	6 %
Disbursement portion with holding period (2 nd quarter 2025)	48	6 %	-	-
Deferral (2 nd quarter 2024)	-	-	30	4 %
Deferral (2 nd quarter 2025)	29	4 %	30	4 %
Deferral (2 nd quarter 2026)	29	4 %	30	4 %
Deferral (2 nd quarter 2027)	29	4 %	30	4 %
Deferral (2 nd quarter 2028)	29	4 %	30	4 %
Deferral (2 nd quarter 2029)	29	4 %	-	-
Total remuneration	773	100 %	782	100 %
Supplementary, voluntary information²⁾				
Variable remuneration from 2022	50		-	-
Variable remuneration from 2021	56	-	50	-
Variable remuneration from 2020	32	-	85	-
Variable remuneration from 2019	23	-	25	-
Variable remuneration from 2018	28	-	31	-
Variable remuneration from 2017	25	-	27	-
Variable remuneration from 2016	14	-	32	-

¹⁾ Included therein: Material expenses for fringe benefits within the usual scope, which are subject to taxation.

²⁾ Presentation of the variable remuneration received by the Executive Board member in the 2023 and 2022 financial years from previous years.

The shares of variable remuneration received in the 2023 financial year from multi-year remuneration for previous years are € 23 thousand lower than the amount determined at the beginning of the holding period due to the performance of the share-based variable remuneration.

Marcus Schulte

Treasurer,
CFO (from 1 December 2023)

in € thousand	2023		2022	
	in € thousand	in % of total remuneration	in € thousand	in % of total remuneration
Fixed remuneration				
Fixed remuneration	525	67 %	525	67 %
Fringe benefits ¹⁾	13	2 %	13	1 %
Total	538	68 %	538	68 %
Variable remuneration for the financial year				
One-year variable remuneration	50	6 %	49	6 %
Multi-year variable remuneration				
Disbursement portion with holding period (2 nd quarter 2024)	-	-	49	6 %
Disbursement portion with holding period (2 nd quarter 2025)	50	6 %	-	-
Deferral (2 nd quarter 2024)	-	-	30	4 %
Deferral (2 nd quarter 2025)	30	4 %	30	4 %
Deferral (2 nd quarter 2026)	30	4 %	30	4 %
Deferral (2 nd quarter 2027)	30	4 %	30	4 %
Deferral (2 nd quarter 2028)	30	4 %	30	4 %
Deferral (2 nd quarter 2029)	30	4 %	-	-
Total remuneration	788	100 %	786	100 %
Supplementary, voluntary information²⁾				
Variable remuneration from 2022	49		-	-
Variable remuneration from 2021	56	-	50	-
Variable remuneration from 2020	32	-	85	-
Variable remuneration from 2019	23	-	25	-
Variable remuneration from 2018 ³⁾	-	-	-	-
Variable remuneration from 2017 ³⁾	-	-	-	-
Variable remuneration from 2016 ³⁾	-	-	-	-

¹⁾ Included therein: Material expenses for fringe benefits within the usual scope, which are subject to taxation.

²⁾ Presentation of the variable remuneration received by the Executive Board member in the 2023 and 2022 financial years from previous years.

³⁾ Marcus Schulte joined pbb on 1 January 2017 and was appointed as a member of the Management Board of pbb with effect from 1 January 2019. Only disclosures for the activity as a member of the Management Board are shown.

The shares of variable remuneration received in the 2023 financial year from multi-year remuneration for previous years are € 14 thousand lower than the amount determined at the beginning of the holding period due to the performance of the share-based variable remuneration.

REMUNERATION GRANTED AND OWED TO FORMER MEMBERS OF THE EXECUTIVE BOARD

The following table shows the remuneration granted and owed to former Management Board members in the 2023 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 2013.

Dr. Bernhard Scholz

Member of the Executive Board until 30 April 2017

	Inflow
in € thousand	2023
Pensions	
Pension	14
Supplementary, voluntary information	
Multi-year variable remuneration for 2016	14
Multi-year variable remuneration for 2017	8

The shares of variable remuneration received in the 2023 financial year from multi-year remuneration for previous years are € 3 thousand lower than the amount set at the beginning of the holding period due to the performance of the share-based variable remuneration.

Former members of the Management Board who left the company before 31 December 2013 received pension payments of € 4,768 thousand in 2023.

