

Disclosure of the Remuneration Policy 2021

pursuant to Article 450 of Regulation (EU) 575/2013 in conjunction with Section 16 InstitutsVergV for DZ BANK AG and subordinated companies

Contents

1	General disclosures	3		
2	Remuneration governance in the DZ BANK Group	4		
2.1	Remuneration strategy of the DZ BANK Group	4		
2.2	Integration of corporate strategy and remuneration strategy	4		
2.3	Sustainability and corporate culture	5		
2.4	Remuneration structure	6		
2.5	Remuneration decision-making processes	7		
2.6	Remuneration Control Committee	8		
2.7	Remuneration officer	9		
2.8	Relevant stakeholders	9		
2.9	External consultancy	9		
2.10	Appropriateness of the remuneration systems	9		
3	Design of the remuneration systems at DZ BANK	12		
3.1	General principles	12		
3.2	Systems with variable components and other non-cash benefits	12		
3.3	Remuneration system for employees in the collectively-negotiated wage sector	13		
3.4	Remuneration system for employees in the non-collectively-negotiated wage sector	13		
3.4.1	System of responsibility levels	14		
3.4.2	Target agreement and target achievement	14		
3.4.3	Calculation of the variable component	15		
3.5	Remuneration system for risk takers below the level of head of division	15		
3.6	Remuneration system for heads of division	17		
3.7	Remuneration systems for foreign branches	18		
3.8	Remuneration system for members of the Board of Managing Directors	18		
3.9	Remuneration system for members of the Supervisory Board	19		
3.10	Determination of the total amount of variable remuneration at DZ BANK	19		
4	Remuneration systems of the management units regarded as major pursuant to section 1 (3c) KWG	21		
4.1	Relevant subsidiaries according to section 27 in conjunction with section 16 InstitutsVergV	21		
4.2	Remuneration systems at BSH	21		
4.2.1	Target agreement and target achievement	22		
4.2.2	Remuneration system for employees in the collectively-negotiated wage sector	23		
4.2.3	Remuneration system for employees in the non-collectively-negotiated wage sector	23		
4.2.4	Remuneration of risk takers below the level of managing director at BSH	24		
4.2.5	Remuneration of managing directors	24		
4.3	Remuneration systems at DZ HYP	26		
4.3.1	Remuneration strategy at DZ HYP	26		
4.3.2	Risk takers at DZ HYP	27		
4.3.3	Design of the remuneration systems at DZ HYP	27		
4.4	Remuneration systems at DVB	32		
4.4.1	General principles	32		
4.4.2	Remuneration system for employees in the collectively-negotiated wage sector	33		
4.4.3	Remuneration system for employees in the non-collectively-negotiated wage sector	33		
4.4.4	Remuneration system for risk takers (below the level of head of division)	34		
4.4.5	Remuneration system for heads of division (below the level of the Board of Managing Directors)	35		
4.4.6	Remuneration system for the Board of Managing Directors	35		
4.5	Remuneration systems at DZ PRIVATBANK	36		
4.5.1	Remuneration system for employees in the non-collectively-negotiated wage sector	36		
4.5.2	Remuneration system for risk takers (maximum bonus scheme)	37		
4.5.3	Remuneration system of the Board of Managing Directors	38		
4.5.4	Remuneration for supervisory bodies	39		
5	Quantitative Disclosure	40		

1 General disclosures

Pursuant to section 16 of the German Regulation Governing Remuneration at Institutions (InstitutsVergV, new version dated September 25, 2021), DZ BANK is required to disclose information about its remuneration policy and practices. As an (EU) parent institution, DZ BANK must disclose information at consolidated level. Because it is an institution subject to the CRR (Regulation (EU) 575/2013), DZ BANK is subject to the disclosure requirements specified by article 450 CRR in conjunction with Implementing Regulation (EU) 2021/637 dated March 15, 2021 and section 16 InstitutsVergV.

Pursuant to article 450 CRR, DZ BANK must disclose certain qualitative and quantitative information for categories of employees whose activities have a material impact on its risk profile (risk takers).

In 2021, DZ BANK and the following subordinated management units identified the employees whose activities have a material impact on the risk profile:

- Bausparkasse Schwäbisch Hall AG (BSH)
- DZ HYP AG (DZ HYP)
- DVB Bank SE (DVB)
- DZ PRIVATBANK S.A. (DZ PRIVATBANK)
- TeamBank AG Nürnberg (TeamBank)
- VR Smart Finanz AG (VR Smart Finanz).

Risk takers were identified in accordance with sections 1 (21) and 25a (5b) KWG and on the basis of Commission Delegated Regulation (EU) 2021/923 of March 25, 2021 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards setting out the criteria to define managerial responsibility, control functions, material business units and a significant impact on a material business unit's risk profile, and setting out criteria for identifying staff members or categories of staff whose professional activities have an impact on the institution's risk profile that is comparably as material as that of staff members or categories of staff referred to in article 92 (3) of that Directive.

