



**DEUTSCHE
PFANDBRIEFBANK**

Disclosure Report

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

Remuneration Report

in accordance with Article 450 CRR, Section 16 of the Institutsvergütungsverordnung

as of December 31, 2025

Deutsche Pfandbriefbank Group

Remuneration Report 2025

The 2025 Remuneration Report is based on the disclosure requirements pursuant to Section 3(1) and Section 16(1) of the German Regulation on the Supervisory Requirements for Institutions' Remuneration System (Institutsvergütungsverordnung – "IVV") in conjunction with Section 27(3) IVV, the German Banking Act (KWG), Article 450(1)(a) to (j) of the Capital Requirements Regulation (CRR) in its currently applicable version.

This Remuneration Report covers the remuneration of the members of the Management Board, 2nd level managers, and employees of Deutsche Pfandbriefbank AG ("pbb") and its subsidiaries (hereinafter referred to as the "pbb Group") for the fiscal year 2025. It is an appendix to the disclosure report as of December 31, 2025, and describes the key features of the pbb Group's remuneration policy and practices in accordance with Article 450 of the CRR.

Further quantitative information on remuneration is presented in the separately published remuneration report pursuant to Section 162 of the German Stock Corporation Act (AktG), in particular the total remuneration of the members of the Management Board and the Supervisory Board. The remuneration officer has reviewed the appropriateness of the design of the remuneration systems and confirmed this. He was also involved in the ongoing processes related to the implementation of the remuneration system.

1. REMUNERATION SYSTEM AND REMUNERATION STRATEGY OF THE PBB GROUP

The pbb Group's remuneration system was designed as part of the remuneration strategy to be a forward-looking system appropriate for the pbb Group and its various locations in their current situation; it is market-based and performance-oriented and takes appropriate account of applicable regulatory requirements, in particular the provisions of the Capital Requirements Directive (Capital Requirements Directive – CRD), KWG and IVV, as well as, with regard to members of the Management Board, AktG and the German Corporate Governance Code (DCGK).

The pbb Group aims to establish a largely uniform remuneration system for all companies within the pbb Group as well as all employees in Germany and abroad, to the extent that this is sensible in terms of content and is contractually and regulatory permissible or required.

1.1 Remuneration Strategy

The pbb Group's remuneration system and remuneration strategy **are integral components of the pbb Group's business and risk strategy**. The remuneration strategy sets out the framework for the performance and remuneration of members of the Management Board and employees of the pbb Group. It was coordinated with all key departments as part of the alignment of the business and risk strategy. It was last updated in 2025, without any impact on the composition of variable and fixed remuneration. The remuneration strategy is accessible to all employees of the pbb Group via the intranet. The remuneration strategy is reviewed regularly and, in particular, on an ad hoc basis in the event of changes to the business and risk strategy.

The objective of the remuneration strategy is to ensure **fair and performance-based remuneration** that is designed to help achieve the **goals set forth** in the **business and risk strategy**.

An integral part of **pbb's** business management, which is aimed at sustainably increasing profitability while maintaining a rigorous risk policy, is the **measurement of performance at the institutional level**. When measuring the institution's performance, the key (core) performance indicators defined within the framework of the applicable business and risk strategy as well as business planning are used for performance measurement at the institutional level; these indicators particularly reflect the defined business and risk strategy while meeting the regulatory requirements for the consideration of risks, capital, and liquidity, and are transparent and comprehensible.

The institution's performance, as measured on the basis of these performance metrics, determines the amount of variable remuneration available for payment. This means that the variable remuneration of Management Board members and employees is, at its core, directly linked to the business and risk strategy and is significantly shaped by it. It also regulatory **requirement that remuneration systems be compatible with capital and liquidity planning** is thereby met. At the other two levels of performance measurement—the department or division level and the individual level—the defined targets are also designed to align with the business and risk strategy.

The **implementation of regulatory requirements regarding remuneration in banks** is another element of the remuneration strategy. The objective of the remuneration system is to ensure that the individual remuneration components are appropriate in terms of both amount and structure. Incentives to take disproportionately high risks are to be avoided. Both total remuneration and the individual remuneration elements will continue to be reviewed regularly in the future to ensure an appropriate relationship to function and performance as well as to the situation of the pbb Group. The pbb Group is regularly advised by an independent, external remuneration consultant, particularly on issues regarding the customary nature of remuneration in comparison to other companies (hkp Deutschland), a consultant on corporate pension plans (Mercer Deutschland GmbH), and an external legal advisor on labor law and regulatory matters (Gleiss Lutz Rechtsanwälte).

1.2 Adjustments to the remuneration system

In November 2025, the Management Board reviewed and confirmed the appropriateness of the employee remuneration system. The Supervisory Board also reviewed and confirmed the appropriateness of the remuneration system for Management Board members and employees in November 2025. No adjustments were made for the year 2025.

