



**DEUTSCHE
PFANDBRIEFBANK**

Disclosure report

in accordance with Part 8 of the Capital Requirements Regulation (CRR)

Remuneration report

pursuant to Article 450 CRR, Section 16 Institutsvergütungsverordnung

As of 31 December 2024

Deutsche Pfandbriefbank Group

Remuneration report 2024

The 2024 remuneration report is based on the disclosure obligations pursuant to Section 3 (1), Section 16 (1) of the Remuneration Ordinance for Institutions (Institutsvergütungsverordnung - IVV) in conjunction with Section 27 (3) IVV, the German Banking Act (KWG), Article 450 No. 1 (a) to (j) of the Capital Requirements Regulation (CRR) in its currently applicable version.

The Remuneration Report relates to the remuneration of the senior managers, second-level senior staff and employees of Deutsche Pfandbriefbank AG ("pbb") and its subordinated, consolidated companies (hereinafter referred to as "pbb Group") for the financial year 2024. It is an annex to the Disclosure Report as at 31 December 2024 and describes the key features of pbb Group's remuneration policies and practices in accordance with Article 450 CRR.

Further quantitative information on remuneration is presented in the separately published remuneration report in accordance with Section 162 AktG, in particular the total remuneration of the members of the Management Board and Supervisory Board. The Remuneration Officer reviewed and confirmed the appropriateness of the structure of the remuneration systems. He was also involved in the ongoing processes relating to the implementation of the remuneration system.

1. PBB GROUP'S REMUNERATION SYSTEM AND REMUNERATION STRATEGY

As part of the remuneration strategy, pbb Group's remuneration system was designed as a future-oriented system which is appropriate for pbb Group and its various locations in its current situation, which is in line with the market and performance-oriented, and which takes appropriate account of the applicable regulatory requirements, in particular the provisions of the CRD, the KWG and the IVV, as well as the requirements of the German Stock Corporation Act (AktG) and the German Corporate Governance Code (GCGC) with regard to the members of the Management Board.

pbb Group pursues the objective of a largely uniform remuneration system for all companies of pbb Group as well as all employees in Germany and abroad, to the extent that this makes sense in terms of content and is contractually and regulatory permissible or required.

1.1 Remuneration strategy

The remuneration system and the remuneration strategy of pbb Group **are integral components of pbb Group's business and risk strategy**. The remuneration strategy provides the framework for the performance and remuneration of members of the Management Board and employees of pbb Group. It was agreed with all material divisions as part of the coordination of the business and risk strategy. It was last updated in 2024, without affecting the composition of variable and fixed remuneration. The remuneration strategy is accessible to all employees of pbb Group via the intranet. The remuneration strategy is reviewed regularly and also on an ad hoc basis, particularly in the event of changes to the business and risk strategy.

The aim of the remuneration strategy is to ensure **appropriate and performance-oriented remuneration** that is geared towards achieving the **targets set out** in the **business and risk strategy**.

Performance measurement at the level of the institution is an integral part of **pbb's** business management, which is aimed at sustainably increasing profitability whilst maintaining a stringent risk policy. When measuring the institution's performance, the key (core) performance indicators defined in the applicable business and risk strategy as well as in the business planning are used for performance measurement at the institution level, which particularly reflect the defined business and risk strategy and which fulfil the regulatory requirements regarding the consideration of risks, capital and liquidity, as well as being transparent and comprehensible.

The **Bank's success**, measured on the basis of these performance indicators, defines the amount of variable remuneration available for payment. The variable remuneration of Management Board members and employees is therefore directly linked to the business and risk strategy at its core and is significantly influenced by it. This also **ensures that the remuneration**

systems are compatible with capital and liquidity planning, as required by regulations. At the two other levels of performance measurement, the departmental or divisional level and the individual level, the targets set are also aligned with the business and risk strategy.

The **implementation of the regulatory requirements for remuneration in banks** is another element of the remuneration strategy. The aim of the remuneration system is to take account of the principle of appropriateness of the individual remuneration components in terms of amount and structure. Incentives to take disproportionately high risks are to be avoided. Both the total remuneration as well as the individual remuneration components will be regularly reviewed in the future with regard to an appropriate relationship to the function and performance as well as to the situation of pbb Group. pbb Group is regularly advised by an independent, external remuneration consultant, in particular on issues relating to the customary level of remuneration compared with other companies (hkp Deutschland), a consultant on company pension schemes (Mercer Deutschland GmbH) and an external legal advisor on labour law and regulatory legal issues (Gleiss Lutz Rechtsanwälte).

1.2 Adjustments to the remuneration system

In November 2024, the Management Board reviewed and confirmed the appropriateness of the remuneration system for employees. In November 2024, the Supervisory Board also reviewed and confirmed the appropriateness of the remuneration system for members of the Management Board and employees. No adjustments have been made for 2024.

