Remuneration report 2024

Deutsche Pfandbriefbank Group

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A. Foreword

Dear shareholders, dear business partners,
Ladies and Gentlemen,

On behalf of the Supervisory Board and the Remuneration Control Committee, I would like to present to you today the Remuneration Report of Deutsche Pfandbriefbank AG (pbb) for the year 2024. This report describes the focus of the work of the Supervisory Board and the Remuneration Control Committee on remuneration. In addition, the Remuneration Report explains the principles of remuneration for the members of the Management Board and the Supervisory Board. It provides information on the remuneration amount and structure for the 2024 financial year, and describes how the business results affect the variable remuneration of the members of the Management Board.

Activities of the Supervisory Board and the Remuneration Control Committee

In the reporting year, the Supervisory Board again dealt intensively with the remuneration of the members of the Management Board. The Supervisory Board focused on the following topics:

- Total amount of variable remunerations for 2023
- Performance assessment of the Management Board members and determination of variable remuneration for 2023, including malus test and backtesting
- Targets for the members of the Management Board for 2024
- Review of the appropriateness of the remuneration system, the remuneration structure and the remuneration of the members of the Management Board
- Special focus: Revision of the remuneration system for members of the Management Board with a focus on strengthening share-based remuneration

Among other things, the Supervisory Board also dealt with the regular reappointment of the Remuneration Officer and regulatory changes due to the newly published FAQs of the German Federal Financial Supervisory Authority on the Remuneration Ordinance for Institutions (IVV) and the amendment to MaComp.

Revision of the remuneration system

The in-depth review of the current remuneration system for members of the Management Board focused on strengthening share-based remuneration. This was done against the backdrop of changing market practice at listed banks and the associated challenges for the long-term and sustainable alignment of the remuneration system. On the one hand, current national and European market practice was taken into account. On the other hand, the requirements of the German Stock Corporation Act (AktG) and the Remuneration Ordinance for Institutions (IVV) as well as the principles and recommendations of the German Corporate Governance Code (GCGC) were taken into account. Investor feedback was particularly taken into account.

The long-term, share-based elements are therefore to be strengthened from 2025 in order to further promote the creation of long-term value:

- Stronger focus of variable remuneration on long-term and sustainable business development through the introduction of a performance share plan with a **forward-looking performance period**.
- Implementation of **additional long-term and share-related performance targets for long-term performance incentive (LTI)**

Revision of the remuneration report

With this remuneration report, we have also significantly increased the transparency of our reporting. In particular, the targets and target achievement of the members of the Management Board are presented in more detail than in previous years.

We are pleased to enter into an open and regular dialogue with our shareholders and their representatives, with the aim of further developing our remuneration system in order to optimize its alignment with pbb's strategy, regulatory requirements and the interests of our shareholders. This Remuneration Report and the further developed remuneration system will be submitted to the Annual General Meeting 2025 for adoption.

On behalf of the Supervisory Board and the Remuneration Control Committee, I would like to thank you in advance for your feedback and wish you an informative read of this report.

Dr. Louis Hagen
Chairman of the Supervisory Board
Chairman of the Remuneration Control Committee

B. Overview of Management Board remuneration

The following tables provide an overview of pbb's remuneration system and structure.

The first chart shows the **individual components of Management Board remuneration** and their **amounts**. A distinction is made between the Chairman of the Management Board (CEO) and the ordinary members of the Management Board (OVM). The variable remuneration is presented separately according to long-term performance incentive (LTI) and short-term performance incentive (STI).

Remuneration system and remuneration structure

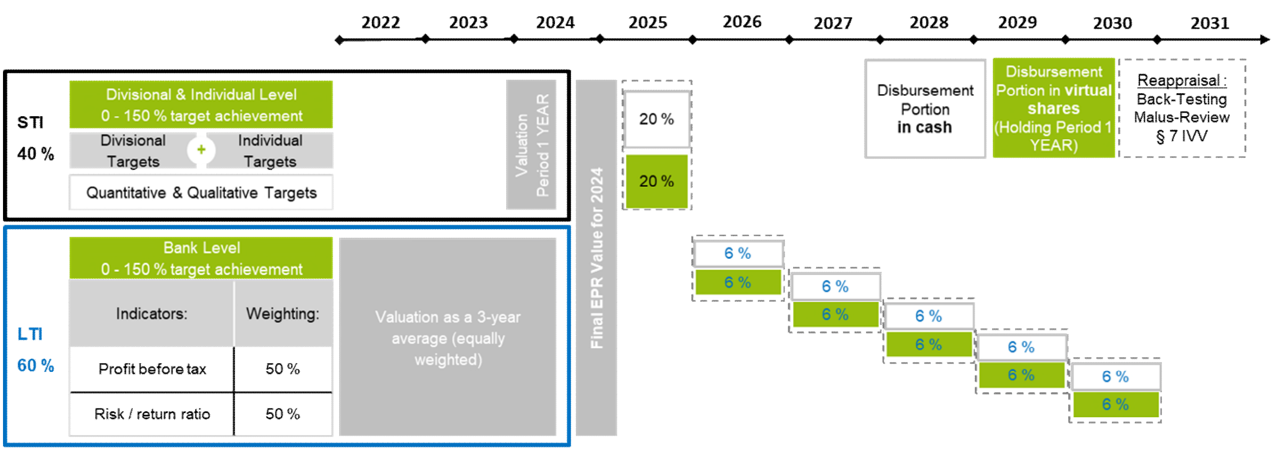
	Fixed Remuneration	Variable remuneration Reference value (100%)		Pension plan* (pension contribution)	Ancillary services	Total remuneration	Maximum remuneration
in Euro		STI	LTI				
VV	925.000	120.000	180.000	175.000	35.000	1.435.000	2.200.000
OVM	525.000	108.000	162.000	310.000	35.000	1.140.000	2.000.000

* For defined benefit plans, pension expenses may differ; since 2016, only benefit commitments have been agreed in new contracts

Figure 1: Remuneration system and remuneration structure

The second chart provides an overview of the **allocation and payment of variable remuneration**:

Measurement and payment of variable remuneration



The amount paid-out is also limited by a pool approach. The pool is also calculated on the basis of the 3-year average achievement of the institution's targets. The sum of the payment amounts of all board members may not exceed the respective reference values x achievement of the institution's targets. If the achievement of divisional or individual targets results in a higher value, this is reduced pro rata for all board members.

Figure 2: Allocation and payment of variable remuneration

Share-based variable remuneration

The third and fourth figures explain the share-based variable remuneration.

50% of the variable remuneration of the members of the Management Board is **share-based**:

	2022 (n-2)	2023 (n-1)	2024 (n)	2025	2026	2027	2028	2029	2030	2031
Variable remuneration 2024 **Cash component (50%)**	Assessment -period			STI Cash Portion (20%)	LTI Cash Portion 1/5 (6%)	LTI Cash Portion 1/5 (6%)	LTI Cash Portion 1/5 (6%)	LTI Cash Portion 1/5 (6%)	LTI Cash Portion 1/5 (6%)	
Variable remuneration 2024 **Share component (50%)**					STI Share Portion (20%)	LTI Share Portion 1/5 (6%)	LTI Share Portion 1/5 (6%)	LTI Share Portion 1/5 (6%)	LTI Share Portion 1/5 (6%)	LTI Share Portion 1/5 (6%)
Percentage of the total amount				**20%**	**26%**	**12%**	**12%**	**12%**	**12%**	**6%**

Figure 3: Share-based variable remuneration

For the years 2018-2023, the following **amounts** currently **retained from variable remuneration** are predominantly **share-based**:

Deferred portions of variable remuneration from previous years (in cash / **in shares**)

Board member	2018	2019	2020	2021	2022	2023	Total
Kay Wolf	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Dr. Pamela Hoerr1[)]	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Thomas Köntgen	-	14.630,37	30.763,92	45.375,36	58.829,84	70.891,55	220.491,04
	14.910,87	**29.260,74**	**46.145,88**	**60.500,48**	**73.537,30**	**118.152,60**	**327.597,00**
Andreas Schenk	-	14.295,50	31.166,50	45.375,36	59.732,52	71.573,20	222.143,08
	14.886,15	**28.591,00**	**46.749,75**	**60.500,48**	**74.665,65**	**119.290,68**	**329.797,56**
Marcus Schulte	-	14.372,10	31.367,78	45.276,45	59.061,96	74.754,25	224.832,54
	7.452,78	**28.744,20**	**47.051,67**	**60.368,60**	**73.827,45**	**124.590,42**	**334.582,34**
Andreas Arndt	-	17.197,15	41.011,70	59.736,87	77.830,24	93.663,70	289.439,66
	17.922,66	**34.394,30**	**61.517,55**	**79.649,16**	**97.287,80**	**156.106,18**	**428.954,99**

[1]) Dr. Pamela Hoerr joined pbb on 16 April 2023 and was appointed as a member of the Management Board of pbb with effect from 17 January 2024. Only information for the activity as a member of the Management Board is disclosed.

Figure 4: Overview of deferred (share-based) variable remuneration

C. Remuneration report

The remuneration report follows the recommendations of the German Corporate Governance Code (GCGC) in the currently valid version. It contains the disclosures required by commercial law (German Commercial Code, HGB) and the International Financial Reporting Standards (IFRS). The remuneration report complies with the requirements of Section 162 AktG.

The remuneration report was prepared jointly by the Management Board and the Supervisory Board of Deutsche Pfandbriefbank AG. The auditor formally audited the remuneration report to determine whether the disclosures pursuant to section 162 (1) and (2) AktG were made in the remuneration report. In accordance with Section 162 (3) AktG, the content of the remuneration report was not audited. The report on the audit in accordance with Section 162 (3) AktG is attached to the remuneration report.