2. PRINCIPLES AND COMPOSITION OF EMPLOYEE REMUNERATION

The total remuneration for employees in the 2025 fiscal year consists of the following elements:

- > **Fixed remuneration** (monetary remuneration) including social benefits and fringe benefits
- > **Performance-based variable remuneration.**

2.1 Non-performance-based remuneration

All employees of the pbb Group receive an **annual fixed salary**, which is generally reviewed as part of an annual standard process and adjusted as necessary. When determining fixed salaries, the pbb Group relies on role- and country-specific market comparisons. The appropriateness and market competitiveness of the fixed salaries, as well as compliance with regulatory requirements, are reviewed by external, independent remuneration and legal advisors.

The pbb Group also provides **additional social and fringe benefits** in compliance with tax and social security regulations. In Germany, key fringe benefits include various allowances, such as those for childcare costs or a meal allowance. In addition, pbb offers group accident insurance that also covers private life. Furthermore, employees can access various services offered by pme Familienservice and receive the Guud Card, a benefits card that promotes sustainable consumption and eco-friendly mobility. In 2022, the pbb Group decided to abolish the previous company car policy. Employees who were previously eligible receive an allowance as remuneration. At the international locations, social and fringe benefits primarily consist of additional health and pension insurance, as well as term life and disability insurance.

There are various corporate pension plans available.

2.2 Performance-based variable remuneration

The variable remuneration system is designed to provide transparent, performance-based remuneration aligned with the company's success, which, for risk-takers, depends in particular on long-term and challenging individual targets as well as the performance of the pbb share.

Variable remuneration is paid in cash. There is an **equity-based remuneration system** with cash settlement, under which, for risk-takers, the **variable remuneration** is economically influenced **by the performance of the pbb share price** as part of the sustainability component. The pbb Group did not grant any stock options in 2025. No share ownership guidelines were in effect within the pbb Group in 2025.

The variable remuneration component is determined based on an individual **calculatory reference value**. This represents a calculated figure that reflects the amount of variable remuneration awarded on a 100% performance basis across all relevant performance levels. Depending on the job family, career ladder, and career level, it can account for up to 40% of total remuneration. This ensures that the variable remuneration granted for a given year cannot exceed 150% of the respective individual calculatory reference value.

Pursuant to Section 25a(5), second sentence, of KWG, variable remuneration may under no circumstances exceed 100% of fixed remuneration. By resolution of pbb's Annual General Meeting, this limit could be raised to up to 200%, pursuant to Section 25a(5), fifth sentence, of the KWG. To date, pbb has not passed such a resolution at its Annual General Meeting.

2.3 Variable Remuneration System

a. Prerequisite review (Section 7 IVV)

A 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 of the IVV). This amount is determined at the end of each fiscal year in accordance with the statutory requirements. The Company uses relevant restructuring thresholds from the restructuring plan as indicators of the need for a more detailed review of the statutory requirements. If the statutory requirements are met, a total amount for variable remuneration is made available. If the statutory requirements are not met or are met only to a limited extent, the Company must reduce the variable remuneration or forgo it entirely.

In fiscal year 2025, pbb reported a pre-tax loss of €250 million under IFRS, which was primarily attributable to one-time expenses related to the strategic withdrawal from the U.S. real estate market. These one-time special items had a significant impact on the annual result but do not reflect the operational performance of the core business in Germany and Europe. New business increased by approximately 23% to €6.3 billion, while the return on tangible equity (RoTE) for new business stood at around 8%, meaning that key strategic performance indicators were achieved despite the challenging market environment. The bank continues to have a robust capital base with a CET1 ratio of 14.7% and a comfortable liquidity reserve of approximately €5 billion, which ensures financial stability and enables the implementation of strategic initiatives.

The process for determining the total amount of variable remuneration for the performance year takes into account not only the impact on the current year but also on future years. Taking into account the expenses still required in 2026 for the withdrawal from the U.S. real estate market, a positive net income for the Bank can already be expected for the 2026 fiscal year, with a significant increase in subsequent years.

Against this backdrop, the Management Board and Supervisory Board have reviewed the sustainability of the variable remuneration. Despite the negative annual result, pbb's capital and liquidity positions are well above the regulatory minimum requirements, thereby fulfilling the key sustainability parameters.