This disclosure contains detailed information on remuneration in the DZ BANK Group at consolidated level for the 2021 financial year. The information disclosed in this report is subject to the principle of proportionality pursuant to article 450 (2) sentence 2 CRR. The information is disclosed for the DZ BANK Group in a manner that is appropriate to its size, its internal organization, and the nature, scope, and complexity of its activities and without prejudice to Regulation (EU) 2016/679 of the European Parliament and of the Council.

The quantitative information pursuant to article 450 (1) letters g to k CRR is published after all bonus payments have been calculated. The information disclosed for 2021 pursuant to article 450 CRR for the institutions in the DZ BANK Group will therefore be updated in a separate report in the second quarter. This report disclosing the remuneration policy can be found on DZ BANK's website in the Investor Relations section under Reports.

2 Remuneration governance in the DZ BANK Group

2.1 Remuneration strategy of the DZ BANK Group

Section 27 InstitutsVergV requires the senior management of the parent company to define a groupwide remuneration strategy. The Board of Managing Directors of DZ BANK must define a remuneration strategy both for DZ BANK and for the entities in the DZ BANK Group that implements the requirements of the InstitutsVergV for the institutions in the DZ BANK Group.

The DZ BANK Group's remuneration strategy sets out uniform rules for the groupwide management of remuneration that apply to the remuneration systems of the entities in the DZ BANK Group. On the basis of this framework, each subordinated entity is obliged to document its subgroup's compliance with the agreed principles and to present this for inspection by DZ BANK.

Decentralized decision-making powers are one of the features of the balanced management approach taken within the DZ BANK Group. Systematic coordination between all entities in the DZ BANK Group is necessary to ensure compliance with the InstitutsVergV and other remuneration-related regulatory requirements. Company-law provisions and local rules – especially in relation to the independence of the subsidiaries – are also taken into account.

The remuneration strategy is reviewed and, if necessary, amended at least once a year. The following material changes to the remuneration strategy were made during the year under review.

Some entities in the DZ BANK Group granted a one-off special bonus in recognition of the extraordinary efforts of employees during the coronavirus pandemic and in view of the additional burden they faced due to the pandemic.

In 2021, changes were made to the regulatory parameters for remuneration in banks. Both the KWG and the InstitutsVergV were amended. A particularly relevant change is the extended deferral period for the variable remuneration of risk takers. The criteria for defining risk takers were also revised. The regulatory changes were either implemented in DZ BANK Group's remuneration systems in 2021 or are currently the subject of negotiations with the employee representatives.

2.2 Integration of corporate strategy and remuneration strategy

The integration of the corporate strategy and the remuneration strategy at DZ BANK and in the DZ BANK Group is ensured by defining entity targets on the basis of the strategic planning. During the annual target agreement process, targets are agreed with the members of the Boards of Managing Directors and the managing directors in the subgroups. These targets are based on the DZ BANK Group's strategic planning. The subordinated entities then filter these targets through to the lower hierarchy levels via a cascading structure, ensuring that the DZ BANK Group's strategic objectives can be achieved.

The strategic planning involves drawing up, evaluating, confirming, and/or adjusting the corporate strategy, carrying out the strategic financial and capital planning, and integrating them with the risk strategies and other strategies for a planning horizon of four years. All elements are updated annually. The strategic planning process highlights the interrelationships between the corporate strategy and the strategic financial and capital planning, the risk strategies, and other strategies. As part of the planning, which constitutes the operationalization of the corporate strategy (including the financial and capital planning and integration with the risk strategies and other strategies), the DZ BANK Group makes sure – taking account of its chosen risk appetite over a medium-term observation period – that it always has an adequate level of capital (including to cover stress test scenarios).

The discussions and decision-making at Board of Managing Directors level take place in three planning meetings and in the strategic dialogue sessions. They are supplemented by established line processes (e.g. divisional-level steering committees at DZ BANK and quarterly dialogue sessions in the DZ BANK Group).

2.3 Sustainability and corporate culture

Sustainability has been embedded in the strategy of the DZ BANK Group at several different levels: as a priority topic for the strategic planning process, as a groupwide area of potential, and as a self-contained implementation package under the Verbund First 4.0 initiative of DZ BANK.

The sustainability guidelines developed by and for the Volksbanken Raiffeisenbanken cooperative financial network in 2020 set out the network's shared values and provide a framework for all of its sustainability activities. They state that the cooperative financial network derives its strength from shared cooperative roots and values and from an open and transparent culture.

The idea of forming cooperatives to benefit from collective protection against risks and create a link between financial success and social welfare has been around for more than 170 years, and yet, it has never been more relevant. Cooperatives operate in a sustainable and responsible manner. They help to put innovative ideas into practice, support their members, and are firmly rooted in their region.

The cooperative financial network's sustainability guidelines highlight the positive impact of cooperative practices on society in the context of the current challenges of sustainable development and complement the existing body of corporate values that the group entities uphold. By signing up to the UN Global Compact in 2008, the DZ BANK Group committed to ten universally accepted principles of responsible conduct in relation to human rights, labor standards, environmental protection, and the fight against corruption. These principles continue to provide a central framework for the business activities of the DZ BANK Group and form the basis of the groupwide code of conduct, which requires all executives and employees of the DZ BANK Group to act in compliance with the law and ethical standards.