2. PRINCIPLES AND COMPOSITION OF EMPLOYEE REMUNERATION

The total remuneration of employees in the 2024 financial year is made up of the following elements

- > **Non-performance-related remuneration** (monetary remuneration) including social and fringe benefits
- > **Performance-related variable remuneration.**

2.1 Non-performance-related remuneration

All employees of pbb Group receive an **annual fixed salary**, which is generally reviewed in an annual review process and adjusted if necessary. When determining the fixed salary, pbb Group is guided by function- and country-specific market comparisons. The appropriateness and marketability of fixed salaries and compliance with regulatory requirements are reviewed by external, independent remuneration and legal advisors.

In addition, pbb Group grants **further social and fringe benefits** in accordance with tax and social security regulations. The main fringe benefits in Germany include various allowances, such as for childcare costs or a meal allowance. In addition, pbb offers group accident insurance that also covers private accidents. Employees can also access various benefits from the pme Familienservice and receive the Guud Card, a non-cash benefit card that promotes sustainable consumption and ecological mobility. In 2022, pbb Group decided to abolish the previous company car scheme. Employees who were previously entitled to a company car will receive an allowance as compensation. At the international locations, additional health and pension insurance as well as term life and disability insurance are mainly granted as social and fringe benefits.

Various company pension schemes exist with regard to **company pension schemes**.

2.2 Performance-related variable remuneration

The variable remuneration system is geared towards transparent, performance-related remuneration that is orientated towards the Company's success; for risk takers, this depends in particular on long-term and demanding individual targets as well as the performance of pbb shares.

The variable remuneration is paid in cash. There is a **share-based remuneration system** with cash settlement, under which the **variable remuneration** for risk takers is economically influenced **by the performance of the pbb share price as part**

of the sustainability component. pbb Group did not grant any stock options in 2024. pbb Group did not apply any share ownership guidelines in 2024

The variable remuneration component is determined on the basis of an individual **calculatory reference value**. This represents a calculated value that reflects the amount of variable remuneration awarded on a 100% performance basis at all relevant performance levels. Depending on the job family, career ladder and career level, it can amount to up to 40% of total remuneration. This ensures that the variable remuneration granted for one year can amount to a maximum of 150% of the respective individual calculatory reference value.

In accordance with section 25a (5) sentence 2 of the KWG, the variable remuneration may not exceed 100% of the fixed remuneration under any circumstances. This could be increased to up to 200% by resolution of pbb's Annual General Meeting, section 25a (5) sentence 5 of the KWG. So far, pbb has not brought about such a resolution by the Annual General Meeting.

2.3 System of variable remuneration

a. Sec 7 IVV test

The prerequisite for the granting of variable remuneration is the prior determination of a total amount of variable remuneration (taking into account the requirements of Section 7 IVV). This is determined at the end of each financial year in accordance with the legal requirements. The Supervisory Board uses relevant reorganisation thresholds from the reorganisation plan as indicators for the necessity of an in-depth examination 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 only met to a limited extent, the Supervisory Board must reduce or cancel the variable remuneration.

b. Performance measurement

The amount of the respective variable remuneration for 2024 is determined on three levels:

- **Institute success**
- **Division success** and
- **Individual success**

The success of the institution is calculated by adding 50% each of two performance indicators, the **degree of target achievement of earnings before taxes (adjusted)** and the **risk/return ratio ("ERR ratio")**

Key Performance Indicators	Definition of	Weighting
Earnings before taxes	<ul style="list-style-type: none"> * Corresponds to the balance sheet profit before taxes (IFRS, Group) * Reflects the jointly responsible overall success of the bank 	50%
Risk-return ratio	<ul style="list-style-type: none"> * Equals net margin customer business x portfolio volume divided by risk-weighted assets by risk-weighted assets * Reflects customer profitability and risk allocation 	50%

These two performance indicators are used to define the amount of the **pool** available for variable remuneration. This ensures that the remuneration system responds directly to external and internal events and pbb's key risks. For more details on pbb's key risks, please refer to the Risk and Opportunity Report as part of pbb Group's Annual Report 2024.

Additional **modifiers** may also influence the result of target achievement at the level of the institution. Modifiers may include short-term changes in general regulatory requirements that are material for pbb Group, short-term fundamental macroeconomic events, foreign trade restrictions and one-off effects from the acquisition or disposal of significant parts of the company, particularly in the case of externally triggered M&A activity. The modifiers were not applied for 2024.