I. Principles of Management Board remuneration

Remuneration strategy	The remuneration strategy is an integral part of the business and risk strategy. It provides the framework for the performance and remuneration of the members of the Management Board. 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 without taking disproportionate risks.
Stakeholder interests	The interests of the various stakeholders, in particular the shareholders, are taken into account at all times when designing the remuneration system and structure and determining the amount of remuneration.
LTI	The long-term performance incentive (LTI) is carried out at the level of pbb Group. The basis for measuring the institution's performance are key (core) performance indicators of pbb Group, which result from the defined business and risk strategy and the business planning derived from this, and which meet the regulatory requirements for taking risks, capital and liquidity into account.
STI	Short-term performance incentive (STI) is carried out at divisional and individual level. To this end, specific quantitative and qualitative financial and non-financial targets are agreed between the Supervisory Board and the Management Board on the basis of performance criteria.
Long-term nature	The variable remuneration is designed to strengthen the long-term and sustainable development of pbb Group. The LTI is weighted at 60% and the STI at 40% as part of the performance measurement. 50% of the total variable remuneration is share-based. 60% of the total variable remuneration is subject to pro rata vesting with a deferral period totaling 5 years.

Sustainability	Sustainability-related targets from the ESG area are agreed in the STI, which contribute to pbb Group's responsible and sustainable actions in line with the sustainability strategy.
Appropriateness and upper limits	The review of remuneration in a horizontal comparison with other companies and in a vertical comparison with the remuneration of employees, the upper remuneration limits in relation to variable remuneration and the maximum remuneration make a significant contribution to the appropriateness of remuneration levels.
Transparency	By avoiding unnecessary complexity in the structures and through clear and comprehensible reporting, the transparency of the remuneration system is increased in line with shareholder expectations and regulatory requirements.
Governance	The remuneration system and individual remuneration are structured in accordance with legal and regulatory requirements.

II. Management Board’s remuneration

In November 2015, the Supervisory Board approved the remuneration system for members of the Management Board that has been in place since January 1, 2016. On December 17, 2018, the Supervisory Board resolved and implemented the adjustment of the remuneration system to the new version of the IVV dated August 4, 2017 with effect from January 1, 2018. On November 6, 2020, the Supervisory Board adjusted the remuneration system to the new requirements of ARUG II and adopted it after appropriate consultation with the Remuneration Control Committee. In particular, the maximum remuneration was revised. The 2021 Annual General Meeting approved the remuneration system with around 95.42% of the valid votes cast. The 2024 Annual General Meeting approved the remuneration report for the 2023 financial year with 65.74% of the votes validly cast.

The remuneration system is currently being revised by the company, as briefly mentioned in the foreword to this remuneration report. The revised remuneration system will be submitted to the Annual General Meeting 2025 for adoption and shall enter into force retroactively for all members of the Management Board with effect from January 1, 2025. A detailed description of the new remuneration system will be published on pbb Group's website together with the invitation to the Annual General Meeting 2025.

1. REMUNERATION STRUCTURE

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

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

Half of the **performance-related variable remuneration** is granted in cash and half depends on the performance of pbb's share price (share-based remuneration system).

The purpose of determining the remuneration for the members of the Management Board is to ensure performance-related pay and to take into account the size of the company and its international business activities. This involves a comparison with the remuneration of Management Board members at comparable companies in Germany and abroad (**horizontal remuneration comparison** in relation to the remuneration of Management Board members), as well as with the remuneration of employees who report directly to the Management Board members (second management level), and other employees of pbb Group (**vertical remuneration comparison**). Furthermore, the economic and financial situation of pbb Group is also taken into account when determining the remuneration.

As part of the **horizontal remuneration comparison**, the Supervisory Board is guided by the following **peer group** (as at November 2024)

Peer group for the comparative analysis of the remuneration of the Management Board (as at November 2024)

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

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

Figure 4: Appropriateness of remuneration - peer group 2024

In order to carry out the horizontal remuneration comparison, pbb positions itself within the peer group on the basis of the key figures of total assets and number of employees which are usually used for this purpose.

2. NON-PERFORMANCE-RELATED REMUNERATION

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

a. Non-performance-related remuneration components

Basic annual remuneration

The **basic annual salary** is a fixed annual salary that is paid in twelve equal monthly installments. It is reviewed at regular intervals on the basis of the external market comparison and adjusted if necessary. There is no automatic adjustment.

Fringe benefits

In addition, pbb grants the members of the Management Board **fringe benefits** (benefits in kind) to the customary extent. These include in particular the following fringe benefits:

- pbb provides each member of the Management Board with a company car and driver, also for private use. Against the background of the bank-wide abolition of company cars, pbb grants the members of the Management Board an economically equivalent payment upon expiry of the respective leasing contract.
- In addition, the members of the Management Board are included in pbb's D&O insurance.
- pbb reimburses the members of the Management Board for the employer's contribution to health and long-term care insurance.
- Relocation costs are covered to the usual extent and amount, particularly for new orders.
- In the case of dual household management, pbb will cover the travel costs for a weekly trip home to the previous place of residence and, generally for a period of two years, the costs for a second home at the place of employment.
- In addition, there is group accident insurance for the members of the Management Board (death and disability).

Taxes on non-cash benefits for all of the aforementioned fringe benefits are borne by the Management Board members themselves.

Company pension scheme

The members of the Management Board are also entitled to a **company pension**, which is described in a separate section below.

b. Non-performance-related remuneration for the 2024 financial year

The fixed remuneration for the Chairman of the Management Board, Mr. Kay Wolf, is € 925,000 gross per year; for the other members of the Management Board, it is € 525,000 gross per year. The fixed remuneration for the former Chairman of the Management Board, Mr. Andreas Arndt, amounted to € 550,000 gross per year.

3. PERFORMANCE-RELATED VARIABLE REMUNERATION

The variable remuneration complies with the regulatory requirements of the CRD, the Delegated Regulation (EU) 2021/923, the KWG and the IVV as well as the requirements of the AktG and, in principle, the requirements of the GCGC. With regard to the existing deviations from the GCGC with regard to the IVV, reference is made to the declaration of conformity in accordance with Section 161 AktG.

a. Calculatory reference value

The variable remuneration is determined on the basis of an **calculatory reference value** agreed individually with the respective Management Board member in the employment contract. The calculatory reference value is presented as an annual amount. This is a **calculated value** that reflects the amount of variable remuneration allocated on the basis of **100% target achievement in the LTI and STI.** If the employment relationship is established or terminated during the year, the calculatory reference value is reduced pro rata temporis in relation to the full year. This also applies to periods of absence due to illness or other absences during which there is no statutory or contractual entitlement to continued remuneration, as well as to periods during which the employment relationship is suspended.

The calculatory reference value for Kay Wolf is € 300,000. The calculatory reference values for the other members of the Management Board are € 270,000 each. The calculatory reference value for Andreas Arndt amounted to € 315,000.

The variable remuneration allocated to a member of the Management Board for one year can amount to a maximum of 150% of the 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. So far, pbb has not brought about such a resolution by the Annual General Meeting

b. Target setting

Before the start of each financial year, the Supervisory Board sets quantitative and qualitative targets for the members of the Management Board. As described above, the targets are based on the business and risk strategy. In addition, the quantitative targets are mapped on the basis of the multi-year plan according to the responsibilities of the Management Board members. Targets are set with the aim of achieving sustainable, long-term corporate management geared towards success.

Long-term performance incentive (LTI)

The Supervisory Board determines the LTI before the start of each financial year at the proposal of the Remuneration Control Committee. The benchmark for the LTI is the institution's targets. As part of this determination, the Supervisory Board also determines the target value for 100% target achievement.

The LTI is calculated by adding 50% each of two core 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	* Corresponds to the balance sheet profit before taxes (IFRS, Group) * Reflects the jointly responsible overall success of the bank	50%
Risk / return ratio (ERR)	* Equals net margin customer business x portfolio volume divided by risk-weighted assets * Reflects customer profitability and risk allocation	50%

Figure 5: LTI - Key Performance

The Supervisory Board sets the target value for the Bank's performance at the beginning of the financial year at the latest. The target value for earnings before taxes (adjusted) is defined as a euro amount and the target value for the ERR ratio is defined as a percentage amount.

For the relevant target achievement in the LTI, one third of the institution's targets in the remuneration year and one third in each of the two previous years are relevant.

With a **weighting of 60%**, the **LTI is the decisive factor for the overall target achievement of** the Management Board members for a financial year.

Short-term performance incentive (STI)

Divisional and individual targets are agreed with each member of the Management Board as **STIs**. These account for **40% of target achievement** and are derived from the **institution's targets** and planning for the respective financial year in line with the long-term and sustainable business strategy.

At the proposal of the Remuneration Control Committee, the Supervisory Board sets quantitative and qualitative targets, assessment bases and target values for a target achievement of 100% as well as the weighting of the targets.

Details on the targets set for the 2024 financial year and target achievement can be found in the section "Targets and target achievement for the 2024 financial year".

c. Target setting

At the end of each financial year, the Supervisory Board decides, on the recommendation of the Remuneration Control Committee, to what extent the targets have been achieved.

To measure target achievement, the **LTI** is weighted **at 60%** and the **divisional/individual performance (STI) at 40%.** Target achievement is determined on the basis of the assessment principles or target values defined as part of the target setting process.

Long-term performance incentive (LTI)

The target achievement of the LTI relevant to the variable remuneration depends to a third on the success of the institution in the remuneration year and the two previous financial years. To this end, the target values for the respective financial year are compared with the actual values achieved at the end of the year and the percentage target achievement is calculated from this. The average value of the percentage target achievement for the **three relevant financial years** is then calculated.

Should extraordinary circumstances arise that are beyond pbb Group's control, the Supervisory Board may increase or reduce the target achievement of the LTI by up to 20 percentage points. This allows both positive and negative effects on target achievement to be neutralized in an appropriate manner (so-called "**modifiers**"). Modifiers can be short-term changes in general regulatory requirements that are material for pbb Group, short-term fundamental macroeconomic events, foreign trade restrictions and special effects from the acquisition or disposal of significant parts of the company, particularly in the case of externally triggered M&A activities.