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 2023, 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 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 increased defined-contribution pension commitments to Marcus Schulte in the amount of € 310,000 p.a. with effect from 1 January 2022. 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 commitments to members of pbb's Management Board in office in financial year 2023 in accordance with IFRS¹⁾

in € thousand	2023				2022			
	Present value of pension entitlements earned in the financial year	Interest expense	Past service costs	Pension obligation as at 31.12.2023	Present value of pension entitlements earned in the financial year	Interest expense	Past service costs	Pension obligation as at 31.12.2022
Andreas Arndt	530	173	-	5,297	690	63	-	4,116
Thomas Köntgen	493	160	-	5,058	739	68	-	3,807
Andreas Schenk	394	124	-	4,050	693	61	-	2,939
Marcus Schulte ²⁾	-	-	-	-	-	-	-	-
In total	1,417	457	-	14,405	2,122	192	-	10,862

¹⁾ Figures without deferred compensation.

²⁾ Marcus Schulte has a defined contribution pension commitment (not a defined benefit pension commitment), meaning that no pension obligations have to be recognised.

The pension obligation for Dr Bernhard Scholz from his employment contract amounted to € 317 thousand as at 31 December 2023 (31 December 2022: € 272 thousand). The pension obligations for the other former members of the Executive Board who left before 31 December 2013 amounted to € 40,803 thousand as at 31 December 2023.

Pension commitments to members of pbb's Management Board in office in financial year 2023 in accordance with HGB¹⁾

in € thousand	2023		2022	
	Pension provisions as at 31 December 2023	Additions to provisions for pensions	Pension provisions as at 31 December 2022	Additions to provisions for pensions
Andreas Arndt	7,214	528	6,686	1,539
Thomas Köntgen	7,185	847	6,338	1,782
Andreas Schenk	6,290	746	5,544	1,574
Marcus Schulte ²⁾	-	-	-	-
In total	20,689	2,121	18,568	4,895

¹⁾ Figures without deferred compensation.

²⁾ Marcus Schulte has a defined contribution pension commitment (not a defined benefit pension commitment), which means that no pension obligations have to be recognised.

The pension provisions for Dr Bernhard Scholz from his employment amounted to € 401 thousand as at 31 December 2023 (31 December 2022: € 380 thousand). The pension provisions for the other former members of the Executive Board who left before 31 December 2013 amounted to € 48,534 thousand as at 31 December 2023.

The fair value of Marcus Schulte's defined contribution pension commitment as at 31 December 2023, taking into account the pension contributions from 2017 to 2021, is € 1,656 thousand.

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 2023 financial year does not fall due before 2030, 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 REGULATIONS

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 or termination of service contracts

Mr Kay Wolf's Management Board service contract came into force on 1 February 2024 at the start of his appointment period. Mr Wolf's fixed remuneration amounts to € 925,000 gross per year. The calculatory reference value is € 300,000 per year. Mr Wolf also has a defined contribution pension commitment with an annual pension contribution of € 175,000. The fringe benefits (benefits in kind) are granted to Mr Wolf to the same extent as the other members of the Executive Board. The agreed remuneration is appropriate compared to the market. This applies in particular to the higher basic remuneration compared to the other members of the Management Board and the lower pension contribution. Against the backdrop of the necessary strategic development, the appointment of Mr Wolf as the new Chairman of the Management Board was of particular importance in the current situation from the perspective of the Supervisory Board. He was therefore granted a one-off joining incentive totaling € 250,000 gross, which became due at the beginning of the appointment period.

In addition, the Management Board service contract previously agreed with Dr Pamela Hoerr will apply from the start of her appointment period on 17 January 2024. Dr Hoerr's fixed remuneration amounts to € 525,000 gross per year. The calculatory reference value for 2024 is € 270,000 per year. The annual pension contribution for the defined contribution pension commitment amounts to € 310,000. Fringe benefits (benefits in kind) are granted to Dr Hoerr to the same extent as the other members of the Management Board.

Supervisory Board

The remuneration of the members of the Supervisory Board is regulated in Article 11 of the company's Articles of Association and was last adjusted by resolution of the Annual General Meeting in 2022. The remuneration system for the Supervisory Board complies with company and regulatory requirements.

In accordance with Article 11 (1) of the company's Articles of Association, the members of the Supervisory Board receive an annual basic remuneration of € 40,000 p.a. Notwithstanding this, the Chairman receives a basic remuneration of € 85,000 p.a. and the Deputy Chairman € 55,000. In accordance with Article 11 (1) of the Articles of Association, the members of the Supervisory Board receive a basic annual remuneration of € 40,000 – with the exception of the Chairman, who receives a basic annual remuneration of € 85,000, and the Deputy Chairman, who receives a basic annual remuneration of € 55,000.