In 2019, DZ BANK developed eight values that serve as guiding principles for the further development of its corporate culture. These include innovation, consistency, performance, courage, partnership, security, cosmopolitanism, and also sustainability as a hallmark of long-term thinking and responsible conduct. Upholding this value means always making decisions in consideration of their consequences for the bank and its environment.

Most group entities also have their own corporate principles and values that are typically rooted in the cooperative values. Further details can be found in the sustainability reports and on the websites of the individual group entities.

The risk management approach of the DZ BANK Group places increasing emphasis on sustainability risks that have an impact on the business activities of the group entities.

Compliance with the regulatory requirements for banks means that the remuneration systems of the DZ BANK Group are already designed in a way that supports a sustainability-oriented culture and strategy in the DZ BANK Group. The remuneration does not incentivize excessive risk-taking in any way.

At the level of the members of the Board of Managing Directors, up to 22.5 percent of the targets relate to sustainability criteria. These targets filter through to the lower hierarchy levels via a cascading structure. This means that sustainability goals also play a part in the remuneration of employees below the highest management level, which ensures that the interests of decision-makers are also aligned across different levels of management. In

addition, managerial staff are advised and trained to agree personal targets with their reports that promote sustainable practices at DZ BANK.

Consequently, remuneration in the DZ BANK Group is also in line with the sustainability objectives pursuant to article 5 of Regulation (EU) 2019/2088 on sustainability-related disclosures. DZ BANK reports on this both in its disclosures pursuant to section 16 InstitutsVergV in conjunction with article 450 CRR and in the groupwide remuneration strategy.

The remuneration strategy is also closely linked to the DZ BANK Group's corporate culture. The DZ BANK Group is committed to upholding high ethical and professional standards that are documented in a written set of procedural rules. Its actions are underpinned by the values of the cooperative movement. These values are taken into account when defining the strategic requirements in the business strategy. The DZ BANK Group's code of conduct and risk culture policy lay the foundations for the way in which employees and managers treat each other and customers on a day-to-day basis and the way in which they approach risks.

2.4 Remuneration structure

The remuneration of employees in the DZ BANK Group comprises fixed remuneration and, as a rule, variable remuneration.

The level of fixed remuneration is determined by the importance of the employee's role, market conditions, and the employee's personal abilities.

The level of variable remuneration reflects the employee's personal performance and, depending on the remuneration system, the entity's success, and the success of the division in which the employee works.

Depending on local custom, the DZ BANK Group offers additional non-cash benefits besides the salary payments.

As a rule, variable remuneration does not exceed fixed remuneration at the institutions in the DZ BANK Group. The exception is DVB, where a resolution adopted by the Annual General Meeting in 2014 capped the variable remuneration for defined sites and positions at 200 percent of fixed remuneration.

In some cases, variable remuneration has been capped at well below fixed remuneration. In the institutions, the variable remuneration of employees in control units may not exceed 50 percent of their fixed remuneration.

In accordance with section 5 (5) InstitutsVergV, variable remuneration is guaranteed for no more than the first twelve months after an employee has joined the DZ BANK Group.

Severance pay is granted only within the scope of section 5 (6) InstitutsVergV. Principles governing severance pay have been defined in the institutions in the DZ BANK Group.

In accordance with the provisions of the InstitutsVergV, the remuneration system for risk takers includes a ban on hedging.

Variable remuneration is subject to the requirements of the InstitutsVergV. In accordance with section 18 (1) sentence 3 InstitutsVergV and article 94 (3) CRD, variable remuneration of risk takers that does not exceed €50 thousand is exempted from the special requirements in the InstitutsVergV. Moreover, since the introduction of the new version of the InstitutsVergV dated September 25, 2021, these special requirements in the InstitutsVergV have not had to be applied to the variable remuneration of risk takers provided that it does not make

up more than a third of their total annual remuneration. This regulatory change is being implemented in the DZ BANK Group's remuneration system with due consideration of codetermination arrangements.

When determining the total amount of variable remuneration at DZ BANK and in the DZ BANK Group, key risk indicators such as risk-bearing capacity (in the form of the level of capital adequacy) are analyzed in accordance with section 7 InstitutsVergV. The remuneration systems in the DZ BANK Group thus take account of current and future risks. These requirements are checked using criteria that have to be met in order for variable remuneration to be paid. This involves checking whether the criteria, as defined, meet the regulatory minimum requirements.

The DZ BANK Group ensures fair remuneration and implements the requirements of the German Remuneration Transparency Act. The entities that are subject to the Remuneration Transparency Act published a report on fair remuneration for the first time in 2017. Under this legislation, reporting is required every five years from 2018. The next report, covering the period 2017 to 2021, will be published with the 2022 management report.

2.5 Remuneration decision-making processes

Various committees and functions in the institutions in the DZ BANK Group are involved in designing and monitoring the remuneration systems.