100% target achievement levels are defined for **performance measurement at pbb level**. The degree of target achievement between 20% and 100% is determined on a linear basis (target achievement curve). At 20% target achievement (in relation to the individual performance indicators), a base level is defined at which 20% of the grant pool can still be distributed as long as earnings before taxes (IFRS) are positive and the other requirements for granting variable remuneration (in accordance with section 7 of the IVV) are met. The maximum target achievement is defined at 150% and is linked to a corresponding payout factor of 150.

Performance measurement at divisional and individual level is based on the achievement of qualitative and quantitative targets - as far as possible with reference to pbb Group's business and risk strategy - for each division and for each employee of pbb Group.

The qualitative and quantitative divisional targets are determined annually on the basis of the institutional targets and the planning for the respective financial year.

- As a first step, the Management Board defines overarching strategic priorities for the divisional objectives as a management support (**corporate strategic priorities**). The Management Board also sets corporate strategic priorities in the area of ESG (environment, social and governance). This serves in particular to promote behaviour in relation to pbb's climate and environmental risk approach. The qualitative divisional targets in particular are defined on this basis.
- The **quantitatively measurable targets** developed in a second step must always be related to key economic figures (e.g. new business volume, new business margins, cost budgets, etc.) and are closely aligned with the (multi-year) planning.

Measurable indicators must also be defined for **qualitative targets** and the 100% target value must be mapped in metrics. The link to the business and risk strategy is checked and documented for each divisional target.

This ensures that the divisional targets are derived from and synchronised with the strategic business and risk planning targets. The divisional targets are approved by pbb's entire Management Board and communicated to all employees of the respective division at the beginning of the year.

In the case of quantitative targets, **target achievement is generally measured** by comparing the defined target value for 100 % target achievement with the actual values achieved; in the case of qualitative targets, it is measured by the Management Board's evaluation of performance.

At an individual level, a target agreement with qualitative and quantitative targets for the current financial year is concluded annually for each employee. The targets are also derived at individual level from the performance indicators for the Bank's success and the divisional targets. In particular, the quantitative and qualitative professional work targets must correspond to the business and risk strategy and be suitable for helping to achieve the objectives of the business and risk strategy. Appropriate metrics are defined for each target, which enable a transparent assessment of performance at the end of the financial year. In the case of quantitative targets, target achievement is generally measured by comparing the defined target value for 100% target achievement with the actual values achieved; in the case of qualitative targets, performance is assessed by the manager. The individual variable remuneration is calculated on this basis.

The three levels of performance measurement are linked to each other for the purpose of measuring variable remuneration. For this purpose, pbb summarises the calculatory reference values of the employees in a bonus pool, the amount of which is based on the institution's performance. This pool is distributed 50 % to the divisions on the basis of divisional performance and 50 % on the basis of institutional performance. The divisional pools formed in this way are distributed to the

employees belonging to the respective division according to their individual performance contribution. The share of the relevant divisional pool determined in this way is allocated to the respective employee as an **Envisaged Personnel Reward value** ("EPR value").

When determining the EPR value, pbb Group takes into account whether the employee can be accused of any **unethical behaviour or behaviour in breach of duties** the relevant assessment period. It reviews any **negative performance contributions** within the meaning of section 18 (5) IVV ("malus review") and the **financial payout conditions pursuant to section 7 IVV**. On the basis of this review, pbb Group can or must reduce the EPR value (see page 7 for details of the malus and clawback rules). In addition, pbb Group may limit the EPR value in the event of extraordinary developments (e.g. windfall profits).

The Supervisory Board can also limit the EPR value in the event of **exceptional developments** (e.g. windfall profits) or exceptional amounts.

In principle, the arithmetical allocation of the EPR value for the individual employee can amount to a minimum of 0% and a maximum of 150% of the relevant individual calculatory reference value.

c. Payout structure

With regard to the disbursement structure, a distinction is made between employees whose activities have a material influence on the overall risk profile of pbb ("**risk takers**") and other employees ("**non-risk takers**") in accordance with the special requirements of section 20 of the IVV applicable to pbb as a significant institution within the meaning of section 17 of the IVV.

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

The payout structure for the variable remuneration of **risk takers** is generally subject to the following framework conditions:

The EPR value is divided into a **disbursement portion** and a **deferral portion**.

The **payout percentage** for employees is **60 %** of the respective EPR value and **40 %** of the respective EPR value for **2nd level managers**.

Disbursement portion

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 this year at the latest, provided that the payout conditions pursuant to Section 7 IVV are met.

The remaining 50% of the disbursement portion is paid out after a **holding period of one year**, whereby this amount is adjusted in line with the **development of pbb's share price** during the holding period.

The corresponding amount at the beginning of the holding period is converted into an equivalent number of virtual shares. The average Xetra closing price of pbb shares in February of the following year of the financial year for which the variable remuneration is granted (reference price) is used to calculate the number of virtual shares. The virtual shares calculated in this way are automatically converted into a cash amount after a holding period of one year and paid out with the variable remuneration for the financial year following the remuneration year. The conversion takes place at the average Xetra closing price of the pbb share in the month of February of the year of disbursement (disbursement rate). 50% of the disbursement portion of the EPR value thus participates directly in the performance of the pbb share price during the holding period.