Short-term performance incentive (STI)

The target achievement of the STI is determined separately for each target. In the case of quantitative targets, this is done by comparing the defined target value for 100% target achievement with the actual values achieved. In the case of qualitative targets, the Supervisory Board assesses performance on the basis of the predefined target value for 100% target achievement. For each member of the Management Board, the average value (weighted according to the target set) of the percentage target achievement of the individual targets at divisional and individual level is calculated.

The target achievement for both the LTI and the STI can be between 0% and 150% and is therefore limited to 150%.

Result: Envisaged Personnel Reward value ("EPR value")

Based on the target achievement determined above, a **proportion of the calculatory reference value is calculated for** each member of the Management Board as a variable remuneration amount for the financial year as follows (the "EPR value"):

- The first step is to determine the **total amount of variable remunerations for the members of the Management Board.** For this purpose, the calculatory reference values of the Management Board members are added together and multiplied by the target achievement of the LTI, i.e. the average value of the percentage target achievement at bank level for the three relevant financial years. The total amount of variable remuneration calculated in this way is allocated to the two performance measurement levels, namely **60% to the LTI ("institutional pool")** and **40% to the STI ("divisional and individual pool")**

- In a second step, the **institutional pool (60%)** is allocated to the members of the Management Board. If the calculatory reference values of the Management Board members differ, the allocation is weighted according to the amount of the respective calculatory reference value.

  At the joint **divisional and individual performance** level, the **divisional and individual pool (40%) is** distributed among the members of the Management Board. If the calculatory reference values of the Management Board members differ, the distribution is weighted according to the amount of the respective calculatory reference value. This amount is then multiplied by the average value of the percentage target achievement of the individual targets at divisional and individual level. If the divisional and individual pool is not sufficient to take into account the target achievement measured for all targets at divisional and individual level, the amount is reduced proportionately.

- In a third step, the **EPR value** is calculated for each Management Board member as the **sum of the value of the LTI and the value of the STI**. In principle, the arithmetical allocation of the EPR value for the individual Management Board member can amount to a minimum of 0% and a maximum of 150% of the relevant calculatory reference value.

- When determining the EPR value, the Supervisory Board takes into account whether the Management Board member can be accused of any **immoral or unethical behavior in** 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, the Supervisory Board can or must reduce the EPR value (for details of the malus and clawback rule, see p. 14). The Supervisory Board can also limit the EPR value in the event of **extraordinary developments** (e.g. windfall profits) or extraordinary amounts.

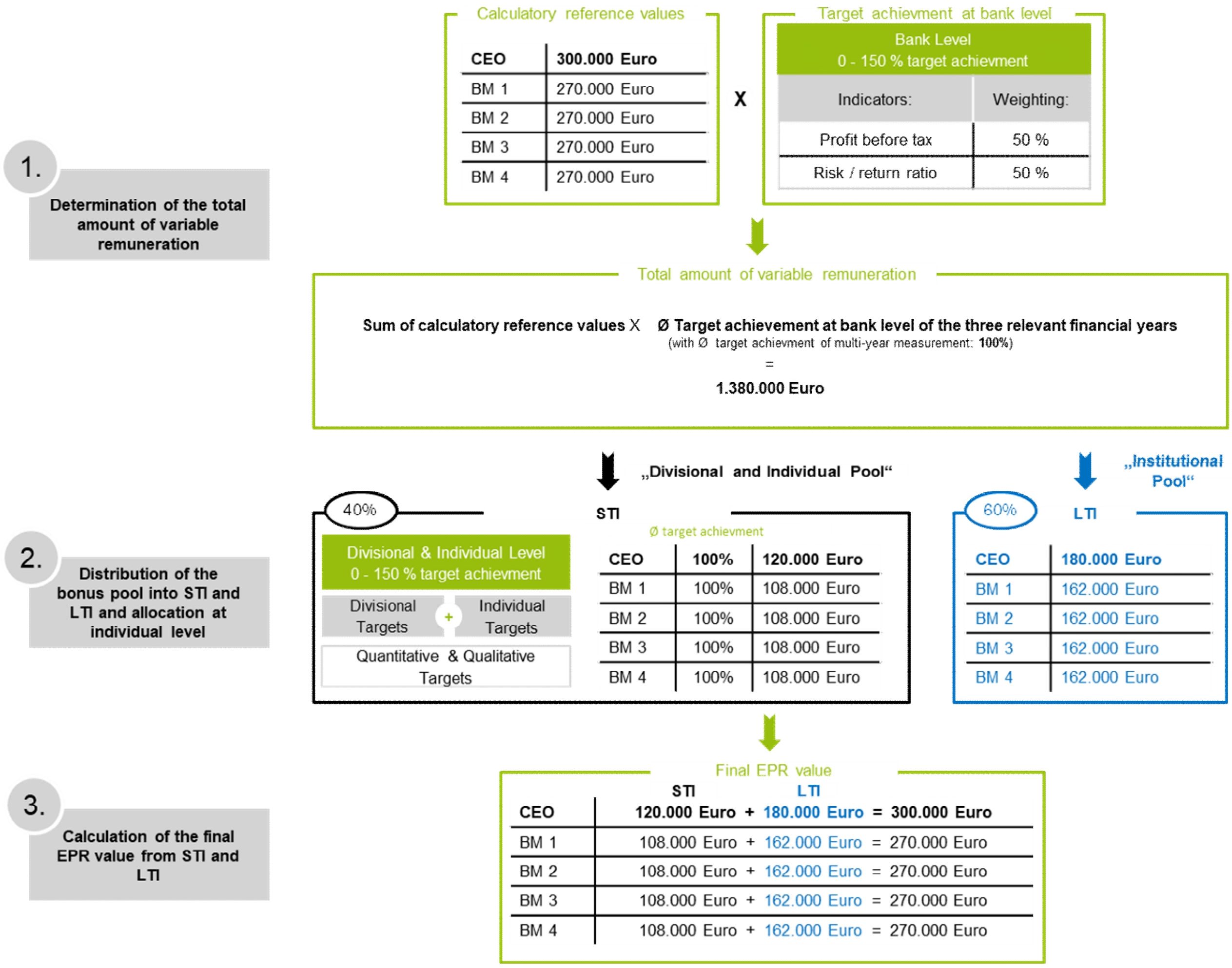


Figure 6: Calculation of the EPR value (example with 100% target achievement at all levels of performance measurement).

d. Prerequisite test according to § 7 IVV

The prerequisite for the granting and payment of variable remuneration to the members of the Management Board is the prior **determination of a total amount of variable remuneration** by the Supervisory Board (taking into account the requirements of Section 7 IVV). This is determined at the end of each financial year in accordance with the statutory requirements. The Supervisory Board uses relevant restructuring thresholds from the restructuring 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 waive the variable remuneration.

e. Payment structure: short-term and long-term variable remuneration

As a significant institution within the meaning of section 1 (3c) of the KWG, pbb must in particular observe the **requirements of section 20 of the IVV with regard to the variable remuneration of risk takers.** Members of the Management Board are risk takers. The payment structure of the variable remuneration of the members of the Management Board is therefore generally subject to the following framework conditions:

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

The payout share for Management Board members is 40% of the respective EPR value, the deferral share 60% of the weighted EPR value.

Payout share: 40% of the respective value

50% of the payout share 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 payout share 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 is converted into an equivalent number of virtual shares at the beginning of the holding period. 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 payment (payout price). 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: 60% of the respective EPR value

The deferral **period** for the deferral portion is a total of **five years** for members of the Management Board.

In each of the five years following the determination of the EPR value, the Supervisory Board decides on the granting of one fifth of the deferral share. 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 for the Management Board members, 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 a sustained performance in accordance with the share-based sustainability component described above.

When deciding whether to grant or redefine a deferral share at the end of the annual deferral period, the Supervisory Board takes the following aspects into account:

- **Backtesting**: As part of a retrospective review of variable remuneration (ex-post risk adjustment), the Supervisory Board reviews negative deviations that have subsequently occurred in relation to the success of the institution, the success of the organizational unit and individual success ("backtesting"). With this retrospective performance assessment, the Supervisory Board checks whether the originally determined target achievement is still correct in retrospect, e.g. whether risks were underestimated or not recognized or unexpected losses have occurred. If the Supervisory Board identifies such missed targets during backtesting, the deferral component must be reduced to the extent necessary to lower the variable remuneration to the newly determined level.

- **Unethical behavior and behavior in breach of duty**: The Supervisory Board also examines whether the respective Management Board member can be accused of any unethical behavior or behavior in breach of duty in the relevant assessment period. This necessarily leads to a reduction in the deferral share and cannot be offset by positive performance contributions.

- **Malus and clawback review**: In addition, the Supervisory Board reviews any negative performance contributions within the meaning of Section 18 (5) IVV ("**malus review**") and, in particular in the event of serious misconduct by a Management Board member, has the option of canceling variable remuneration components that have not yet been paid out or reclaiming variable remuneration components that have already been paid out from the Management Board member ("malus and clawback rule")

  pbb has entered into agreements with the members of the Management Board regarding the **clawback** of variable remuneration ("**clawback agreement**"). According to this agreement, all claims for payment of variable remuneration for the relevant assessment period that have not yet been paid out expire or the Management Board member is obliged to repay the variable remuneration already paid out for the relevant assessment period if he or she was significantly involved in or responsible for conduct that led to significant losses for the institution or a significant regulatory sanction. The same applies if the Management Board member has seriously breached relevant external or internal regulations with regard to 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 financial year.

The more detailed specification of the clawback criteria set out in the IVV takes into account the regulatory 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 synchronization of the Company's success and bonification.