Against this backdrop, the pbb Management Board has decided to grant employees variable remuneration for the 2025 fiscal year. This decision reflects the clear distinction between one-time balance sheet charges and sustainable operating profitability. It rewards the results achieved in the core business and ensures that the bank maintains its ability to retain and motivate key employees, who are crucial for the consistent implementation of the bank's transformation and the achievement of long-term capital market goals.

b. Performance Measurement

The amount of the respective variable remuneration for the year 2025 is determined on three levels:

- **Institutional performance**
- **Division performance** and
- **Individual performance**

The institution's performance is calculated as the sum of two performance metrics, each accounting for 50%: the **degree of target achievement for pre-tax profit (adjusted)** and the **return-to-risk ratio ("ERR ratio")**:

Key Performance Indicators	Definition of	Weighting
Earnings before taxes	* Corresponds to the balance sheet profit before taxes (IFRS, Group) * Reflects the jointly responsible overall success of the bank	50%
Risk-return ratio	* 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 metrics define the size of **the pool** available for variable remuneration. This ensures that the remuneration system responds directly to external and internal events and to pbb's key risks. Further details on pbb's key risks can be found in the Risk and Opportunity Report, which is part of the pbb Group's 2025 Annual Report.

Should exceptional circumstances arise that are beyond the control of the pbb Group, the Management Board may increase or decrease the target achievement at the institutional level by up to 20 percentage points. This allows for appropriate consideration of both positive and negative external factors affecting target achievement. Such influences may include, for example, short-term changes in general regulatory requirements material to the pbb Group, short-term fundamental macroeconomic events, foreign trade restrictions, and special effects arising from the acquisition or disposal of material business units, particularly in the case of externally initiated M&A activity.

To **measure performance at the pbb level**, 100% target achievement levels are defined. The degree of target achievement between 20% and 100% is determined on a linear basis (target achievement curve). At 20% target achievement (based on the individual performance metrics), a base level is established at which 20% of the award pool may still be distributed, provided the requirements for granting variable remuneration (pursuant to § 7 IVV) are met. The maximum target achievement is defined at 150% and is associated with a corresponding payout factor of 150.

Performance is measured **at the divisional and individual levels** based on the achievement of qualitative and quantitative targets—where possible, in line with the pbb Group's business and risk strategy—for each division and for every employee of the pbb Group.

Qualitative and quantitative divisional targets are **set** annually based on the corporate objectives and the planning for the respective fiscal year.

- To this end, the Management Board first establishes overarching strategic priorities for the divisional objectives to support management (**corporate strategic priorities**). The Management Board also generally defines corporate strategic priorities in the area of ESG (Environment, Social, and Governance). This serves, in particular, to promote behaviors aligned with pbb's climate and environmental risk approach. On this basis, primarily the qualitative divisional targets are established.

- The **quantitatively measurable targets** developed in a second step must generally be linked to financial metrics (e.g., new business volume, new business margins, cost budgets, etc.) and are closely aligned with (multi-)year planning.

Measurable indicators must also be defined for **qualitative goals**, and the 100% target value must be reflected in metrics. For each divisional goal, the link to the business and risk strategy is reviewed and documented.

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

For quantitative targets, **the achievement of objectives** is generally **measured** by comparing the defined target value for 100% target achievement with the actual values achieved; for qualitative targets, it is **measured** through an evaluative assessment of performance by the Management Board.

At the individual level, an annual **performance agreement** is established for each employee, setting out qualitative and quantitative goals for the current fiscal year. At the individual level as well, these goals are derived from the metrics for the institution's success and the division-level objectives. In particular, the quantitative and qualitative professional work objectives must be consistent with the business and risk strategy and must be suitable for contributing to the achievement of the business and risk strategy objectives. For each objective, corresponding metrics are defined that enable a transparent performance assessment at the end of the fiscal year. For quantitative targets, the measurement of target achievement is generally performed by comparing the defined target value for 100% target achievement with the actual values achieved; for qualitative targets, it is performed through a managerial evaluation of performance. Variable remuneration is allocated on this basis.

To calculate variable remuneration, the **three levels of performance measurement** are **linked**. To this end, pbb combines employees' calculatory reference values into a bonus pool, the size of which is determined by the institution's overall performance. This pool is allocated to the divisions, with 50% based on divisional performance and 50% based on the institution's overall performance. The division pools formed in this manner are distributed to the employees belonging to each division based on their individual contribution to performance. The share of the relevant division pool determined in this way is calculated and allocated to the respective employee as an **Envisaged Personal Reward** value ("EPR value").

When determining the EPR value, the pbb Group considers whether the employee can be accused of any **conduct contrary to ethical standards or professional duties** during the relevant assessment period. It reviews any **negative performance contributions** within the meaning of Section 18(5) of the IVV ("malus review") and the **financial payment conditions under Section 7 of the IVV**. Based on this review, the pbb Group may or must reduce the EPR value (for details on the penalty and clawback provisions, see p. 7). Furthermore, the pbb Group may cap the EPR value in the event of extraordinary developments (for example, windfall profits).

The company may also cap the EPR value in the event of **extraordinary developments** (e.g., windfall profits) or if the amount is exceptionally high.