The design and implementation of the remuneration system for the Board of Managing Directors of a particular institution in the DZ BANK Group are decided upon by the Supervisory Board of the institution in question. The Supervisory Boards also check that the employee remuneration systems are appropriate.

Each Supervisory Board is assisted in its work by its Remuneration Control Committee, in particular with regard to the appropriate design and monitoring of the remuneration systems and their conformity with the business and risk strategies, remuneration strategy, and corporate culture of the DZ BANK Group.

Each Board of Managing Directors decides on the design and implementation of the employee remuneration systems. The individual members of the Boards of Managing Directors contribute to the implementation of and compliance with the InstitutsVergV in the institutions in the DZ BANK Group through their membership of the Supervisory Boards of the subsidiaries.

In each entity, a remuneration officer assists the Remuneration Control Committee and Supervisory Board with their monitoring activities and is involved in deployment of the remuneration systems, the development of new systems, and the refinement of existing systems on a regular basis.

In each entity, the HR division carries out HR-related preparations for the design of the remuneration systems and the decisions of the Board of Managing Directors, which it also puts into practice. As part of their leadership and management role, managers deploy the performance management and remuneration tools provided to them.

The control units as defined by section 2 (11) InstitutsVergV are involved in the design and monitoring of the remuneration systems on an ongoing basis. Each institution in the DZ BANK Group has defined its control units. The institutions make sure that employees in the control units are remunerated independently of the divisions that they oversee. Pursuant to section 5 (4) InstitutsVergV, this is the case if the amount of variable remuneration of employees in the control units and of employees in the organizational units overseen by them is not predominantly determined by the same remuneration parameters and there is no risk of a conflict of interests.

Until the new version of the InstitutsVergV dated September 25, 2021 was introduced, the Human Resources division was defined as a control unit pursuant to section 2 (11) InstitutsVergV in all entities in the DZ BANK Group.

At DZ BANK, the following divisions are defined as the control units: Credit/Credit Services, Group Risk Controlling, Group Audit, and Compliance.

At BSH, it is the Internal Audit, Risk Controlling, and Compliance divisions.

DVB has defined its control units as follows: Credit Shipping, Credit Quality Assessment, Group Audit, Group Compliance Office, Group Controlling, Group Risk Management, and Operational Services.

The following divisions at DZ HYP are defined as control units: Back Office Corporate Clients, Back Office Treasury and Public Sector, Risk Controlling, Compliance, Internal Audit, and Finance.

At DZ PRIVATBANK, it is the Corporate Management (Controlling and Risk Controlling), Internal Audit, Legal, and Compliance divisions.

2.6 Remuneration Control Committee

The Remuneration Control Committee (RCC) checks that the remuneration systems for members of the Board of Managing Directors and for employees are designed appropriately. In particular, it checks that remuneration is designed appropriately for the heads of the risk control and compliance functions and for those employees who have a material influence on the institution's overall risk profile. The RCC also assists the Supervisory Board with checking that the remuneration systems for the entity's employees are designed appropriately and it evaluates the impact of the remuneration systems on the management of risk, capital, and liquidity.

The RCC prepares the Supervisory Board's resolutions on the remuneration of the members of the Board of Managing Directors, taking particular account of the impact of the resolutions on the entity's risks and risk management. It also considers the long-term interests of shareholders, investors, and other stakeholders as well as the wider public interest.

The RCC helps the Supervisory Board to check that the internal control units and all other relevant divisions are duly involved in designing the remuneration systems.

The RCC is required to cooperate with the Risk Committee.

The Supervisory Board's RCC, in cooperation with the remuneration officer, monitors the appropriateness of the remuneration systems.

In 2021, the RCC at DZ BANK held three meetings. The Supervisory Board was notified of the findings. The RCC is made up of members of the Supervisory Board. DZ BANK's RCC comprises a chairman, deputy chairman, and four other members.

The RCC at BSH met three times in 2021. BSH's RCC comprises a chairman and five other members.

The RCC at DVB met three times in 2021. It comprises a chairman, deputy chairman, and one other member. The RCC was given information about DVB's existing remuneration system and the remuneration officer reviewed the system; a need to modify the existing system was not identified.

DZ HYP's RCC comprises four Supervisory Board members. It has a chairman and three other members, one of whom is an employee representative. In 2021, the RCC at DZ HYP held two meetings and the Supervisory Board received reports on these meetings.

At DZ PRIVATBANK, the role of the RCC is performed by the Chairman's Committee. In the reporting year, the Chairman's Committee held three meetings, with RCC matters being discussed at all of them. The Chairman's Committee at DZ PRIVATBANK comprises a chairman, deputy chairman, and two other members.

2.7 Remuneration officer

In accordance with the requirements of section 23 InstitutsVergV, a remuneration officer and a deputy remuneration officer have been appointed by the Board of Managing Directors in all entities in the DZ BANK Group that are deemed major pursuant to section 1 (3c) KWG.

The main tasks of these remuneration officers include the ongoing verification and monitoring of the appropriateness of the remuneration systems, regular and close coordination with the chairman of the Remuneration Control Committee, and preparation of an annual remuneration control report. To this end, they work closely with the other control and monitoring functions.