Deferral share

The **deferral period** for the deferral portion is five years for managers at the second reporting level and three or four years for employees.

In the five or three/four years following the determination of the EPR value, pbb Group decides annually on the granting of one fifth or one third/quarter of the deferral portion. There is no entitlement to the remuneration components concerned until the end of the respective deferral period. If the deferred remuneration components become an entitlement, half of the respective deferral portion is paid out in cash. The other half is retained for a further year, adjusted to the share price performance during the holding period of one year and depends during this further holding period on sustained performance in accordance with the share-based sustainability component described above.

For employees, an institution-specific threshold for annual variable remuneration applies, above which the deferral for risk takers increases from to 60% (employees with particularly high variable remuneration, Section 20 (3) IVV). The threshold for employees in sales functions was set at € 150,000. The threshold for employees in non-sales functions is € 100,000 in view of their usually lower variable remuneration. For employees at the New York location, the thresholds are higher than the thresholds for the other locations due to the higher remuneration customary in the market.

When deciding whether to grant or redefine a deferral portion at the end of the annual deferral period, pbb Group takes the following aspects into account:

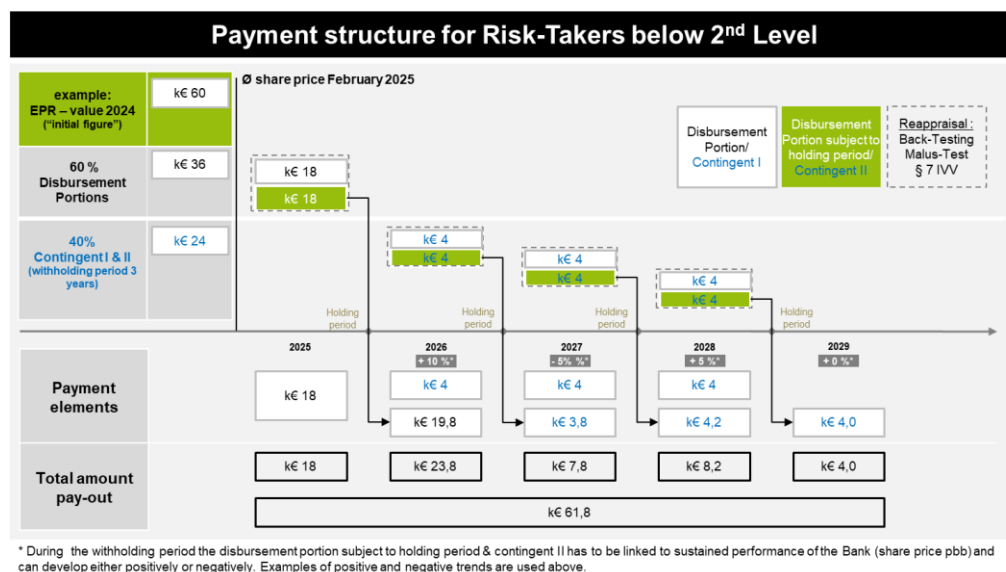
- **Backtesting:** As part of a retrospective review of variable remuneration (expost risk adjustment), pbb Group reviews negative deviations which have occurred retrospectively with regard to the institution's performance, the performance of the organisational unit and individual performance ("backtesting"). With this retrospective performance assessment, pbb Group checks whether the originally determined target achievement is still applicable in retrospect, e.g. whether risks were underestimated or not recognised or unexpected losses have occurred. If pbb Group identifies such target failures in the course of backtesting, the deferral portion must be reduced to the extent necessary to lower the variable remuneration to the newly determined level.
- **Unethical behaviour or behaviour in breach of duties:** In addition, pbb Group examines whether the risk taker can be accused of any **unethical behaviour or behaviour in breach of duties** in the relevant measurement period. This necessarily leads to a reduction in the deferral portion and cannot be offset by positive performance contributions.
- **Malus and clawback review:** In addition, pbb Group reviews any negative performance contributions within the meaning of section 18 (5) of IVV ("**malus review**") and, in particular in the event of serious misconduct by a risk taker, has the option of cancelling variable remuneration components that have not yet been paid out or reclaiming variable remuneration components that have already been paid out ("**malus and clawback rule**").

pbb has made arrangements 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 expire, or the risk taker 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 risk taker 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.

Disbursement conditions, section 7 IVV: Finally, pbb Group reviews the financial disbursement conditions in accordance with section 7 IVV. On the basis of this review, pbb Group may reduce or cancel the variable remuneration.