Payment conditions, Section 7 IVV: Finally, the Supervisory Board reviews the financial payment conditions in accordance with Section 7 IVV. On the basis of this review, the Supervisory Board may reduce or cancel the variable remuneration of a member of the Management Board.

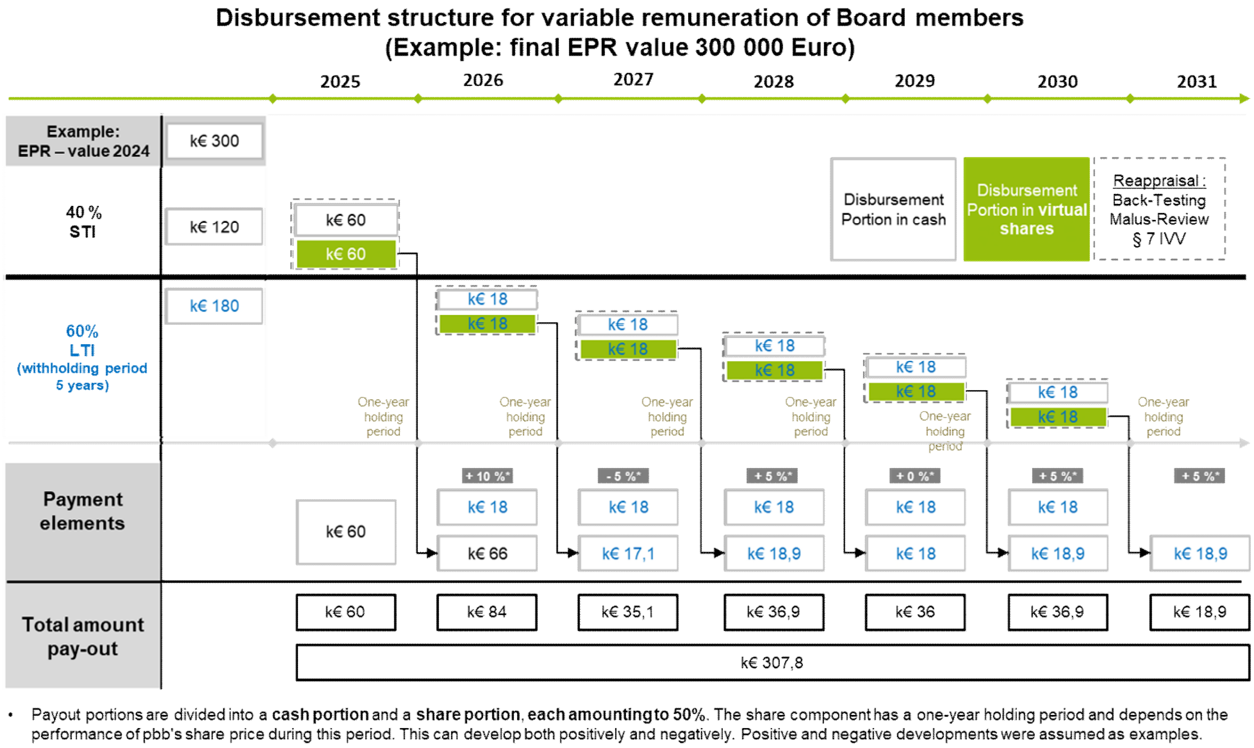


Figure 7: Payment system for the variable remuneration of the members of the Management Board (example); figures in € thousand.

If the employment of a member of the Management Board ends as a so-called "**bad leaver**", pbb decides at its reasonable discretion whether and to what extent the portions of the variable remuneration that have not yet been redetermined at the time of receipt of the notice of termination are forfeited. A Management Board member is deemed to be a bad leaver if his or her employment ends (also) due to a legally effective extraordinary termination by the company or an unjustified extraordinary termination by the Management Board member. If the employment relationship ends before full payment of the as yet undetermined portion of the variable remuneration without the Management Board member being a bad leaver, the regulations on the payment structure and due date remain unaffected.

f. Prohibition of hedging measures (Section 8 IVV)

The risk adjustment of variable remuneration may not be restricted or nullified by hedging or other countermeasures. Contracts with third parties which oblige the third party to make direct or indirect compensation payments to the Management Board member or 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 Group has taken measures to prevent corresponding hedging and other countermeasures by members of the Management Board and employees. The prohibition of hedging transactions and other countermeasures is also regulated in individual contracts.

4. TARGETS AND TARGET ACHIEVEMENT FOR THE FINANCIAL YEAR

The Supervisory Board set the targets at the meeting on March 21, 2024 and determined the target achievement of the LTI and STI of the Management Board members for the 2024 financial year at the meeting on February 21, 2025.

a. Target achievement LTI

With guidance for adjusted earnings before taxes well above the previous year's figure and an ERR with a target value of 2.25%, the Bank's success was **81.66%** and therefore below the defined target value

The average percentage target achievement for the three financial years 2024, 2023 and 2022 relevant for the LTI is 87.47%.

b. Target achievement STI

The divisional and individual targets for the 2024 financial year and target achievement are presented below:

Board member	Individual targets	Target achievement
Kay Wolf	1. Strategic development of pbb 2. ESG "E" 3. ESG "S" 4. Implementation of Strategy 2026 5. Strengthening internal and stakeholder communication	Range: 80%-125% Ø 108%

The main focus of Kay Wolf's divisional and individual objectives in the first year of his mandate was the strategic development of pbb Group and the establishment of trustworthy relationship management with pbb Group's stakeholders. While the cost targets of Strategy 2026 were achieved, with Strategy 2027 he focused in particular on the diversification of the business model and income base, and backed this up with a comprehensive implementation concept. Kay Wolf submitted Strategy 2027 to the Supervisory Board in August 2024 and presented it to the capital market in October 2024. The strategy was welcomed by a large number of the relevant stakeholders. Kay Wolf clearly exceeded this target. He also provided important impetus for the further development and implementation of the Bank's ESG strategy and was a key driving force behind the strategic development of the Bank's cultural transformation process. In addition, he succeeded in realigning and improving internal and external communication with all relevant stakeholders during a phase of great uncertainty in the markets regarding pbb's future. In contrast, the goal of increasing the proportion of women in management positions has not yet been achieved.

Board member	Individual targets	Target achievement
Dr. Pamela Hoerr	1. Strategic development of pbb 2. ESG "E" 3. ESG "S" 4. Implementation of Strategy 2026 5. pbb invest	Range: 90%-110% Ø 101%

Against the background of still weak investor interest in real estate investments, Pamela Hoerr's task was to prepare pbb Invest's activities to a large extent and to proceed appropriately in terms of costs. In her first year as a member of the Management Board, she succeeded in launching two fund products for pbb Invest, developing further products and generating interest for the fund products in a large number of investor meetings. In addition, she shaped the strategic development of pbb Group, in particular through concepts for accelerating the organic and inorganic growth of pbb invest. The personnel cost target set for 2026 as part of Strategy 2026 was already contractually implemented at 75% of the costs to be saved by the end of 2024. With the development and implementation of the Bank's cultural transformation process, Pamela Hoerr has driven forward a key project for the Bank's future, developing the Bank's vision, purpose and values and establishing a common understanding of management principles. Pamela Hoerr is the main person responsible for the Bank's ESG program, which has significantly exceeded its targets for 2024. While pbb successfully achieved the targets set to strengthen its position as an attractive and modern employer, the proportion of women in management positions in the company as a whole did not increase.

Thomas Köntgen	1. Strategic development of pbb 2. ESG "E" 3. ESG "S" 4. Implementation of Strategy 2026 5. REF sales targets 6. Further development of the REF strategy	Range: 80%-110% Ø 98%

Thomas Köntgen has also successfully contributed to the main thrusts of Strategy 2027. Under his leadership, the strategy to strengthen the core business, commercial real estate financing, by diversifying into promising asset classes and focusing on high-growth business was developed and the establishment of a significant commission business was planned and implementation started. The strategy for commercial real estate financing was developed and implemented, including a complete analysis of the profitability of the portfolio and potential new business by country and asset class. Despite the difficult market environment, the sales targets were largely achieved overall and the margin targets were exceeded, but the planned volume could not be achieved. By designing a long-term sustainability roadmap for the REF portfolio, adopting corresponding KPIs and implementing an expanded reporting and management concept, Mr. Köntgen exceeded his ESG target.

Board member	Individual targets	Target achievement
Andreas Schenk	1. Strategic development of pbb 2. ESG "E" 3. ESG "S" 4. Implementation of Strategy 2026 5. Management of non-performing loans 6. Risk models 7. Digitization 8. Implementation of the risk strategy	Range: 60%-125% Ø 96%

With the successful portfolio sale in 2024, Andreas Schenk made a significant contribution to the active management of the balance sheet and thus to the implementation of Strategy 2027. In addition, he has driven forward the reduction of the non-performing portfolio through active management. Although pbb's model landscape was stabilized and the transition to the F-IRBA was approved, it requires further intensive consideration by the Bank. Mr. Schenk achieved the objectives in the ESG environment: successful portfolio screening and active support in achieving the transformation and selection targets contributed significantly to the success of the implementation of the ESG strategy. His own considerable commitment to the development of junior staff and talent made an important contribution to the fulfillment of pbb's ESG social objectives. Both the client portal and Credit Workplace were used as planned in 2024: Credit decisions were made within the new, digital workflow and the client portal was used according to plan. The primary process also proved to be extremely effective in 2024, which underpinned the very high acceptance rate in the Credit Committee.