2.8 Relevant stakeholders

When it comes to defining remuneration policy, the relevant stakeholders are the owners and the central employees' council. The owners are represented on the Supervisory Board by the shareholders elected by the Annual General Meeting. This ensures that the owners are involved in the design of the remuneration systems and receive information about employee remuneration annually. The central employees' council is involved in the design of the remuneration systems within the framework of the rights of participation that exist under the German Works Council Constitution Act (BetrVG).

2.9 External consultancy

In 2021, all entities in the DZ BANK Group that are deemed major pursuant to section 1 (3c) KWG engaged external consultants to examine how the remuneration of the Board of Managing Directors compared with the market standard.

In addition, external consultants were engaged as follows:

Entity	Organizational unit that engaged the consultants	Aspects of remuneration covered by the engagement
DZ BANK	Group Human Resources division	Scope of application of InstitutsVergV
BSH	/	/
DVB	/	/
DZ HYP	/	/
DZ PRIVATBANK	Human Resources segment	Remuneration bands & examination of how salaries compared with the market

2.10 Appropriateness of the remuneration systems

According to section 12 InstitutsVergV, DZ BANK must review the appropriateness of the remuneration systems at least once a year. The related internal audit reports, the audit report from the auditor of the annual financial statements, and the remuneration officer's remuneration control report have to be used as the basis for this review. DZ BANK's Board of Managing Directors confirmed the appropriateness of the remuneration systems in October 2021.

Overall, DZ BANK's remuneration systems are deemed appropriate in accordance with the requirements in the InstitutsVergV and are consistent with the business and risk strategies. The design, application and, in particular, the outcome of the remuneration systems show that there are no incentives for employees to take on disproportionately high risks. The remuneration systems do not run counter to the control units' monitoring function. Moreover, the remuneration systems of DZ BANK are consistent with the group remuneration strategy.

The last audit report from the auditor of the annual financial statements found that DZ BANK's remuneration systems and their focus on the institution's long-term performance were appropriate and transparent. The ratio of variable to fixed remuneration was deemed appropriate. The report confirmed that DZ BANK's remuneration systems, including the remuneration strategy, supported the achievement of the institution's strategic objectives. The remuneration parameters are aligned with the business strategy, risk strategy, and corporate culture.

In 2021, Internal Audit audited DZ BANK's implementation of the InstitutsVergV. There were no serious or material findings. Two unusual and two minor findings were identified. All findings had been resolved by the deadline of December 31, 2021.

The DZ BANK remuneration officer's remuneration control report for 2021 found that the remuneration systems were designed appropriately.

The review of the appropriateness of BSH's remuneration systems was based on the internal audit reports, the audit report from the auditor of the annual financial statements, and the remuneration officers' remuneration control report. This review found that BSH's remuneration systems complied with the requirements of the InstitutsVergV. The Board of Managing Directors confirmed the appropriateness of the remuneration systems.

The report from the auditor of DVB's annual financial statements for 2021, the audit by Internal Audit, and the remuneration control report of the remuneration officers found that the remuneration systems were designed in accordance with the requirements of the InstitutsVergV.

DZ HYP's Board of Managing Directors confirmed the appropriateness of the remuneration systems in accordance with the requirements of the InstitutsVergV in May 2021. The DZ HYP remuneration officer's remuneration control report for 2021 found that the remuneration systems were designed appropriately. At its second meeting, DZ HYP's RCC reviewed the remuneration policy of DZ HYP and found that the remuneration systems for the managing directors and employees – particularly senior managers, the head of the risk control function, the compliance function, and risk takers – were designed appropriately. This also applied when taking the impact on the bank's management of risk, capital, and liquidity into consideration. The RCC also examined the remuneration of employees in the control units and found that it complied with the requirements in the InstitutsVergV. In 2021, Internal Audit audited DZ HYP's implementation of the InstitutsVergV and found that the remuneration system at DZ HYP met the regulatory and statutory requirements. Only minor findings concerning required improvements to documentation were identified. The most recent audit report from the auditor of the annual financial statements found that DZ HYP's remuneration systems were appropriate and transparent.

At DZ PRIVATBANK, the appropriateness of the remuneration systems was verified by Internal Audit as part of a Group Audit division audit concerning implementation of the InstitutsVergV and by the institution's remuneration officer in preparation for the annual remuneration control report to the Supervisory Board. A minor finding had been resolved by the time of preparation of the remuneration control report. The review of appropriateness found that DZ PRIVATBANK's remuneration systems complied with the requirements of the InstitutsVergV and with the local regulatory requirements. The remuneration systems are appropriate and aligned with the business and risk strategies. They do not incentivize employees to take on disproportionately high risks.

The remuneration systems do not run counter to the control units' monitoring function and are aligned with the corporate culture.