The aforementioned payout structure (including clawback) designed in accordance with regulatory requirements does not apply if the amount of the EPR value determined for a financial year is below a threshold set by law or by the Federal Financial Supervisory Authority or another competent supervisory authority that makes the payout structure for risk takers dispensable for reasons of proportionality (up to and including EUR 50,000 p.a. per person, provided that the variable remuneration does not account for more than one third of the total annual remuneration, Section 18 (1) IVV).

Payout structure for risk takers (example; deferral period: 3 years)



2.4 Further regulations of the remuneration system

a. Remuneration of employees in control units (Section 9 IVV)

The remuneration of employees in the control units within the meaning of Section 2 (11) IVV is structured in such a way that the focus is on fixed remuneration in each case. The share of variable remuneration for the employees concerned is consistently a maximum of one third of total remuneration. To avoid conflicts of interest, the amount of variable remuneration here is also not determined according to the same remuneration parameters as for the employees of the organisational units they control. This is ensured by appropriate targets at divisional and individual level.

b. Prohibition of hedging measures (Section 8 IVV)

The risk adjustment of variable remuneration may not be restricted or cancelled out by hedging or other countermeasures. Contracts with third parties that oblige the third party to make direct or indirect compensation payments to the employee in the amount of the reduction in variable remuneration suffered (insurance), as well as derivative transactions to hedge price losses on pbb's financial instruments, are therefore not permitted.

pbb has taken measures to prevent corresponding hedging and other countermeasures. The prohibition of hedging transactions and other countermeasures is also regulated both under collective law (for employees in Germany) and in individual contracts with each employee (employees, second-level managers and employees abroad). Compliance with this obligation is monitored.

c. Review and adjustment of the remuneration systems (Section 12 IVV)

In the event of changes to the business or risk strategy, the remuneration strategy and the structure of the remuneration system are reviewed and adjusted if necessary. In addition, pbb reviews its remuneration system and the underlying parameters at least once a year for appropriateness, particularly with regard to compatibility with the strategies, and makes adjustments if necessary.

2.5 Individual contractual special payments

No commitments for the payment of special payments were made in the 2024 financial year. No payments were made in respect of existing commitments for individual contractual special payments from the past.

2.6 Severance payments

When granting severance payments to employees at German locations, pbb Group generally applies the criteria of the company regulations agreed with the co-determination bodies. At the foreign locations, pbb Group applies the standard severance terms defined there as company regulations. Responsibility for the organisation of the company regulations on the granting of severance payments lies with the management, supported by the Human Resources department. The co-determination and participation rights of the co-determination bodies at the German locations must be taken into account. Individual severance payments are determined and negotiated by the Human Resources department with the involvement of the employee's manager. In individual cases, particularly in the case of high severance payments, the decision to grant the individual severance payment is the responsibility of the respective Management Board member or the full Management Board.

2.7 Guaranteed variable remuneration

In individual cases, and to the extent permitted by regulatory requirements, pbb may enter into agreements to compensate for remuneration entitlements from a previous service or employment relationship and/or agree sign-on bonuses and/or guaranteed variable remuneration in an appropriate amount in order to attract new employees. The decision on such agreements is the responsibility of the Management Board or, for Management Board members, the Supervisory Board.

3. REMUNERATION OF THE MANAGEMENT BOARD

The remuneration system for the members of the Management Board and Supervisory Board and the respective qualitative and quantitative remuneration information were published separately in the remuneration report in accordance with Art. 162 AktG and can be viewed there.

4. GOVERNANCE STRUCTURE IN THE AREA OF REMUNERATION

In accordance with the provisions of the AktG, pbb has a two-tier board and management structure ("two-tier system"). This consists of the Supervisory Board as an independent supervisory body and the Management Board, which is responsible for managing the Company. The Supervisory Board monitors, is responsible for and determines the remuneration of the members of the Management Board. The Management Board monitors, is responsible for and determines the remuneration systems for managers and employees of pbb Group and ratifies the amount and distribution of remuneration. The Supervisory Board has introduced a reservation of approval for the remuneration system for executives and employees in accordance with section 111 (4) of the AktG.

In accordance with the regulatory requirements of the KWG and the IVV, pbb's remuneration governance consists of a **Remuneration Control Committee** established by the Supervisory Board and the **Remuneration Officer** appointed by the Management Board.

The **Remuneration Control Committee** supports the Supervisory Board in organising the remuneration system for the members of the Management Board and prepares the resolutions of the Supervisory Board on the remuneration of Management Board members.