In principle, the calculated allocation of the EPR value for an individual employee may range from a minimum of 0% to a maximum of 150% of the applicable individual imputed reference value.

c. Payout Structure

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

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

The payout structure for the variable remuneration of **risk-takers** is generally subject to the following conditions: The EPR value divided into a **payout portion** and a **deferral portion**.

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

Payment portion

50% of the payout portion is generally paid out in cash at the end of the first half of the fiscal year following the remuneration year and no later than September of that year, provided that the payout conditions under Section 7 of the IVV are met.

The remaining 50% of the payout portion is paid out after a **one-year holding period**, with this amount adjusted in accordance with the **performance of pbb's share price** during the holding period.

At the start of the vesting period, the corresponding amount is converted into an equivalent number of virtual shares. The number of virtual shares is calculated based on the average Xetra closing price of the pbb share in February of the year following the fiscal year for which the variable remuneration is granted (reference price). The virtual shares determined in this manner are automatically converted into a cash amount after a one-year holding period and paid out together with the variable remuneration for the fiscal year following the remuneration year. The conversion is based on the average Xetra closing price of the pbb share in February of the year of payment (payment price). 50% of the payment portion of the EPR value thus directly participates in the price performance of the pbb share during the holding period.

Deferred portion

The **deferral period** for the deferred portion is five years for 2nd level managers and four years for employees.

The pbb Group decides annually, in the five or four years following the determination of the EPR value, on the grant of one-fifth or one-quarter of the deferred portion, respectively. No entitlement to the relevant remuneration components exists until the end of the respective deferral period. If the deferred remuneration components become vested, half of the respective deferral portion is paid out in cash. The other half is retained for an additional year, adjusted to the share price performance during the one-year holding period, and depends during this additional holding period on sustainable performance in accordance with the equity-based sustainability component described above.

For employees, an institution-specific threshold applies to annual variable remuneration, above which the deferral rate for risk-takers increases from 40% to 60% (employees with particularly high variable remuneration, Section 20(3) of the IVV). For employees in sales functions, the threshold has been set at 150,000 euros. The threshold for employees in non-sales roles is €100,000, given their typically lower variable remuneration. For employees at the New York location, the thresholds are higher than those for other locations due to the higher remuneration customary in the local market.

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

- **Backtesting:** As part of a retrospective review of variable remuneration (ex-post risk adjustment), the pbb Group reviews negative deviations that have occurred subsequently with regard to the institution's performance, the performance of the organizational unit, and individual performance ("backtesting"). Through this retrospective performance assessment, the pbb Group verifies whether the originally determined target achievement remains accurate in hindsight, e.g., whether risks were underestimated or unrecognized, or whether unexpected losses occurred. If the pbb Group identifies such shortfalls in target achievement during backtesting, the deferral portion must be reduced to the extent necessary to lower the variable remuneration to the newly determined level.

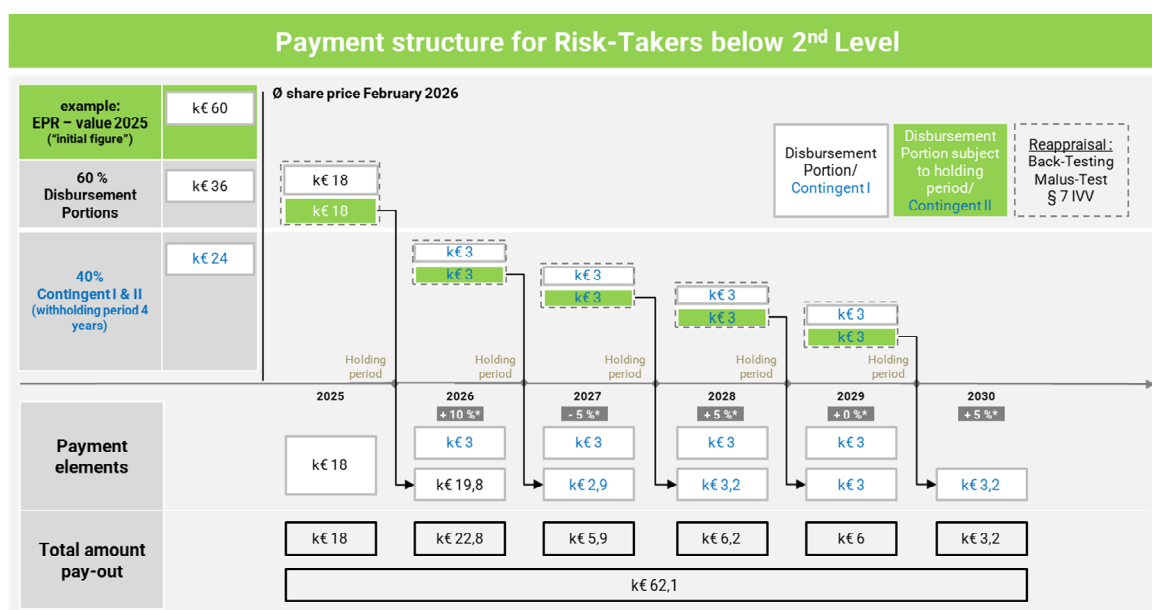
- Unethical or Breach-of-Duty Conduct:** Furthermore, the pbb Group assesses whether the risk-taker can be accused of any unethical or breach-of-duty conduct during the relevant assessment period. Such conduct necessarily results in a reduction of the deferral portion and cannot be offset by positive performance contributions.
- Malus and clawback review:** In addition, the pbb Group reviews any negative performance contributions within the meaning of Section 18(5) of the IVV (“malus review”) and, particularly in the event of serious misconduct by a risk-taker, has the option to cancel variable remuneration components that have not yet been paid or to reclaim variable remuneration components already paid from the member of the Management Board (“malus and clawback provision”).