Board member	Individual targets	Target achievement
Marcus Schulte	1. Strategic development of pbb 2. ESG "E" 3. ESG "S" 4. Funding 5. Strengthening investor communication 6. Risk models 7. Stable and efficient IT operations	Range: 80%-130% Ø 109%

In his role as Treasurer, Marcus Schulte made a very successful contribution to stabilizing the bank in a very difficult year. The resilience of the bank's refinancing was impressively demonstrated on both the secured and unsecured side and adequate strategic liquidity was guaranteed at all times. At the same time, in his role as CFO, he made key strategic implications for Strategy 2027 and secured the Bank's profitability through asset sales and liability buybacks. Against the backdrop of the challenging capital market environment, Mr Schulte's focus in 2024 was on greatly intensified capital market communication and IR work, which he mastered with great success and thus made a significant contribution to stabilizing investor sentiment. Mr. Schulte made his management capacity available to IT to a large extent: With the change of IT service provider and the associated internalization of a large part of the IT infrastructure, the implementation of Odysseus and the high cost efficiency as well as the processing of regulatory and internal findings, the year 2024 was extraordinarily challenging for IT. Even after relinquishing his main responsibility for the ESG program, Marcus Schulte and the Finance and IT departments for which he was responsible contributed in particular to the ESG data set for 2024 and preparations for 2025. In contrast, the goal of increasing the proportion of women in management positions was not achieved in his department either.

Board member	Individual targets	Target achievement
Andreas Arndt	1. Preparation, induction and onboarding of the new CEO 2. Preparation and handover of departmental responsibilities to the receiving board members	Range: 100% Ø 100%

Targets were agreed with Andreas Arndt for the year of his departure from the Management Board for the transition of his activities to Kay Wolf and the other members of the Management Board. Andreas Arndt achieved these targets in full and thus made an important contribution to a smooth transition.

c. Retained variable remuneration for previous years

At the meeting on February 21, 2025, the Supervisory Board decided on the new determination of deferral components for the variable remuneration for the years 2019 to 2023. The Supervisory Board's review of the requirements for a malus and/or clawback and the back-testing were without findings. The Supervisory Board therefore had no reason to make use of the option to reduce or reclaim variable remuneration components.

5. REMUNERATION GRANTED AND OWED TO THE ACTIVE MEMBERS OF THE MANAGEMENT BOARD IN THE 2024 FINANCIAL YEAR

The following tables show the remuneration granted and owed to the active members of the Management Board in the 2024 and 2023 financial years in accordance with Section 162 para. 1 sentence 1 AktG.

The tables contain all amounts granted for activities in the financial year under review ("remuneration granted"). This includes the fixed salary and fringe benefits granted as well as the one-year and multi-year variable remuneration, some of which is share-based. The value reported for the variable remuneration is the value at which it was first determined by the Supervisory Board for the respective financial year. This serves the purpose of transparent and comprehensible reporting, which shows the connection between the performance of the respective Management Board member and the remuneration granted for this in the reporting period, even if the variable components in particular are only paid out after the end of the respective financial year.

In addition, the tables contain all amounts that the respective Management Board member received from the variable remuneration for previous years in the 2024 and 2023 financial years as voluntary information

Pension expenses for the company pension scheme are reported separately in the "Company pension scheme" section.

Due to rounding, there may be slight discrepancies in the totals and in the calculation of percentages.

Kay Wolf

Chairman (from March 1, 2024)
Member of the Management Board (from February 1, 2024)

in € thousand	2024		2023	
Fixed remuneration	In € thousand	in % of total remuneration	In € thousand	in % of total remuneration
Fixed remuneration	848	61%	-	-
Fringe benefits[1]	43	3%	-	-
Total	891	**64%**	-	**-**
Variable remuneration for the financial year				
One-year variable remuneration	49	4%	-	-
Multi-year variable remuneration				
Payout portion with holding period (2nd quarter 2025)	-	-	-	-
Payout portion with holding period (2nd quarter 2026)	49	4%	-	-
Deferral (2nd quarter 2025)	-	-	-	-
Deferral (2nd quarter 2026)	30	2%	-	-
Deferral (2nd quarter 2027)	30	2%	-	-
Deferral (2nd quarter 2028)	30	2%	-	-
Deferral (2nd quarter 2029)	30	2%	-	-
Deferral (2nd quarter 2030)	30	2%	-	-
Special payment[2]	250	18%		
Total remuneration	**1.389**	**100%**	**-**	**-**
Supplementary, voluntary information				
Variable remuneration from 2023	-	-	-	-
Variable remuneration from 2022	-	-	-	-
Variable remuneration from 2021	-	-	-	-
Variable remuneration from 2020	-	-	-	-
Variable remuneration from 2019	-	-	-	-
Variable remuneration from 2018	-	-	-	-
Variable remuneration from 2017	-	-	-	-
Variable remuneration from 2016	-	-	-	-

[1] Included therein: Material expenses for fringe benefits within the usual scope that are subject to taxation.
[2] Kay Wolf was granted a one-off joining incentive, which became due at the beginning of his term.

Dr. Pamela Hoerr

pbb Invest (as of January 17, 2024)

in € thousand	2024		2023	
Fixed remuneration	In € thousand	in % of total remuneration	In € thousand	in % of total remuneration
Fixed remuneration	502	66%	-	-
Fringe benefits[1)]	30	4%	-	-
Total	532	**70%**	-	**-**
Variable remuneration for the financial year				
One-year variable remuneration	45	6%	-	-
Multi-year variable remuneration				
Payout portion with holding period (2nd quarter 2025)	-	-	-	-
Payout portion with holding period (2nd quarter 2026)	45	6%	-	-
Deferral (2nd quarter 2025)	-	-	-	-
Deferral (2nd quarter 2026)	27	4%	-	-
Deferral (2nd quarter 2027)	27	4%	-	-
Deferral (2nd quarter 2028)	27	4%	-	-
Deferral (2nd quarter 2029)	27	4%	-	-
Deferral (2nd quarter 2030)	27	4%	-	-
Total remuneration	**757**	**100%**	**-**	**-**
Supplementary, voluntary information[2)]				
Variable remuneration from 2023	-	-	-	-
Variable remuneration from 2022	-	-	-	-
Variable remuneration from 2021	-	-	-	-
Variable remuneration from 2020	-	-	-	-
Variable remuneration from 2019	-	-	-	-
Variable remuneration from 2018	-	-	-	-
Variable remuneration from 2017	-	-	-	-
Variable remuneration from 2016	-	-	-	-

1) Included therein: Material expenses for fringe benefits within the usual scope that are subject to taxation.
2) Dr. Pamela Hoerr joined pbb on 16 April 2023 and was appointed as a member of the Management Board of pbb with effect from 17 January 2024. Only information for the activity as a member of the Management Board is disclosed.

Thomas Köntgen

Vice Chairman,
Real Estate Financing

in € thousand	2024		2023	
Fixed remuneration	In € thousand	in % of total remuneration	In € thousand	in % of total remuneration
Fixed remuneration	525	67%	525	68%
Fringe benefits[1)]	31	4%	18	2%
Total	556	**71%**	543	**70%**
Variable remuneration for the financial year				
One-year variable remuneration	46	6%	47	6%
Multi-year variable remuneration				
Payout portion with holding period (2nd quarter 2025)	-	-	47	6%
Payout portion with holding period (2nd quarter 2026)	46	6%	-	-
Deferral (2nd quarter 2025)	-	-	28	4%
Deferral (2nd quarter 2026)	28	4%	28	4%
Deferral (2nd quarter 2027)	28	4%	28	4%
Deferral (2nd quarter 2028)	28	4%	28	4%
Deferral (2nd quarter 2029)	28	4%	28	4%
Deferral (2nd quarter 2030)	28	4%	-	-
Total remuneration	**788**	**100%**	**777**	**100%**
Supplementary, voluntary information[2)]				
Variable remuneration from 2023	47	-	-	-
Variable remuneration from 2022	38	-	49	-
Variable remuneration from 2021	21	-	56	-
Variable remuneration from 2020	23	-	32	-
Variable remuneration from 2019	19	-	23	-
Variable remuneration from 2018	21	-	28	-
Variable remuneration from 2017	5	-	25	-
Variable remuneration from 2016	-	-	14	-

[1)] Included therein: Material expenses for fringe benefits within the usual scope that are subject to taxation.
[2)] Presentation of the variable remuneration received by the Management Board member in the 2024 and 2023 financial years from previous years.

The shares of variable remuneration received in the 2024 financial year from multi-year remuneration for previous years are € 72 thousand lower than the amount set at the beginning of the holding period due to the performance of the share-based variable remuneration.

Andreas Schenk

CRO

in € thousand	2024		2023	
Fixed remuneration	In € thousand	in % of total remuneration	In € thousand	in % of total remuneration
Fixed remuneration	543	68%	525	67%
Fringe benefits[1]	29	4%	7	1%
Total	572	**72%**	532	**68%**
Variable remuneration for the financial year				
One-year variable remuneration	45	6%	48	6%
Multi-year variable remuneration				
Payout portion with holding period (2nd quarter 2025)	-	-	48	6%
Payout portion with holding period (2nd quarter 2026)	45	6%	-	-
Deferral (2nd quarter 2025)	-	-	29	4%
Deferral (2nd quarter 2026)	27	3%	29	4%
Deferral (2nd quarter 2027)	27	3%	29	4%
Deferral (2nd quarter 2028)	27	3%	29	4%
Deferral (2nd quarter 2029)	27	3%	29	4%
Deferral (2nd quarter 2030)	27	3%	-	-
Total remuneration	**797**	**100%**	**774**	**100%**
Supplementary, voluntary information[2]				
Variable remuneration from 2023	48	-	-	-
Variable remuneration from 2022	39		50	-
Variable remuneration from 2021	21	-	56	-
Variable remuneration from 2020	24	-	32	-
Variable remuneration from 2019	18	-	23	-
Variable remuneration from 2018	21	-	28	-
Variable remuneration from 2017	5	-	25	-
Variable remuneration from 2016	-	-	14	-

[1] Included therein: Material expenses for fringe benefits within the usual scope that are subject to taxation.
[2] Presentation of the variable remuneration received by the Management Board member in the 2024 and 2023 financial years from previous years.