The basic remuneration is increased by € 13,500 p.a. for any Executive and Nomination Committee member, and by € 23,500 p.a. for chairmanship of this committee. The basic remuneration is increased by € 18,500 p.a. for membership in the highly time-consuming Audit and Digitalisation Committee, and by € 33,500 p.a. for chairmanship of this committee. Any member of the Risk Management and Liquidity Strategy Committee receives an additional remuneration of € 17,500 p.a., and of € 32,500 p.a. for chairmanship of this committee. The basic remuneration is increased by € 12,500 p.a. for any member in another Supervisory Board committee, and by € 22,500 p.a. for chairmanship of the respective Supervisory Board committee. Remuneration entitlements accrue on a pro rata basis for the period of the appointment in each case.

The members of the Supervisory Board receive their remuneration plus statutory value-added tax. As set out above, the remuneration system for the Supervisory Board is, however, VAT-exempt in accordance with currently applicable law.

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. In addition, in the year 2022 pbb has taken out supplementary insurance cover for legacy risks.

Remuneration Granted and Owed to Current and Former Members of the Supervisory Board in the 2023 and 2022 financial years¹⁾

in € thousand ²⁾	2023					2022
	Basic remuneration	in % of the remuneration	Remuneration for committee activities	in % of the remuneration	In total	In total
Dr. Günther Bräunig (until 25 May 2023)	34	51 %	33	49 %	66	173
Dr. Louis Hagen (from 25 May 2023)	51	51 %	50	49 %	101	-
Gertraud Dirscherl	40	39 %	64	61 %	104	87
Dr. Thomas Duhnkrack (until 15 November 2023)	35	56 %	28	44 %	63	72
Karim Bohn (from 30 November 2023)	4	100 %	0	-	4	-
Prof. Dr. Kerstin Hennig	40	70 %	18	30 %	58	25
Susanne Klöß-Braekler	40	61 %	26	39 %	66	66
Georg Kordick ³⁾	40	100 %	0	-	40	40
Olaf Neumann ³⁾	40	100 %	0	-	40	40
Oliver Puhl (until 19 May 2022)	-	-	-	-	-	22
Hanns-Peter Storr	55	52 %	51	48 %	106	106
Heike Theißing ³⁾	40	76 %	13	24 %	53	53
In total	419	-	281	-	699	684

¹⁾ The costs of the D&O insurance policy also taken out in favour of the members of the Supervisory Board are not shown separately in this table, as pbb has taken out a group insurance policy for this purpose. In addition to the members of the Supervisory Board, this also covers the members of the Management Board and certain other employees of pbb Group. The total costs of this D&O insurance amount to approximately € 1.427 million p.a. plus insurance tax. The remuneration received by the employee representatives on the Supervisory Board on the basis of the employment contracts agreed with them is also not recognised.

²⁾ Figures may not add up precisely to the totals provided due to rounding. Deviations from the note "Related party transactions" in pbb Group's Annual Report 2023 due to figures rounded to the nearest thousand euros.

³⁾ Employee representative.

Comparative presentation of earnings development and 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 2023 financial year comprised on average 804 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

in € million	2019	2020	Change in %	2021	Change in %	2022	Change in %	2023	Change in %
Profit before tax	216	151	-30%	242	60%	213	-12%	90	-58%
Operating income	506	526	4%	591	12%	531	-10%	603	14%

Average remuneration of employees¹⁾

in € thousand	2019	2020	Change in %	2021	Change in %	2022	Change in %	2023	Change in %
Workforce pbb Group	146	140	6%	147	-4%	146	0%	150	3%

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

Remuneration of the current members of the Management Board

in € thousand		2019	2020	Change in %	2021	Change in %	2022	Change in %	2023	Change in %
Andreas Arndt (since 04/2014)	Remuneration	795	859	8%	851	-1%	893	5%	874	-2%
	Previous years' share-based inflow	(-14) ¹⁾	(+36) ¹⁾	-	(-36) ¹⁾	-	(+19) ¹⁾	-	(-27) ¹⁾	-
Thomas Köntgen (since 10/2014)	Remuneration	761	774	2%	768	-1%	787	2%	777	-1%
	Previous years' share-based inflow	(-14) ¹⁾	(+32) ¹⁾	-	(-32) ¹⁾	-	(+14) ¹⁾	-	(-23) ¹⁾	-
Andreas Schenk (since 03/2014)	Remuneration	751	765	2%	757	-1%	781	3%	773	-1%
	Previous years' share-based inflow	(-13) ¹⁾	(+32) ¹⁾	-	(-32) ¹⁾	-	(+14) ¹⁾	-	(-23) ¹⁾	-
Marcus Schulte (since 01/2019)	Remuneration	763	781	2%	766	-2%	784	2%	788	1%
	Previous years' share-based inflow	-	-	-	(-21) ¹⁾	-	(+14) ¹⁾	-	(-14) ¹⁾	-

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

Due to the share-based development of the multi-year variable remuneration, Dr Bernhard Scholz received € 22,000 in 2018 and € 8,000 in 2020. Due to the share-based development of the multi-year variable remuneration, the amount received in 2019 and 2021 was € 4,000, and in 2023 € 3,000, lower than the amount set at the beginning of the respective holding period. In 2022, the amount received was € 1,000.