This includes in particular the preparation of the following resolutions of the Supervisory Board

- **Determination of the total amount of variable remuneration**
- **Determination of appropriate remuneration parameters, performance contributions, performance and retention periods**
- **Determination of the conditions for a complete loss or clawback or partial reduction of variable remuneration.**

In addition, the Remuneration Control Committee supports the Supervisory Board in the regular, and at least annual, review of whether the **structure of the remuneration system** adopted by the Supervisory Board is **appropriate**.

In addition, the Remuneration Control Committee monitors the **appropriate structure of the remuneration systems for employees** and, in particular, the **appropriate structure of the remuneration for the Heads of the risk controlling function and the compliance function** as well as the **risk takers**

The Remuneration Control Committee also supports the Supervisory Board in monitoring the **proper involvement of internal control and all other relevant areas in the design of the remuneration systems**. It assesses the impact of the remuneration systems on the risk, capital and liquidity situation and ensures that the remuneration systems are aligned with the business strategy geared towards the sustainable development of the institution and the resulting risk strategies as well as the remuneration strategy.

The Remuneration Control Committee of the Supervisory Board consists of the Chairman of the Supervisory Board, two members representing the shareholders and one member representing the employees. A total of 7 meetings of the Remuneration Control Committee were held in 2024.

A Remuneration Officer and a deputy have been appointed to ensure appropriate, permanent and effective monitoring of employee remuneration. The task of the Remuneration Officer is to constantly monitor the appropriateness of the employee remuneration systems. To this end, the Remuneration Officer is involved in the ongoing processes of the remuneration systems, both with regard to the conceptual development and further development as well as the ongoing application of the remuneration systems. The Remuneration Officer has an institutionalised direct reporting channel to the Chairman of the Remuneration Control Committee without the intervention of the Management Board. The Remuneration Officer must submit a remuneration control report at least once a year, in which the appropriateness of the remuneration system for employees is assessed (Section 24 IVV).

As part of their responsibilities, pbb's control functions are also involved in designing and implementing the remuneration system, identifying risk takers and determining the total amount of variable remuneration. This also includes the annual malus and clawback review for risk takers.

5. DISCLOSURE OF REMUNERATION DATA

The following disclosure of remuneration data is made in accordance with Section 16 IVV in conjunction with Art. 450 CRR.

5.1 Quantitative information on remuneration by business division

On the basis of the consolidated financial statements of pbb Group, the Management Board and Supervisory Board determined the total amount of variable remuneration at pbb Group for 2024 to be €11.7 million (rounded; including Management Board members), following a corresponding review of the requirements of section 7 of the IVV. The final determination of pbb's target achievement in accordance with the applicable key performance indicators was confirmed at 82% (rounded) on the basis of pbb's submitted consolidated financial statements. Target achievement at divisional level is between 100 and 130 %

In accordance with Art. 450 (1) (g) CRR, the quantitative disclosures on remuneration are summarised by business division.

Information on remuneration in accordance with Section 16 (1) No. 3 IVV

	Supervisory Board ²⁾	Management Board ³⁾	Business areas		
			corporate functions ⁴⁾	Independent control functions ⁵⁾	All other ⁶⁾
All figures in € million, unless otherwise stated ¹⁾					
Members (headcount)	9	5	-	-	-
Total number of employees, headcount and FTE ("Full Time Equivalent")	-	-	222 (HC) 212,14 (FTE)	323 (HC) 299,40 (FTE)	273 (HC) 261,64 (FTE)
Total remuneration for the financial year 2024	0,73	6,69	32,34	44,62	48,49
thereof: total fixed remuneration	0,73	5,44	29,50	41,17	42,42
thereof: total variable remuneration	-	1,25	2,84	3,45	6,07

¹⁾ The table may contain rounding differences.

²⁾ The Supervisory Board comprises the members of the Supervisory Board of Deutsche Pfandbriefbank AG.

³⁾ The Management Board comprises the members of the Management Board of Deutsche Pfandbriefbank AG.

⁴⁾ Departments Communications & Investor Relations, Human Resources, Information Technology, Legal.

⁵⁾ Finance, Corporate Office/ Corporate Development, Compliance, Group Internal Audit, Risk Management & Control; CRM

⁶⁾ Departments RE Finance Continental Europe, RE Finance Germany, RE Finance UK & USA, Treasury, Operations & Digitalisation, Property Analysis & Valuation, Loan Markets, Projekte Risk Management, pbb invest.

5.2 Quantitative information on the remuneration of the Senior Management and Risk Takers

In accordance with Art. 450 (1) (h) CRR, the quantitative information on the remuneration of managers and employees who can justify high risk positions, so-called risk takers, is presented in the following table.

As a major institution, pbb Group is obliged to identify employees who may give rise to high risk positions, so-called risk takers, on the basis of an independent risk analysis.

Risk takers were identified for 2024 on the basis of the criteria set out in the German Banking Act and in Delegated Regulation (EU) 2021/923. These criteria relate primarily to

- the function of managing director or member of senior management
- Lending competences
- the right to vote in key committees and
- the amount of the employee's remuneration.