The shares of variable remuneration received in the 2024 financial year from multi-year remuneration for previous years are € 72 thousand lower than the amount set at the beginning of the holding period due to the performance of the share-based variable remuneration.

Marcus Schulte

Treasurer,
CFO (from December 1, 2023)

in € thousand	2024		2023	
Fixed remuneration	In € thousand	in % of total remuneration	In € thousand	in % of total remuneration
Fixed remuneration	525	67%	525	67%
Fringe benefits[1]	13	2%	13	1%
Total	538	**69%**	538	**68%**
Variable remuneration for the financial year				
One-year variable remuneration	48	6%	50	6%
Multi-year variable remuneration				
Payout portion with holding period (2nd quarter 2025)	-	-	50	6%
Payout portion with holding period (2nd quarter 2026)	48	6%	-	-
Deferral (2nd quarter 2025)	-	-	30	4%
Deferral (2nd quarter 2026)	29	4%	30	4%
Deferral (2nd quarter 2027)	29	4%	30	4%
Deferral (2nd quarter 2028)	29	4%	30	4%
Deferral (2nd quarter 2029)	29	4%	30	4%
Deferral (2nd quarter 2030)	29	4%	-	-
Total remuneration	**779**	**100%**	**788**	**100%**
Supplementary, voluntary information[2]				
Variable remuneration from 2023	50	-	-	-
Variable remuneration from 2022	38	-	49	-
Variable remuneration from 2021	21	-	56	-
Variable remuneration from 2020	24	-	33	-
Variable remuneration from 2019	19	-	23	-
Variable remuneration from 2018[3]	-	-	-	-
Variable remuneration from 2017[3]	-	-	-	-
Variable remuneration from 2016[3]	-	-	-	-

[1] Included therein: Material expenses for fringe benefits within the usual scope that are subject to taxation.
[2] Presentation of the variable remuneration received by the Management Board member in the 2024 and 2023 financial years from previous years.
[3] Marcus Schulte joined pbb on January 1, 2017 and was appointed as a member of the Management Board of pbb with effect from January 1, 2019. Only disclosures for the activity as a member of the Management Board are shown.

The shares of variable remuneration received in the 2024 financial year from multi-year remuneration for previous years are € 53 thousand lower than the amount set at the beginning of the holding period due to the performance of the share-based variable remuneration.

Andreas Arndt

Chairman (until February 29, 2024)
CFO (until November 30, 2023)
Member of the Management Board (until April 14, 2024)

in € thousand	2024		2023	
Fixed remuneration	In € thousand	in % of total remuneration	In € thousand	in % of total remuneration
Fixed remuneration	159	67%	550	63%
Fringe benefits[1]	4	2%	15	2%
Total	163	**69%**	565	**65%**
Variable remuneration for the financial year				
One-year variable remuneration	15	6%	62	7%
Multi-year variable remuneration				
Payout portion with holding period (2nd quarter 2025)	-	-	62	7%
Payout portion with holding period (2nd quarter 2026)	15	6%	-	-
Deferral (2nd quarter 2025)	-	-	37	4%
Deferral (2nd quarter 2026)	9	4%	37	4%
Deferral (2nd quarter 2027)	9	4%	37	4%
Deferral (2nd quarter 2028)	9	4%	37	4%
Deferral (2nd quarter 2029)	9	4%	37	4%
Deferral (2nd quarter 2030)	9	4%	-	-
remuneration	**238**	**100%**	**874**	**100%**
Supplementary, voluntary information[2]				
Variable remuneration from 2023	62	-	-	-
Variable remuneration from 2022	51	-	65	-
Variable remuneration from 2021	28	-	73	-
Variable remuneration from 2020	31	-	42	-
Variable remuneration from 2019	22	-	28	-
Variable remuneration from 2018	26	-	34	-
Variable remuneration from 2017	5	-	25	-
Variable remuneration from 2016	-	-	14	-

[1] Included therein: Material expenses for fringe benefits within the usual scope that are subject to taxation.
[2] Presentation of the variable remuneration received by the Management Board member in the 2024 and 2023 financial years from previous years.

The shares of variable remuneration received in the 2024 financial year from multi-year remuneration for previous years are € 89 thousand lower than the amount set at the beginning of the holding period due to the performance of the share-based variable remuneration.

6. REMUNERATION GRANTED AND OWED TO FORMER MEMBERS OF THE MANAGEMENT BOARD

The following table shows the remuneration granted and owed in the 2024 financial year to members of the Management Board who left the company before the 2024 financial year in accordance with Section 162 para. 1 sentence 1 AktG. In accordance with Section 162 para. 5 sentence 2 AktG, personal details are omitted for former members of the Management Board who left the Management Board by December 31, 2014.

Dr. Bernhard Scholz

Member of the Management Board until 30.04.2017	Inflow
in € thousand	2024
Pensions	
Pension	34
Supplementary, voluntary information	
Multi-year variable remuneration for 2017	2

The shares of variable remuneration received in the 2024 financial year from multi-year remuneration for previous years are € 3 thousand lower than the amount set at the beginning of the holding period due to the performance of the share-based variable remuneration.

Former members of the Management Board who left the company before December 31, 2014 received pension payments of € 4,677 thousand in 2024.

7. MAXIMUM REMUNERATION

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

The maximum remuneration represents the upper limit of the total remuneration to be granted for a financial year, i.e. the total of all remuneration amounts granted for the financial year in question, including annual base salary, performance-related variable remuneration, company pension expenses and fringe benefits.

The maximum remuneration does not represent the level of remuneration that the Supervisory Board is striving for or necessarily considers appropriate. It merely sets an absolute upper limit in order to avoid disproportionately high Management Board remuneration. It must therefore be clearly distinguished from the target total remuneration.

The maximum remuneration is € 2,200,000 for the Chairman of the Management Board and € 2,000,000 for each of the ordinary members of the Management Board. If the maximum remuneration for a financial year is exceeded, the amount paid out as performance-related variable remuneration for the financial year in question is reduced accordingly.

The remuneration actually granted or promised to a member of the Management Board may exceed the specified maximum remuneration in the first twelve months after taking up office. The prerequisite for this is that this is permissible in accordance with regulatory requirements and that the Supervisory Board makes agreements in individual cases to compensate new members of the Management Board for remuneration entitlements forfeited from a previous service or employment relationship and/or agrees sign-on bonuses and/or guaranteed variable remuneration in an appropriate amount with the new member of the Management Board.

As the fifth and final (share-based) deferral portion of the variable remuneration for the 2024 financial year is not due until 2030, the final review of compliance with the maximum remuneration can only be reported on in a later financial year.

Irrespective of the defined maximum remuneration, the payout amounts of the performance-related variable remuneration in a calendar year are also limited to 150% of the individually agreed calculatory reference value.

8 OTHER REGULATIONS

No entitlements to severance payments have been agreed in the employment contracts of the members of the Management Board or elsewhere. In particular, the service contracts of the members of the Management Board do not contain any provisions on severance payments following a change of control. There are also no compensation agreements within the meaning of Section 315a (1) no. 9 HGB that have been concluded with members of the Management Board or employees in the event of a takeover bid.

However, it has been agreed that in the event of premature termination of a Management Board member's contract without good cause, any severance payment agreed for the Management Board member will be capped at two years' remuneration. The two years' remuneration represents twice the sum of the basic annual remuneration for the previous calendar year and the share of the variable remuneration calculated for the previous calendar year that is exclusively attributable to the Bank's performance. The Supervisory Board is entitled to set a higher or lower proportion of the calculated variable remuneration to be taken into account for a calendar year. The prerequisite for this is that there are sufficient facts that the institute's success in the current calendar year will be higher or lower than the institute's success in the previous calendar year. The severance payment would also be limited to the extent that it may not remunerate more than the remaining term of the employment relationship.

9. PENSION COMMITMENTS

The members of the Management Board in office in 2024 have been granted individual contractual pension commitments for retirement benefits and in the event of occupational disability or incapacity to work.

a. Defined contribution plans

	Pension contribution	Retirement benefits	Pension adjustment
Kay Wolf	EUR 175,000	from the age of 63	Warranty adjustment 1%
Dr. Pamela Hoerr	EUR 310,000	from the age of 63	Warranty adjustment 1%
Markus Schulte	EUR 310,000	from the age of 63	Warranty adjustment 1%

Figure 8: Defined contribution plans

b. Benefit commitments

	Supply costs	Basic annual remuneration	Retirement benefits	Pension adjustment
Andreas Arndt	5.2% basic annual remuneration, maximum 60%	EUR 550,0000	from the age of 62 years of age	pursuant to § 16 BetrAVG
Thomas Köntgen	5.2% basic annual remuneration, maximum 55%	EUR 500,000 (entitlements until 31.12.2021) EUR 525,000 (entitlements from 01.01.2022	from the age of 62 years of age	pursuant to § 16 BetrAVG
Andreas Schenk	5.2% basic annual remuneration, maximum 50%	EUR 500,000 (entitlements until 31.12.2021) EUR 525,000 (entitlements from 01.01.2022)	from the age of 63 years of age	pursuant to § 16 BetrAVG

Figure 9: Benefit commitments

c. Further regulations

In the event of the death of a member of the Management Board, surviving dependants are entitled to a pension or a corresponding lump sum. Surviving spouses/partners and children from a marriage or civil partnership that a member of the Management Board enters into after retirement are not entitled to a survivor's pension or orphan's benefits.

d. Pension commitments to members of the Management Board in office in financial year 2024 of pbb (defined benefit obligations) in accordance with IFRS[1)]

				2024				2023
in € thousand	Present value of pension entitlements earned in the financial year	Interest expense	Past service costs	Pension obligation as at 31.12.2024	Present value of pension entitlements earned in the financial year	Interest expense	Past service costs	Pension obligation as at 31.12.2023
Andreas Arndt	-	187		6.029	530	173		5.297
Thomas Köntgen	578	179		5.661	493	160		5.058
Andreas Schenk	455	143		4.523	394	124		4.050
Total	1.033	509	-	16.213	1.417	457	-	14.405

1) Figures without deferred compensation.