Remuneration of current and former members of the Supervisory Board

in € thousand	2019	2020	Change in %	2021	Change in %	2022 ⁵⁾	Change in %	2023 ⁵⁾	Change in %
Dr. Günther Bräunig (until 25 May 2023)	174	171	-2%	154	-10%	173	12%	66 ⁴⁾	-62%
Dr. Louis Hagen (from 25 May 2023)	-	-	-	-	-	-	-	101 ³⁾	-
Gertraud Dirscherl	-	-	-	-	-	87 ³⁾	-	104	20%
Dr. Jutta Dönges (until 24 March 2021)	87	86	-1%	21 ⁴⁾	-76%	-	-	-	-
Dr. Thomas Duhnkrack (until 15 November 2023)	64	66	3%	70	6%	72	3%	63 ⁴⁾	-13%
Karim Bohn (since 30 November 2023)	-	-	-	-	-	-	-	4 ³⁾	-
Dr. Christian Gebauer-Rochholz ¹⁾ (until 12 May 2021)	45	45	0%	18 ⁴⁾	-60%	-	-	-	-
Prof. Dr. Kerstin Hennig	-	-	-	-	-	25 ³⁾	-	58	132%
Dagmar Kollmann ²⁾ (until 31 October 2021)	129	130	1%	108 ⁴⁾	-17%	-	-	-	-
Susanne Klöß-Braekler	-	-	-	49 ³⁾	-	66	35%	66	0%
Georg Kordick ¹⁾	45	45	0%	48	7%	40	-17%	40	0%
Olaf Neumann ¹⁾	-	-	-	30 ³⁾	-	40	33%	40	0%
Joachim Plesser (until 12 May 2021)	113	112	-1%	45 ⁴⁾	-60%	-	-	-	-
Oliver Puhl (until 19 May 2022)	65	65	0%	68	4%	22 ⁴⁾	-68%	-	-
Hanns-Peter Storr	-	-	-	71 ³⁾	-	106	49%	106	0%
Heike Theißing ¹⁾	60	59	-2%	62	5%	53	-15%	53	0%

¹⁾ Employee representative

²⁾ No statutory value added tax due to residence abroad. pbb pays the Supervisory Board tax at the expense of the Supervisory Board member.

³⁾ Remuneration in the year of entry

⁴⁾ Remuneration in the year of departure

⁵⁾ In accordance with a change in case law on the VAT liability of Supervisory Board remuneration, no VAT was incurred for remuneration from 2022 onwards.

Employees

Remuneration Components

In the financial year 2023, 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 or four years, respectively, 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.

For 2023, 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 99 employees (2022: 110 risk takers, of which 97 employees) were identified as risk takers in 2023. The Management Board informed the Supervisory Board concerning the identified risk takers, while details of the internal risk analysis were documented.

Governance Structure in the area of remuneration

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, two members of the shareholders' representatives as well as one employee representative. The Remuneration Committee convened five times during 2023.

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, 26 March 2024

Deutsche Pfandbriefbank AG
The Management Board

Deutsche Pfandbriefbank AG
The Supervisory Board

Signed:
Kay Wolf

Signed:
Andreas Schenk

Signed:
Dr Louis Hagen

CEO

Member of the Management
Board and Chief Risk Officer

Chairman of the Supervisory
Board

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 2023 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 have not audited 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 (09.2023))*. Our responsibilities under those requirements and this standard are further described in the "Auditor's Responsibilities" section of our report. Our audit firm has applied the requirements of the IDW Quality Management Standards. 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 have determined necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

Auditor's Responsibilities

Our objective is to obtain reasonable assurance about whether the disclosures required under Section 162 (1) and (2) AktG have been made, in all material respects, in the remuneration report, and to express an opinion on this in a report on the audit.

We planned and conducted our audit in such a way 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 have neither audited the correctness of the content of the disclosures, nor the completeness of the content of the individual disclosures, nor the adequate presentation of the remuneration report.

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 content of the disclosures, the completeness of the content of the individual disclosures or the adequate 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, 26 March 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:
Prof. Dr. Carl-Friedrich Leuschner

Wirtschaftsprüfer
(German Public Auditor)

Signed:
Martin Kopatschek

Wirtschaftsprüfer
(German Public Auditor)