pbb has established provisions regarding the clawback of variable remuneration (“**clawback agreement**”). Accordingly, any claims for payment of variable remuneration for the relevant assessment period that have not yet been paid out shall lapse, or the risk-taker shall be obligated to repay the variable remuneration already paid out for the relevant assessment period if he or she was significantly involved in or responsible for conduct that resulted in substantial losses for the institution or a significant regulatory sanction for the institution. The same applies if the risk-taker has seriously violated relevant external or internal regulations regarding suitability and conduct. pbb may reclaim variable remuneration already paid out up to two years after the end of the retention period for the corresponding fiscal year. The detailed specification of the criteria for the clawback set forth in the IVV takes into account the requirements of the supervisory authority and applies them—against the backdrop of the specific characteristics of the pbb Group’s business model and risk profile—with a view to the sustainability of the company’s success and the alignment of corporate performance with bonus payments.

Payment Conditions, Section 7 of the IVV: Finally, the pbb Group reviews the financial payment conditions in accordance with Section 7 of the IVV. Based on this review, the pbb Group may reduce or waive the variable remuneration.

The aforementioned payout structure (including clawback), which has been designed in accordance with regulatory requirements, does not apply if the EPR value determined for a fiscal year falls below a threshold, which, for reasons of proportionality, renders the payout structure for risk-takers unnecessary (up to and including 50,000 euros per year per person, provided that the variable remuneration does not exceed one-third of the total annual remuneration, Section 18(1) IVV).

Payout structure for risk-takers (illustrative; deferral period: 4 years)



* During the withholding period the disbursement portion subject to holding period & contingent II has to be linked to sustained performance of the Bank (share price pbb) and can develop either positively or negatively. Examples of positive and negative trends are used above.

.4 Further provisions of the remuneration system

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

The remuneration of employees in the control units as defined in Section 2(11) of the IVV is structured such that the primary focus is on fixed remuneration. The variable remuneration component for these employees consistently amounts to no more than one-third of their total remuneration. To avoid conflicts of interest, the amount of variable remuneration here is also not determined by the same remuneration parameters as for employees in the organizational units they oversee. This is ensured through appropriate targeting at the divisional and individual levels.

b. Prohibition of Hedging Measures (Section 8 IVV)

The risk adjustment of variable remuneration must not be restricted or negated by hedging or other countermeasures. Consequently, the following are prohibited, among other things: contracts with third parties that oblige the third party to make direct or indirect remuneration payments to the employee in the amount of the reduction in variable remuneration suffered (insurance), as well as derivative transactions to hedge against price losses on pbb's financial instruments.

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

c. Review and adjustment of 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 as necessary. In addition, pbb reviews its remuneration system and the underlying parameters at least once a year to ensure their appropriateness, particularly with regard to their alignment with the strategies, and makes adjustments as necessary.

2.5 Special payments under individual contracts

In the 2025 fiscal year, no commitments were made regarding the payment of special payments. Payments arising from past commitments for special payments under individual contracts were also not made.

2.6 Severance payments

When granting severance payments to employees at its German locations, the pbb Group generally applies the criteria set forth in the company regulations agreed upon with the works councils. At its foreign locations, the pbb Group applies the standard severance terms established there as company regulations. Responsibility for designing the company regulations governing the granting of severance payments lies with the Management Board, supported by the Human Resources department. At German locations, the co-determination and participation rights of the co-determination bodies must be taken into account. The determination and negotiation of individual severance payments are carried out by the Human Resources department in consultation with the employee's respective manager. In individual cases, particularly involving high severance payments, the decision to grant the individual severance payment rests with the respective divisional board member or the Management Board.

2.7 Guaranteed variable remuneration

In individual cases and to the extent permitted by regulatory requirements, pbb may, for the purpose of recruiting new employees, enter into agreements to compensate for lost remuneration claims arising from a previous employment relationship and/or agree to signing bonuses and/or guaranteed variable remuneration in an appropriate amount. The decision regarding such agreements rests with the Management Board or, in the case of Management Board members, with the Supervisory Board.