There are defined contribution pension commitments (no defined benefit pension commitments) for Kay Wolf, Dr. Pamela Hoerr and Marcus Schulte, meaning that no pension obligations need to be recognized.

The pension obligation for Dr. Bernhard Scholz from his employment contract amounted to € 300 thousand as at 31 December 2024 (31 December 2023: € 317 thousand). The pension obligations for the other former members of the Management Board who left before December 31, 2014 amounted to € 39,610 thousand as at December 31, 2024.

e. Pension commitments to members of the Management Board in office in financial year 2024 of pbb (defined benefit obligations) in accordance with HGB[1)]

		2024		2023
in € thousand	Pension provisions as at 31.12.2024	Additions to Pension provisions	Pension provisions as at 31.12.2023	Additions to Pension provisions
Andreas Arndt	7.456	242	7.214	528
Thomas Köntgen	7.681	496	7.185	847
Andreas Schenk	6.667	377	6.290	746
Total	21.804	1.115	20.689	2.121

1) Figures without deferred compensation.

There are defined contribution pension commitments for Kay Wolf, Dr. Pamela Hoerr and Marcus Schulte (no defined benefit pension commitments), meaning that no pension obligations have to be recognized.

The pension provisions for Dr. Bernhard Scholz from his employment amounted to € 369 thousand as at 31 December 2024 (31 December 2023: € 401 thousand). The pension provisions for the other former members of the Management Board who left before December 31, 2014 amounted to € 46,164 thousand as at December 31, 2024.

f. Pension commitment to members of pbb's Management Board in office in financial year 2024 (defined contribution pension commitments)

in € thousand	2024 Present value of the pension commitment	2023 Present value of the pension commitment
Kay Wolf	152	-
Dr. Pamela Hoerr	300	-
Marcus Schulte	1.984	1.656
In total	2.436	1.656

10. CONCLUSION OR TERMINATION OF SERVICE CONTRACTS

With the start of the appointment period of the new CRO, Jörn Joseph, his Management Board service contract will come into force on June 1, 2025. Jörn Joseph's fixed remuneration amounts to € 660,000 gross per year. The calculatory reference value is € 270,000 per year. Jörn Joseph also has a defined contribution pension commitment with an annual pension contribution of € 175,000. The fringe benefits (benefits in kind) are granted to him to the same extent as the other members of the Management Board. Against the backdrop of the necessary stability, the Supervisory Board considered the recruitment of Jörn Joseph as the new CRO to be of particular importance in the current situation. He was therefore granted a one-off joining incentive of € 200,000 gross, which will fall due at the beginning of the appointment period.

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

As part of the discussions regarding the extension of his contract, Andreas Schenk and pbb have agreed by mutual consent that Andreas Schenk will leave pbb in March 2025 at the latest. As compensation for the premature termination of his employment contract, Andreas Schenk will receive a severance payment of €555,000 gross. The fixed compensation amounts to € 43,750 per full month for the period until December 15, 2024 and € 78,750 per full month for the period from December 16, 2024 until the termination date. For 2024, the previous calculatory reference value of € 270,000 applies pro rata until December 15, 2024. With effect from December 16, 2024, the calculatory reference value will be reduced to € 160,000 per full calendar year

11 TEMPORARY DEVIATION FROM THE REMUNERATION SYSTEM

The Supervisory Board may temporarily deviate from the remuneration system for members of the Management Board (procedures and regulations on the remuneration structure) and its individual components as well as the individual remuneration components or introduce new remuneration components if this is necessary in the interests of the long-term well-being of the company. Such exceptional cases exist in particular if deviations are necessary to implement regulatory or statutory requirements or to fulfill legal obligations.

In addition, the maximum remuneration and/or the relative weighting of the remuneration components for any new appointments may deviate, particularly if agreements are made to compensate for lapsed remuneration entitlements from a previous employment relationship with a third party that is not part of pbb Group and/or sign-on bonuses and/or guaranteed variable remuneration in an appropriate amount are agreed within the scope of regulatory requirements.

The Supervisory Board has exercised this option twice to date. Kay Wolf was granted a one-off joining incentive in the gross amount of € 250,000, which became due at the beginning of the appointment period. Against the backdrop of the necessary strategic development, the appointment of Mr. Wolf as the new Chairman of the Management Board was of particular importance in the current situation from the Supervisory Board's perspective. The Supervisory Board therefore decided on the temporary deviation. The Supervisory Board also considered the appointment of Jörn Joseph as the new CRO to be of particular importance in the current situation due to the need for stability. He was therefore granted a one-off joining incentive of € 200,000 gross, which will become due at the beginning of the appointment period.

III Supervisory Board

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

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

Remuneration for work on a Supervisory Board committee is granted in the following amounts:

in € thousand	Chairman	Members
Executive and Nomination Committee	23,5	13,5
Audit Committee	33,5	18,5
Risk management and Liquidity Strategy Committee	32,5	17,5
Remuneration Control Committee	22,5	17,5

The members of the Supervisory Board receive their remuneration plus any applicable statutory value added tax. However, according to the current legal situation, the remuneration of the Supervisory Board is exempt from VAT due to the specific structure of the remuneration system.

The members of the Supervisory Board are also reimbursed for their reasonable expenses.

pbb may take out liability insurance for the benefit of the members of the Supervisory Board up to a total sum insured of €200 million p.a., which covers the statutory liability arising from Supervisory Board activities (including activities in Supervisory Board committees) and, if applicable, the statutory liability for board functions of Supervisory Board members in subordinated affiliated companies.

pbb has taken out a corresponding liability insurance policy which, in addition to the members of the Supervisory Board, also includes the members of the Management Board and certain other employees of pbb Group, and whose sum insured amounts to €175 million. The Management Board and the Supervisory Board are convinced that the sum insured is sufficient in view of their risk profile. The costs of this insurance are borne by pbb. In addition, pbb took out supplementary insurance in 2022, extending the insurance cover for legacy risks.

Remuneration granted and owed to current and former members of the Supervisory Board in the 2024 and 2023 financial years[1)]

	2024					2023
in € thousand[2)]	Basic remuneration	in % of the remuneration	Remuneration for committee work	in % of the remuneration	Total	Total
Dr. Louis Hagen (from 25.05.2023)	**85**	51%	**82**	49%	**167**	101
Dr. Günther Bräunig (until 25.05.2023)	**0**	%	**0**	%	**0**	66
Gertraud Dirscherl	**40**	34%	**77**	66%	**117**	104
Dr. Thomas Duhnkrack (until 15.11.2023)	**0**	%	**0**	%	**0**	63
Karim Bohn (from 30.11.2023)	**40**	56%	**31**	44%	**71**	4
Prof. Dr. Kerstin Hennig	**40**	69%	**18**	31%	**58**	58
Susanne Klöß-Braekler	**40**	61%	**26**	39%	**66**	66
Georg Kordick[3)]	**40**	89%	**5**	11%	**45**	40
Olaf Neumann[3]	**40**	85%	**7**	15%	**47**	40
Hanns-Peter Storr	**55**	52%	**51**	48%	**106**	106
Heike Theißing (until 30.09.2024)[3)]	**30**	77%	**9**	23%	**39**	53
Jennifer Wendels (from 01.10.2024)[3)]	**10**	77%	**3**	23%	**13**	0
Total	**420**	-	**309**	-	**729**	699

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

2) Figures may not add up precisely to the totals provided due to rounding. Deviations from the note "Related party transactions" in pbb Group's Annual Report 2024 due to figures rounded to the nearest thousand euros.

3) Employee representative.

IV. Comparative presentation of earnings development and annual change in remuneration

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

The development in earnings is presented on the basis of pbb Group's profit before tax and operating income. For the members of the Management Board and the Supervisory Board, the remuneration granted and owed in the respective financial year within the meaning of section 162 (1) sentence 1 of the AktG is presented. The presentation of the average remuneration of employees is based on the workforce of pbb Group (employees, excluding interns, temporary staff and working students). In financial year 2024, the workforce comprised an average of 831 employees (full-time equivalent). Average employee remuneration includes personnel expenses for wages and salaries, fringe benefits, employer contributions to social security and any variable remuneration components granted for the financial year, regardless of when they fall due. Both the development of earnings and employee remuneration therefore relate economically to one financial year.

Figures may not add up precisely due to rounding.

Earnings development

in € million	2020	2021	Change in %	2022	Change in %	2023	Change in %	2024	Change in %
Earnings before taxes	151	242	60%	213	-12%	90	-58%	104	16%
Operating income	526	591	12%	531	-10%	603	14%	544	-10%

Average remuneration of employees[1)]

in € thousand	2020	2021	Change in %	2022	Change in %	2023	Change in %	2024	Change in %
Workforce pbb Group	140	147	-4%	146	0%	150	3%	152	1%

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

Remuneration of the current members of the Management Board

in € thousand		2020	2021	Change in %	2022	Change in %	2023	Change in %	2024	Change in %
Kay Wolf (since 02/2024)	Remuneration	-	-	-	-	-	-	-	-	-
	Share-based inflow previous years	-	-	-	-	-	-	-	1.389	-
Pamela Hoerr (since 01/2024)	Remuneration	-	-	-	-	-	-	-	757	-
	Share-based inflow previous years	-	-	-	-	-	-	-	-	-
Thomas Köntgen (since 10/2014)	Remuneration	774	768	-1%	787	2%	777	-1%	788	2%
	Share-based inflow previous years	(+32)[1)]	(-32)[1)]	-	(+14) [1)]	-	(-23) [1)]	-	(-72) [1)]	-
Andreas Schenk (since 03/2014)	Remuneration	765	757	-1%	781	3%	773	-1%	797	4%
	Share-based inflow previous years	(+32) [1)]	(-32)[1)]	-	(+14) [1)]	-	(-23) [1)]	-	(-72) [1)]	-
Marcus Schulte (since 01/2019)	Remuneration	781	766	-2%	784	2%	788	1%	779	-1%
	Share-based inflow previous years	-	(-21)[1)]	-	(+14) [1)]	-	(-14) [1)]	-	(-53) [1)]	-
Andreas Arndt (until 04/2024)	Remuneration	859	851	-1%	893	5%	874	-2%	238	-73%
	Share-based inflow previous years	(+36) [1)]	(-36) [1)]	-	(+19) [1)]	-	(-27) [1)]	-	(-89) [1)]	-

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

Due to the share-based development of the multi-year variable remuneration, Dr. Bernhard Scholz received € 8 thousand in 2020. In 2021, the inflow due to the share-based development of the multi-year variable remuneration is € 4 thousand, in 2023 and 2024 € 3 thousand lower than the amount determined before the start of the respective holding period. In 2022, the inflow amounted to € 1 thousand.