3 Design of the remuneration systems at DZ BANK

3.1 General principles

This report describes DZ BANK's remuneration system. Section 3.2 describes systems with variable components and other non-cash benefits that apply to employees in the collectively-negotiated (CN) and non-collectively-negotiated (NCN) wage sectors alike. A description of the remuneration model for employees in the CN wage sector is then provided (see section 3.3), followed by a description of the remuneration systems for employees in the NCN wage sector. There are differences between regular NCN remuneration (see section 3.4), the remuneration of risk takers below the level of head of division (see section 3.5), and the remuneration of heads of division (see section 3.6). The remuneration systems for the foreign branches are presented in section 3.7. Section 3.8 contains a description of the remuneration system for members of the Board of Managing Directors and section 3.9 describes the remuneration of the members of the Supervisory Board.

DZ BANK ensures fair remuneration and implements the requirements of the German Remuneration Transparency Act. Internal analysis is carried out every year as part of the bonus and pay review in order to uncover any discrimination at an early stage and enable corrective action to be taken. The analysis looks at criteria such as age and period of service, as well as gender. The employee representatives are informed of all pay rises in advance, in accordance with the company agreement, and are given the opportunity to comment if they suspect arbitrary decisions or discrimination.

3.2 Systems with variable components and other non-cash benefits

Bonus relating to the coronavirus pandemic

The bank is granting a one-off, discretionary bonus to its employees in recognition of their extraordinary efforts during the coronavirus pandemic and in view of the additional burden they faced due to the pandemic. The bonus is based on the statutory provision introduced for this purpose in section 3 no. 11a of the German Income Tax Act (EStG). By paying this bonus in addition to the contractually owed remuneration, the bank wishes to thank and reward its employees at this time.

Manager allowance

Pursuant to section 2 (6) sentence 3 no. 2 InstitutsVergV, employees who temporarily assume a more demanding duty, function, or organizational responsibility may receive an allowance for this. The manager allowance amounts to 10 percent of the employee's reference salary. The allowance is paid monthly in addition to the fixed salary in the form of a non-pensionable allowance. If an employee works part time, the allowance is paid pro rata in line with the number of hours worked.

Performance recognition bonus

As part of a pilot scheme that ran until May 31, 2022, the bank introduced monetary bonuses – known as performance recognition bonuses – in order to reward outstanding performance, creative or innovative ideas, and particularly exemplary engagement or action to support the corporate culture.

The performance recognition bonuses are distributed on a discretionary basis by the relevant head of division. They are awarded for outstanding performance that is not already covered by the employee's individual target agreement. Risk takers cannot be awarded a performance recognition bonus.

To underline the exceptional nature of this reward, no more than 5 percent of the employees in a division can receive the bonus in any one year. The individual payments range from €500 to €5,000 gross.

There is no other remuneration in the form of shares, options, or other components of variable remuneration at DZ BANK.

3.3 Remuneration system for employees in the collectively-negotiated wage sector

The remuneration system for employees in the collectively-negotiated (CN) wage sector generally applies to any employee in the CN wage sector who is in an active employment relationship at any of DZ BANK's offices in Germany. The remuneration for such employees is governed by a company agreement.

Remuneration structure

The annual salary of employees in the CN wage sector consists of the following:

- Twelve monthly salaries (plus any CN or non-collectively negotiated (NCN) allowances)
- Bonus equal to one month's salary in April
- Bonus equal to one month's salary in November.

Monthly salary and bonuses

The monthly salary is determined by the applicable salary bracket (1 to 9) and the number of years worked. Under the wage settlement for the local cooperative banks and the cooperative central institution dated August 7, 2019, employees joining the company in or after 2020 are assigned to remuneration groups (A1 to C3) and categorized according to years of service. The amount of remuneration for these employees is based on the newly negotiated remuneration tables. The monthly salary is paid twelve times a year. It may also include CN and/or NCN allowances.

The level of the bonuses in April and November is determined by the monthly salary in the month of payment according to the CN remuneration table.

There are also non-financial remuneration components that are designed to promote staff loyalty, such as advisory services that help employees to balance work and family life.

3.4 Remuneration system for employees in the non-collectively-negotiated wage sector

DZ BANK's NCN remuneration systems are aimed at providing appropriate rewards and additional performance incentives in the form of fixed salaries and an additional variable remuneration component. The idea is that good performance should pay off.

The remuneration for employees in the NCN wage sector is governed by a company agreement and applies to all such employees at DZ BANK in Germany (excluding senior managers). The majority (75.7 percent) of employees are in the NCN wage sector.

In addition to the fixed salary paid as twelve monthly salaries, the remuneration structure for employees in the NCN wage sector includes a contractually agreed performance- and results-based remuneration component (bonus) and a process for rating role importance (responsibility levels).

There are also non-financial remuneration components that are designed to promote staff loyalty, such as advisory services that help employees to balance work and family life.