3. EXECUTIVE BOARD REMUNERATION

The remuneration system for members of the Management Board and the Supervisory Board, along with the respective qualitative and quantitative remuneration information, has been published separately in the Remuneration Report pursuant to Section 162 of the German Stock Corporation Act (AktG) and can be viewed there.

4. GOVERNANCE STRUCTURE IN THE AREA OF REMUNERATION

In accordance with the provisions of the German Stock Corporation Act (AktG), pbb has a two-tier corporate governance structure. This consists of the Supervisory Board, which serves as an independent supervisory body, and the Management Board, which is responsible for managing the company. The Supervisory Board oversees, is responsible for, and determines the remuneration of the members of the Management Board. The Management Board oversees, is responsible for, and determines the remuneration systems for executives and employees of the 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 pursuant to Section 111(4) of the German Stock Corporation Act (AktG).

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

The **Remuneration Control Committee** supports the Supervisory Board in designing the remuneration system for the members of the Management Board and prepares the Supervisory Board's resolutions regarding 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 periods, and vesting periods**
- Determining the conditions for a **complete forfeiture** or the **clawback or partial reduction of variable remuneration**.

In addition, the Remuneration Control Committee supports the Supervisory Board in its 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 Oversight Committee monitors the **appropriate design of employee remuneration systems** and, in particular, the **appropriate remuneration arrangements for the heads of the risk control and compliance functions**, as well as for **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 focused on the institution's sustainable development, the risk strategies derived therefrom, and the remuneration strategy.

The Supervisory Board's Remuneration Control Committee consists of the Chairman of the Supervisory Board, two members representing shareholders, and one member representing employees. In 2025, a total of 7 meetings of the Remuneration Control Committee took place.

To ensure appropriate, ongoing, and effective oversight of employee remuneration, a Remuneration Officer and a Deputy were appointed. The Remuneration Officer's task is to continuously monitor

the appropriateness of employee remuneration systems. To this end, the Remuneration Officer is involved in the ongoing processes of the remuneration systems, both with regard to their conceptual design and further development, as well as their day-to-day implementation. The Remuneration Officer has an institutionalized direct reporting line to the Chair of the Remuneration Control Committee without the involvement of the Management Board. The Remuneration Officer must submit a remuneration control report at least once a year, in which the appropriateness of the employee remuneration system is assessed (Section 24 IVV).

As part of their responsibilities, pbb's control functions are also involved in the design and implementation of the remuneration system, in the identification of risk-takers, and in determining the total amount of variable remuneration. This includes, among other things, 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 of the German Investment Services Act (IVV) in conjunction with Article 450 of the Capital Requirements Regulation (CRR).

5.1 Quantitative information on remuneration by business division

Based on the consolidated financial statements of the pbb Group, the Management Board and Supervisory Board, after reviewing the requirements of Section 7 of the IVV, have set the total amount of variable remuneration within the pbb Group for 2025 at €4,9 million (rounded; including members of the Management Board). The final determination of pbb's target achievement in accordance with the applicable Key Performance Indicators was confirmed at 41% (rounded) based on the submitted consolidated financial statements of pbb. Target achievement at the divisional level ranges between 95% and 105%.

In accordance with Article 450(1)(g) of the CRR, quantitative data on remuneration is summarized by business area.

Information on remuneration pursuant to Section 16(1)(3) of the IVV

	Supervisory Board ²⁾	Management Board ³⁾	Business Divisions		
			Corporate functions ⁴⁾	Independent control functions ⁵⁾	Other business areas ⁶⁾
in millions of euros (unless otherwise stated) ¹⁾	-	Amount/Number	Amount/Number	Amount/Number	Amount/Number
Members (per capita)	10	6	-	-	-
Total number of employees (headcount) and in FTEs (full-time equivalents) as of the end of the 2025 fiscal year	-	-	227 (HC) 219.69 (FTE)	330 (HC) 307.20 (FTE)	273 (HC) 261.70 (FTE)
Total remuneration for fiscal year 2025	0.75	6.31	30.37	44.21	45.28
of which: total fixed remuneration	0.75	4.89	28.64	42.35	42.72
of which: total variable remuneration	-	1.42	1.72	1.86	2.56

¹⁾ The table may contain rounding differences.

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

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

⁴⁾ Human Resources, Information Technology, Legal, and Madrid Production Hub.

⁵⁾ Divisions: Finance, Corporate Affairs, Financial Risk & Control, Non-Financial Risk & Control, Regulatory Compliance Office, Internal Audit, CRM.

⁶⁾ Divisions: RE Finance Continental Europe, RE Finance Germany, RE Finance UK & USA, Treasury, Operations & Digitalization, Property Analysis & Valuation, Originate & Cooperate, pbb invest, Business Management.