Remuneration of current and former members of the Supervisory Board

in € thousand	2020	2021	Change change in %	2022[5]	Change change in %	2023[5]	Change change in %	2024[5]	Change change in %
Dr. Günther Bräunig (until 25.5.2023)	171	154	-10%	173	12%	66[4]	-62%	-	-
Dr. Louis Hagen (from 25.5.2023)	-	-	-	-	-	101[3]	-	167	65%[6]
Gertraud Dirscherl	-	-	-	87[3]	-	104	20%	117	13%
Dr. Jutta Dönges (until 24.3.2021)	86	21[4]	-76%	-	-	-	-	-	-
Dr. Thomas (until 15.11.2023)	66	70	6%	72	3%	63[4]	-13%	-	-
Karim Bohn (from 30.11.2023)	-	-	-	-	-	4[3]	-	71	1675%[6]
Dr.Christian Gebauer-Roch-holz[1] (until 12.5.2021)	45	18[4]	-60%	-	-	-	-	-	-
Prof. Dr. Kerstin Hennig	-	-	-	25[3]	-	58	132%	58	0%
Dagmar Kollmann[2] (until 31.10.2021)	130	108[4]	-17%	-	-	-	-	-	-
Susanne Klöß-Braekler	-	49[3]	-	66	35%	66	0%	66	0%
Georg Kordick[1]	45	48	7%	40	-17%	40	0%	45	13%
Olaf Neumann[1]	-	30[3]	-	40	33%	40	0%	47	18%
Joachim Plesser (until 12.5.2021)	112	45[4]	-60%	-	-	-	-	-	-
Oliver Puhl (until 19.5.2022)	65	68	4%	22[4]	-68%	-	-	-	-
Hanns-Peter Storr	-	71[3]	-	106	49%	106	0%	106	0%
Heike (until 30.9.2024[1])	59	62	5%	53	-15%	53	0%	39[4]	-26%[6]
Jennifer Wendels (from 01.10.2024)[1]	-	-	-	-	-	-	-	13[3]	-

[1] Employee representative
[2] No statutory value added tax due to residence abroad. pbb pays the Supervisory Board tax at the expense of the Supervisory Board member.
[3] Remuneration in the year of entry
[4] Remuneration in the year of departure
[5] In accordance with a change in case law on the VAT liability of Supervisory Board remuneration, no VAT was incurred for remuneration from 2022 onwards.
[6] Entry and exit. No percentage change compared to the previous year on an annualized basis.

V. Employees

1. REMUNERATION COMPONENTS

The total remuneration of managers and 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. NON-PERFORMANCE-RELATED REMUNERATION

All employees 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.

Other **social and fringe benefits** are also granted in accordance with tax and social security regulations. Various company pension schemes exist with regard to the company pension plan.

3. PERFORMANCE-RELATED VARIABLE REMUNERATION

The central elements of the **variable remuneration system** are designed **uniformly** for members of the Management Board and employees. This applies to the following elements:

> Prerequisite test for **determining the total amount of variable remuneration**
> the **metric** for risk-adjusted performance measurement at bank level
> Maximum degree of target achievement (150%)
> **Payout structure for risk takers**
> Determination of the variable remuneration component on the basis of **an individual calculatory reference value**

Performance measurement

The success of employees is also **measured on three levels**: Institute, organizational unit (division) and individual performance. Variable remuneration is measured at divisional and individual level on the basis of 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.

The three levels of performance measurement are linked to each other for the purpose of measuring variable remuneration. For this purpose, pbb combines 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 allocated 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 mathematically allocated to the respective employee as an EPR value. In principle, the mathematical 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.

Payout structure

With regard to the payment structure, a distinction is made between employees whose activities have a material influence on the overall risk profile of pbb Group (so-called "**Risk Takers**") and other employees (so-called "**Non-Risk Takers**"). If an employee is classified as a risk taker for at least three months during the year, the regulations for risk takers are to be applied to the variable remuneration earned in the entire financial year.

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

The requirements of Section 20 IVV applicable to risk takers regarding the payment of variable remuneration are implemented uniformly for members of the Management Board and employees. This applies in particular:

- the **deferral rate** (60% for members of the Management Board and second-level managers; 40% for other risk takers),
- the **deferral period** (five years for members of the Management Board and second-level managers; three or four years for other risk takers) and the regulation on the vesting of deferrals (pro rata),
- the requirements for **backtesting and malus testing** as well as **clawback** and
- the **sustainability component.**

For employees who are risk takers, an institution-specific threshold for the annual variable remuneration was implemented, from which the deferral for risk takers increases from 40% to 60% (employees with particularly high variable remuneration, Section 20 (3) IVV). For employees in sales functions, the threshold 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.

However, the aforementioned division of the variable remuneration into a payout and a deferral component does not apply if the amount of an employee's EPR value determined for a financial year is below the respective regulatory threshold.

Risk takers were identified for 2024 in accordance with Section 18 IVV using the criteria set out in the KWG and Delegated Regulation (EU) 2021/923. These criteria relate primarily to

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

In total, 85 employees (2023: 105 Risk Takers, thereof 99 employees) have been identified as Risk Takers for 2024, in addition to the members of the Management Board and Supervisory Board. The Management Board of pbb has informed the Supervisory Board of the result of this identification.

VI 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 executives 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** set up by the Supervisory Board and the **Remuneration Officer** appointed by the Management Board.

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

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 stipulations adopted by the Supervisory Board regarding **the structure of the remuneration system** are still **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 risk strategies derived from this, as well as with the remuneration strategy at institution and Group level.

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.

	Feb.	Mar.	May	Aug.	Nov.
Targets pbb 2024	▬	▬			
Variable remuneration 2023 (section 7 Audit IVV & target achievement pbb)	▬				
Target achievement of the Executive Board members 2023	▬				
Remuneration report 2023		▬	▬		
Targets Management Board pbb 2024		▬			
Variable Remuneration Plan 2024		▬			
Remuneration system (remuneration control report, further development of the remuneration system)				▬	▬
Appointment of Deputy Remuneration Officer				▬	
Targets pbb 2025					▬
Remuneration system and remuneration					▬
Update on regulatory changes in the context of variable remuneration					▬
Identification of risk takers					▬
Replacement CRO					▬

Figure 10: Overview of VKA 2024 meetings (in some cases several meetings in one month)

To ensure appropriate, permanent and effective monitoring of employee remuneration, the Management Board has appointed a **Remuneration Officer** and a deputy. 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 institutionalized direct reporting channel to the Chairman of the Remuneration Control Committee of the Supervisory Board 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).

Munich, March 18, 2025

Deutsche Pfandbriefbank AG
The Management Board

Deutsche Pfandbriefbank AG
The Supervisory Board

signed. Kay Wolf

Chairman of the Management Board

signed. Marcus Schulte

Member of the Management Board
Chief Financial Officer
Treasurer

signed. Dr. Louis Hagen

Chairman of the Supervisory Board

VII. Independent auditor's report on the audit of the remuneration report (Section 162 (3) AktG)

To Deutsche Pfandbriefbank AG, Munich/Germany

Audit Opinion

We conducted a formal audit of the remuneration report of Deutsche Pfandbriefbank AG, Munich/Germany, for the financial year from 1 January to 31 December 2024 to assess whether the disclosures required under Section 162 (1) and (2) German Stock Corporation Act (AktG) have been made in the remuneration report. In accordance with Section 162 (3) AktG, we have not audited the content of the remuneration report.

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

Basis for the Audit Opinion

We conducted our audit of the remuneration report in accordance with Section 162 (3) AktG and in compliance with the *IDW Auditing Standard: Audit of the Remuneration Report pursuant to Section 162 (3) AktG (IDW AuS 870 (09.2023))*. Our responsibilities under those requirements and this standard are further described in the “Auditor’s Responsibilities” section of our report. Our audit firm has applied the requirements of the IDW Quality Management Standards. We have fulfilled our professional responsibilities in accordance with the German Public Auditor Act (WPO) and the Professional Charter for German Public Auditors and German Sworn Auditors (BS WP/vBP) including the requirements on independence.

Responsibilities of the Executive Board and the Supervisory Board

The executive board and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of Section 162 AktG. In addition, they are responsible for such internal control as they have determined necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

Auditor’s Responsibilities

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

We planned and conducted our audit in such a way to be able to determine whether the remuneration report is formally complete by comparing the disclosures made in the remuneration report with the disclosures required under Section 162 (1) and (2) AktG. In accordance with Section 162 (3) AktG, we have neither audited the correctness of the content of the disclosures, nor the completeness of the content of the individual disclosures, nor the adequate presentation of the remuneration report.

Handling of Possible Misrepresentations

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

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

Munich/Germany, 18 March 2025

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:
Prof Dr Carl-Friedrich Leuschner
Wirtschaftsprüfer
(German Public Auditor)

Signed:
Martin Kopatschek
Wirtschaftsprüfer
(German Public Auditor)

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