In addition to the members of the Management Board and Supervisory Board, a total of 76 employees were identified as risk takers in 2024. The Management Board of pbb has informed the Supervisory Board of the result of this identification. The details of the internal risk analysis were documented accordingly

EU REM1: Remuneration awarded for the financial year 2024 (Risk Taker)

			a	b	c	d
			Supervisory Board ²⁾	Management Board ³⁾	2 nd Level Managers	Other Risk Takers
All figures in € million, unless otherwise stated ¹⁾						
1	Fixed Remuneration	Number of Risk Taker	9	5	17	59
2		Total fixed remuneration	0,73	5,44	6,01	13,03
3		thereof: cash-based	0,73	3,67	5,42	12,87
EU-4 a		thereof: shares or equivalent ownership interests	-	-	-	-
5		thereof: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-5x		thereof: other instruments	-	-	-	-
7		thereof: other forms	-	1,77	0,49	0,16
9	Variable remuneration	Number of Risk Taker	-	5	17	59
10		Total variable remuneration	-	1,25	1,20	1,96
11		thereof: cash-based	-	0,63	0,72	1,55
12		thereof: deferred	-	0,38	0,28	0,16
EU-13a		thereof: shares or equivalent ownership interests	-	-	-	-
EU-14a		thereof: deferred	-	-	-	-
EU-13b		thereof: share-linked instruments or equivalent non-cash instruments	-	0,63	0,47	0,4
EU-14b		thereof: deferred	-	0,63	0,47	0,4
EU-14x		thereof: other instruments	-	-	-	-
EU-14y		thereof: deferred	-	-	-	-
15		thereof: other forms	-	-	-	-
16		thereof: deferred	-	-	-	-
17	Total remuneration (2 + 10)		0,73	6,69	7,21	14,99

¹⁾ The table may contain rounding differences.

²⁾ The Supervisory Board comprises the members of the Supervisory Board of Deutsche Pfandbriefbank AG.

³⁾ The Management Board comprises the members of the Management Board of Deutsche Pfandbriefbank AG.

EU REM2: Guaranteed variable remuneration and severance payments (Risk Takers)

		a	b	c	d
		Supervisory Board ²⁾	Management Board ³⁾	2 nd Level Managers	Other Risk Takers
All figures in € million, unless otherwise stated ¹⁾					
Guaranteed variable remuneration awards					
1	Guaranteed variable remuneration awards - Number of Risk Taker	-	1	-	-
2	Guaranteed variable remuneration awards -Total amount	-	0,25	-	-
3	thereof: guaranteed variable remuneration awards paid during the financial year 2024, that are not taken into account in the bonus cap	-	0,25	-	-
Severance payments awarded in previous periods, that have been paid out during the financial year 2024					
4	Severance payments awarded in previous periods, that have been paid out during the financial year 2024 - Number of Risk Taker	-	-	-	-
5	Severance payments awarded in previous periods, that have been paid out during the financial year 2024 - Total amount	-	-	-	-
Severance payments awarded during the financial year 2024					
6	Severance payments awarded during the financial year 2024 - Number of Risk Taker	-	-	-	1
7	Severance payments awarded during the financial year 2024 - Total amount	-	-	-	0,16
8	thereof: paid during the financial year 2024	-	-	-	0,16
9	thereof: deferred	-	-	-	0
10	thereof: severance payments paid during the financial year 2024, that are not taken into account in the bonus cap	-	-	-	0,16
11	thereof: highest payment that has been awarded to a single person	-	-	-	0,16

¹⁾ The table may contain rounding differences.

²⁾ The Supervisory Board comprises the members of the Supervisory Board of Deutsche Pfandbriefbank AG.

³⁾ The Management Board comprises the members of the Management Board of Deutsche Pfandbriefbank AG.

EU REM3: Deferred Remuneration (Risk-Taker)