5.2 Quantitative Information on the Remuneration of Managements and Risk-Takers

In accordance with Article 450(1)(h) of the CRR, the quantitative data on the remuneration of senior management and employees who may incur high-risk exposures—so-called risk-takers—are presented in the table below.

As a significant institution, the pbb Group is required to identify, based on its own risk analysis, employees who may give rise to high-risk exposures, known as risk-takers.

The identification of risk-takers for the year 2025 was based on the criteria set forth in the German Banking Act (KWG) and in Delegated Regulation (EU) 2021/923. These criteria primarily relate to:

- the role of managing director or member of senior management
- Lending authority
- voting rights on key committees, and
- the employee's remuneration level.

In total, 79 employees were identified as risk-takers in 2025, in addition to the members of the Management Board and Supervisory Board. The Management Board of pbb informed the Supervisory Board of the results of this identification. The details of the internal risk analysis were documented accordingly.

EU REM1: Remuneration granted for the 2025 fiscal year (risk-takers)

in € million (unless otherwise stated) ¹⁾		Supervisory Board ²⁾	Management Board ³⁾	Managers of the 2nd reporting level	Other risk-takers
Fixed remuneration	Number of risk-takers	10	6	18	61
	Total fixed remuneration	0.75	4.89	6.51	12.04
	Of which: monetary remuneration	0.75	3.43	6.03	11.9
	Of which: shares or equivalent equity interests	-	-	-	-
	Of which: equity instruments or equivalent (non-cash) instruments	-	-	-	-
	Of which: other instruments	-	-	-	-
	Of which: other items	-	1.46	0.48	0.13
Variable remuneration	Number of risk-takers	-	5	18	61
	Total variable remuneration	-	1.42	0.69	1.01
	Of which: monetary remuneration	-	0.71	0.55	0.94
	Of which: withheld	-	0.43	0.08	0.04
	Of which: shares or equivalent equity interests	-	-	-	-
	Of which: retained	-	-	-	-
	Of which: equity-based instruments or equivalent (non-cash) instruments	-	0.71	0.14	0.07
	Of which: retained	-	0.71	0.14	0.07
	Of which: other instruments	-	-	-	-
	Of which: retained	-	-	-	-
Of which: other items	-	-	-	-	
Of which: retained	-	-	-	-	
Total remuneration		0.75	6.31	7.2	13.05

¹⁾ The table may contain rounding differences.

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

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

EU REM2: Guaranteed variable remuneration and severance payments (risk-takers)

in millions of euros (unless otherwise stated) ¹⁾	Supervisory Board ²⁾	Management Board ³⁾	Second-level management level	Other risk-takers
Guaranteed variable remuneration – total amount				
Guaranteed variable remuneration granted – Number of risk-takers	-	1	-	-
Guaranteed variable remuneration granted - Total amount	-	0.2	-	-
Of which: guaranteed variable remuneration paid during the 2025 fiscal year that is not counted toward the variable remuneration cap	-	0.2	-	-
Severance payments granted in prior periods and paid out during the fiscal year				
Severance payments granted in prior periods and paid during the 2025 fiscal year – Number of risk-takers	-	-	-	-
Severance payments granted in prior periods and paid during the 2025 fiscal year - Total amount	-	-	-	-
Severance payments granted during the fiscal year				
Severance payments granted during the 2025 fiscal year - Number of risk-takers	-	1	2	1
Severance payments granted during the 2025 fiscal year - Total amount	-	0.56	0.53	0.23
Of which: paid during the 2025 fiscal year	-	0.56	0.53	0.23
Of which: retained	-	0	0	0
Of which: severance payments made during the 2025 fiscal year that are not counted toward the cap on variable remuneration	-	0.56	0.53	0.23
Of which: the highest severance payment granted to a single individual	-	0.56	0.47	0.23

1) The table may contain rounding differences.

2) The Supervisory Board includes the members of the Supervisory Board of Deutsche Pfandbriefbank AG

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

EU REM3: Retained remuneration (risk-takers)