3.4.1 System of responsibility levels

Each role at DZ BANK that is not covered by a CN pay agreement is rated according to knowledge/ability, problem-solving, responsibility, and strategic importance and then assigned to one of five responsibility levels. The percentage share represented by the target bonus and the lower and upper limits for the employee's remuneration depend on the responsibility level to which his or her role is assigned. The upper limits for variable remuneration are derived from the contractually agreed target bonuses and the upper limits for the bonus factors. Reflecting the market situation, DZ BANK may define special markets (e.g. the capital markets) for specific divisions, departments, groups, or roles. In these special markets, the target bonus may be agreed as a larger percentage share relative to the fixed salary. Under no circumstances may variable remuneration exceed fixed remuneration. The salary bands for each responsibility level are reviewed annually and adjusted if necessary. The adjustments are based on the bank's market position and financial performance as well as on the wider economic situation.

The following terms are used with regard to the NCN remuneration system at DZ BANK:

Fixed salary:

The contractually agreed basic salary and any existing special allowances

Target bonus:

Amount agreed by the employee and his or her manager that provides the basis of calculation for the bonus

Reference salary:

Fixed salary plus target bonus

Fixed allowance:

The fixed allowance is derived from the lower limits of the bonus factors (AG factor of 0.8, divisional factor of 0.8, IPF of 0.8). When deducted from the target bonus, it equates to 51.2 percent of the target bonus ($0.8 \times 0.8 \times 0.8 = 0.512$). This share of the target bonus is fixed and is paid monthly with the fixed salary.

Fixed remuneration:

Total of fixed salary plus fixed allowance

Bonus factors:

The AG factor and divisional factors reflect the results of the bank/group and divisions. The IPF indicates the employee's rate of target achievement.

Bonus:

Variable remuneration component calculated from the performance factors and the target bonus less the fixed allowance

The factors fall to below 1.0 if performance and success targets of the DZ BANK Group, DZ BANK, or the divisions and/or individual performance and success targets are not achieved. This reduces the amount of variable remuneration.

3.4.2 Target agreement and target achievement

The basis for a transparent and clearly documented performance appraisal, and thus for determination of the IPF, is a target agreement process that is applied throughout the bank. 'Management by objectives' is the target agreement system used at DZ BANK and constitutes a key element of the variable remuneration system. The employee and his or her manager together agree on three to five specific, challenging, and measurable individual

targets by March 1 of the respective year. These targets are given weighting factors and deadlines. They consist of qualitative targets and quantitative targets based on profitability KPIs. The agreed targets must be derived from the business, risk, and sustainability strategies.

When calculating the bonus, the aim is to both recognize employees' high level of dedication and enable them to share in the success of their division and of DZ BANK as a company. That is why the bonus is determined using further performance factors in addition to the divisional and entity factors.

The IPF ranges from 0.8 to 1.8 and is set on the basis of the employee's personal target achievement during the annual performance review with his or her manager. The breadth of the IPF range enables employees to have a direct influence on their bonus. The divisional factor ranges from 0.8 to 1.2 and is set by the responsible member of the Board of Managing Directors in consultation with the rest of the Board of Managing Directors on the basis of the head of division's suggestion and the division's results. The AG factor also ranges from 0.8 to 1.2 and is set by the Board of Managing Directors on the basis of the bank's and group's results. This structure also ensures that employees in the control units are remunerated independently of the employees in the divisions that they oversee. Because the divisional factor and the individual performance factor of employees in the control units and of employees in the organizational units overseen by them are subject to different parameters, the amount of variable remuneration is not predominantly determined by the same remuneration parameters. Fundamentally, there is also no risk of a conflict of interests because the divisional factors and individual target agreements are determined in accordance with the divisions' individual strategies, which pursue different objectives.

3.4.3 Calculation of the variable component

The IPF is set during the annual performance review by no later than March 1 of the following year on the basis of target achievement. The divisional factor and AG factor are determined by no later than March 31 of the following year. The following formula is used to calculate the bonus:

VARIABLE REMUNERATION = TARGET BONUS X IPF X DIVISIONAL FACTOR X AG FACTOR LESS FIXED ALLOWANCE (51.2 PERCENT OF THE TARGET BONUS)



The variable remuneration (less the fixed allowance) is paid with the April salary in the year following the year to which it applies. The fixed salary and the fixed allowance are paid in twelve equal monthly installments.

The variable remuneration may be paid only if the risk-bearing capacity, the multi-year capital planning, and the financial performance of DZ BANK and the DZ BANK Group permit.

3.5 Remuneration system for risk takers below the level of head of division

For the year under review, risk takers were identified in accordance with sections 1 (21) and 25a (5b) KWG and on the basis of Commission Delegated Regulation (EU) 2021/923 of March 25, 2021 supplementing Directive

2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards setting out the criteria to define managerial responsibility, control functions, material business units and a significant impact on a material business unit's risk profile, and setting out criteria for identifying staff members or categories of staff whose professional activities have an impact on the institution's risk profile that is comparably as material as that of staff members or categories of staff referred to in article 92 (3) of that Directive. The regulatory technical standards and the KWG define binding qualitative and quantitative criteria that must be used to identify risk takers.

Using these criteria, 154 risk takers were identified at DZ BANK for the reporting period. A further 104 group risk takers from subordinate entities were identified for the DZ BANK Group.

The remuneration structure and, in particular, the bonus calculation for all employees below the level of head of division who have been identified as risk takers for DZ BANK are governed by the remuneration system for employees in the NCN wage sector (see section 3.4).