	a	b	c	d	e	f	EU - g	EU - h
	Total amount of deferred remuneration awarded for previous performance periods	thereof: due to vest in the financial year 2024	thereof: vesting in subsequent financial years	Amount of performance adjustment made in the financial year 2024 to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year 2024 to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year 2024 due to ex post implicit adjustments ⁴⁾	Total amount of deferred remuneration awarded before the financial year 2024 actually paid out in the financial year 2024	Total amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
All figures in € million, unless otherwise stated ¹⁾								
1 Supervisory Board²⁾	0	0	0	0	0	0	0	0
2 Cash-based	-	-	-	-	-	-	-	-
3 Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
4 Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
5 Other instruments	-	-	-	-	-	-	-	-
6 Other forms	-	-	-	-	-	-	-	-
7 Management Board³⁾	2,42	0,79	1,63	-	-	-0,06	0,79	0,32
8 Cash-based	0,97	0,32	0,65	-	-	-	0,32	-
9 Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
10 Share-linked instruments or equivalent non-cash instruments	1,44	0,47	0,97	-	-	-0,06	0,47	0,32
11 Other instruments	-	-	-	-	-	-	-	-
12 Other forms	-	-	-	-	-	-	-	-
13 2nd Level Manager	2,39	0,77	1,62	-	-	-0,08	0,77	0,33
14 Cash-based	0,97	0,33	0,65	-	-	-	0,33	-
15 Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
16 Share-linked instruments or equivalent non-cash instruments	1,42	0,45	0,97	-	-	-0,08	0,45	0,33
17 Other instruments	-	-	-	-	-	-	-	-
18 Other forms	-	-	-	-	-	-	-	-

19	Other Risk Taker	1,00	0,47	0,52	-	-	-0,05	0,47	0,18
20	Cash-based	0,38	0,18	0,20	-	-	-	0,18	
21	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
22	Share-linked instruments or equivalent non-cash instruments	0,62	0,29	0,33	-	-	-0,05	0,29	0,18
23	Other instruments	-	-	-	-	-	-	-	-
24	Other forms	-	-	-	-	-	-	-	-
25	Total amount	5,81	2,04	3,77	-	-	-0,19	2,04	0,83

¹⁾ The table may contain rounding differences.

²⁾ The Supervisory Board comprises the members of the Supervisory Board of Deutsche Pfandbriefbank AG.

³⁾ The Management Board comprises the members of the Management Board of Deutsche Pfandbriefbank AG.

⁴⁾ Positive and negative inflows from multi-year variable remuneration based on the development of share-based remuneration.

pbb Group applies the exemption rule of section 18 (1) of the IVV, according to which the payout structure for risk takers with an EPR value set for a financial year below the threshold defined by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin) does not apply for reasons of proportionality (for 2024 up to and including €50,000 p.a. per person). In 2024, 59 risk takers were affected by this exception with fixed remuneration of EUR 13,03 million and variable remuneration of EUR 1,96 million (total remuneration: EUR 14,99 million).

5.3 Number of risk takers with high remuneration

In accordance with Art. 450 para. 1 lit. i CRR, the following table shows the number of risk takers whose remuneration amounts to EUR 1 million or more in the 2024 financial year. Remuneration also includes pension expenses in connection with the company pension scheme.

EU REM4: Remuneration of EUR 1 million or more per year (Risk Taker)

		a
	Euro	Number of Risk Takers
1	1 000 000 to less than 1 500 000	4
2	1 500 000 to less than 2 000 000	1
3	2 000 000 to less than 2 500 000	-
4	2 500 000 to less than 3 000 000	-
5	3 000 000 to less than 3 500 000	-
6	3 500 000 to less than 4 000 000	-
7	4 000 000 to less than 4 500 000	-
8	4 500 000 to under 5 000 000	-
9	≥ 5 000 000	-

5.4 Total remuneration of the Risk Takers 2024

EU REM5: Total remuneration for the 2024 financial year (Risk Taker)

		a	b	c	g	h	i	j
		Management body remuneration				Business divisions		
		Supervisory Board ²⁾	Management Board ³⁾	Total Management body	Corporate functions ⁴⁾	Independent control functions ⁵⁾	All other ⁶⁾	Total
All figures in € million, unless otherwise stated ¹⁾								
1	Total number of Risk Taker	-	-	-	-	-	-	90
2	thereof: members of the Management body	9	5	14	-	-	-	-
3	thereof: 2 nd Level Manager	-	-	-	4	6	7	-
4	thereof: other Risk Taker	-	-	-	-	42	17	-
5	Total remuneration of Risk Taker	0,73	6,69	7,42	1,77	10,74	10,02	-
6	thereof: variable remuneration	-	1,25	1,25	0,31	1,18	2,01	-
7	thereof: fixed remuneration	0,73	5,44	6,17	1,46	9,56	8,01	-

¹⁾ The table may contain rounding differences.

²⁾ The Supervisory Board comprises the members of the Supervisory Board of Deutsche Pfandbriefbank AG.

³⁾ The Management Board comprises the members of the Management Board of Deutsche Pfandbriefbank AG.

⁴⁾ Departments Communications & Investor Relations, Human Resources, Information Technology, Legal.

⁵⁾ Finance, Corporate Office/ Corporate Development, Compliance, Group Internal Audit, Risk Management & Control; CRM.

⁶⁾ Departments RE Finance Continental Europe, RE Finance Germany, RE Finance UK & USA, Treasury, Operations & Digitalisation, Property Analyses & Valuation, Loan Markets, Projekte Risk Management, pbb invest.