in millions of EUR (unless otherwise stated) ¹⁾	Total amount of remuneration granted and retained for prior performance periods	Of which: to be received in fiscal year 2025	Of which: to be received in subsequent fiscal years	Amount of performance-based adjustments in fiscal year 2025 for deferred remuneration to be received in fiscal year 2025	Amount of performance-based adjustments in fiscal year 2025 for retained remuneration to be received in subsequent fiscal years	Total amount of adjustments in fiscal year 2025 due to implied adjustments ⁴⁾	Total amount of deferred remuneration granted prior to the 2025 fiscal year that was actually paid in the 2025 fiscal year	Total amount of remuneration granted and deferred for prior performance periods that has been earned but is subject to vesting periods
Supervisory Board²⁾	-	-	-	-	-	-	-	-
Monetary remuneration	-	-	-	-	-	-	-	-
Shares or equivalent equity interests	-	-	-	-	-	-	-	-
equity-based instruments or equivalent (non-cash) instruments	-	-	-	-	-	-	-	-
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
Board of Directors³⁾	1.89	0.52	1.37	0.00	0.00	-0.19	0.52	0.25
Monetary remuneration	0.81	0.25	0.56	0.00	0.00	-	0.25	
Shares or equivalent equity interests	-	-	-	-	-	-	-	-
Equity-based instruments or equivalent (non-cash) instruments	1.08	0.27	0.81	0.00	0.00	-0.19	0.27	0.25
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
Managers at the second reporting level	1.87	0.52	1.35	-	-	-0.2	0.52	0.27
Monetary remuneration	0.81	0.27	0.54	-	-		0.27	
Shares or equivalent equity interests	-	-	-	-	-	-	-	-
Equity-based instruments or equivalent (non-cash) instruments	1.06	0.26	0.81	-	-	-0.2	0.26	0.27
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-

	Total amount of retained remuneration granted for prior performance periods	Of which: to be received in fiscal year 2025	Of which: to be received in subsequent fiscal years	Amount of performance-based adjustments in fiscal year 2025 for deferred remuneration to be received in fiscal year 2025	Amount of performance-based adjustments in fiscal year 2025 for retained remuneration to be received in subsequent fiscal years	Total amount of adjustments in fiscal year 2025 due to implied adjustments ⁴⁾	Total amount of deferred remuneration granted prior to the 2025 fiscal year that was actually paid in the 2025 fiscal year	Total amount of remuneration granted and deferred for prior performance periods that has been earned but is subject to vesting periods
in millions of EUR (unless otherwise stated) ¹⁾								
Other Risk-Takers	0.87	0.37	0.50	-	-	-0.17	0.37	0.13
Monetary remuneration	0.32	0.13	0.18	-	-	-	0.13	
Shares or equivalent equity interests	-	-	-	-	-	-	-	-
Equity-based instruments or equivalent (non-cash) instruments	0.56	0.24	0.32	-	-	-0.17	0.24	0.13
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
Total amount	4.64	1.42	3.22	-	-	-0.56	1.42	0.65

¹⁾ The table may contain rounding differences.

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

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

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

The pbb Group applies the exemption provided for in Section 18(1) of the IVV, pursuant to which, for risk-takers with an EPR value set for a fiscal year that is below the threshold (for the year 2025, up to and including 50,000 euros per year per person) In 2025, this exemption applied to 74 risk-takers with fixed remuneration of 15.13 million euros and variable remuneration of 1.04 million euros (total remuneration: 16.17 million euros).

5.3 Number of risk-takers with high remuneration

In accordance with Article 450(1)(i) of the CRR, the following table shows the number of risk-takers whose remuneration amounted to 1 million euros or more in the 2025 fiscal year. Pension expenses under the company pension plan were also included in the remuneration.

EU REM4: Remuneration of 1 million euros or more per year (risk-takers)

	EUR	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	
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 less than 5,000,000	
9	5,000,000 to less than 6,000,000	
10	6,000,000 to less than 7,000,000	
11	7,000,000 to less than 8,000,000	

5.4 Total remuneration for risk-takers in 2025

EU REM5: Total remuneration for the 2025 fiscal year (risk-takers)

	Remuneration of Management Bodies			Business Divisions			-
	Supervisory Board ²⁾	Management Board ³⁾	Total management bodies	Corporate functions ⁴⁾	Independent control functions ⁵⁾	Other business areas ⁶⁾	Total
in € million (unless otherwise stated) ¹⁾							
Total number of risk-takers	-	-	-	-	-	-	95
Of which: Members of the governing body	10	6	16	-	-	-	-
Of which: Managers at the second reporting level	-	-	-	4	7	7	-
Of which: other risk-takers	-	-	-	1	45	15	-
Total remuneration for risk-takers	0.75	6.31	7.06	1.77	10.20	8.28	-
Of which: variable remuneration	-	1.42	1.42	0.17	0.52	1.03	-
Of which: fixed remuneration	0.75	4.89	5.64	1.60	9.68	7.25	-

¹⁾ The table may contain rounding differences.

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

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

⁴⁾ Human Resources, Information Technology, Legal, and Production Hub Madrid departments.

⁵⁾ Departments: Finance, Corporate Affairs, Financial Risk & Control, Non-Financial Risk & Control, Regulatory Compliance Office, Internal Audit, CRM.

⁶⁾ Departments: RE Finance Continental Europe, RE Finance Germany, RE Finance UK & USA, Treasury, Operations & Digitalization, Property Analysis & Valuation, Originate & Cooperate, pbb invest, Business Management.