In accordance with the provisions of the *InstitutsVergV*, some of a risk taker's variable remuneration is deferred and subject to a retention period if the variable remuneration exceeds €50 thousand. Of the total variable remuneration, 30 percent of the calculated bonus amount is paid to the employee with the April salary in the following year. A further 30 percent is subject to a one-year retention period. The other 40 percent of the calculated bonus is deferred over a period of three years. The deferred variable remuneration is split into three (each amounting to a third of the 40 percent). 50 percent of the deferred variable remuneration is subject to a retention period. During the deferral period, 50 percent of the level of deferred variable remuneration depends on the bank's long-term performance. During the retention periods, this percentage rises to 100 percent. The change in the value of DZ BANK's shares between April 15 and the applicable valuation date (April 14) is used to measure long-term performance. If the share price drops by more than 25 percent, the deferred portion of the bonus amounts to zero. If the share price falls by between 20 percent and 25 percent, the deferred portion of the bonus amounts to 50 percent; if the share price falls by 15 percent to 20 percent, the deferred portion of the bonus amounts to 75 percent. If the share price drops by less than 15 percent, the deferred portion of the bonus is 100 percent. None of DZ BANK's shares are traded on the market. Once a year, an external auditing firm calculates the value of the shares in accordance with the principles for conducting enterprise valuations pursuant to standard 1 (IDW S1) of the *Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW)* [Institute of Public Auditors in Germany]. An increase in the share price does not result in higher variable remuneration.

Above a certain bonus amount, 40 percent of the variable remuneration is paid to the employee and 60 percent is deferred and subject to retention periods.

If the contribution to profits of an employee, his or her division, or DZ BANK falls short of the agreed targets, the employee's variable remuneration is reduced. In these cases, the IPF, divisional factor, or AG factor is set at below 1.0. If all factors are set at 0.8, the variable remuneration is cancelled. Before it becomes vested, deferred variable remuneration can be reduced or cancelled if the bonus factors that were originally set no longer appear appropriate when reviewed (backtesting).

Variable remuneration is forfeited in full if the risk taker has played a significant part in, or was responsible for, conduct that led to substantial losses or material regulatory sanctions for the institution, or if the risk taker was in serious (grossly negligent or intentional) breach of relevant external or internal rules regarding suitability and conduct. If, in exercising his or her role, the risk taker exhibits conduct that is immoral or in breach of duty, the IPF is reduced. The IPF can be lowered to zero in individual cases where a reduction of the IPF to 0.8 appears insufficient in view of the significance of the conduct that is immoral or in breach of duty. It is not possible to

compensate for conduct that is immoral or in breach of duty by making a positive contribution to profits. Conduct that is immoral or in breach of duty must always lead to a reduction in the employee's variable remuneration. In cases where the variable remuneration is forfeited in full, the bank is also entitled to claw back any variable remuneration already paid to the risk taker.

3.6 Remuneration system for heads of division

All heads of division at DZ BANK are senior managers and have been identified as risk takers. Because they are senior managers, they are not covered by the company agreement for NCN remuneration. Their remuneration is governed by their employment contracts. The DZ BANK Board of Managing Directors is responsible for determining the remuneration system.

Some of the variable remuneration of heads of division is deferred and subject to a retention period. Of the total variable remuneration, 20 percent of the calculated bonus amount is paid to the head of division with the April salary in the following year. A further 20 percent is subject to a one-year retention period. The other 60 percent of the calculated bonus is deferred over a period of five years. The deferred variable remuneration is split into five (each amounting to a fifth of the 60 percent). The deferred variable remuneration is also subject to a one-year retention period. During the deferral period and retention periods, 100 percent of the level of deferred variable remuneration depends on the bank's long-term performance. The change in the value of DZ BANK's shares between April 15 and the applicable valuation date (April 14) is used to measure long-term performance. If the share price drops by more than 25 percent, the deferred portion of the bonus amounts to zero. If the share price falls by between 20 percent and 25 percent, the deferred portion of the bonus amounts to 50 percent; if the share price falls by 15 percent to 20 percent, the deferred portion of the bonus amounts to 75 percent. If the share price drops by less than 15 percent, the deferred portion of the bonus is 100 percent. None of DZ BANK's shares are traded on the market. Once a year, an external auditing firm calculates the value of the shares in accordance with IDW S1. An increase in the share price does not result in higher variable remuneration.

Unlike in the system for risk takers below the level of head of division, the greater responsibility of heads of divisions means that 100 percent rather than 50 percent of their variable remuneration is pegged to the value of DZ BANK's shares.

Negative contributions to profits are taken into account when setting bonuses and pro rata deferred bonuses, which may cause the variable remuneration to be reduced or cancelled. Variable remuneration is not vested during the deferral and retention periods. For a period of seven years after the initial payment, all bonus installments that are already subject to a retention or deferral period can be cancelled, and those that have already been paid can be clawed back, if the head of division has played a significant part in, or was responsible for, conduct that led to substantial losses or material regulatory sanctions for the institution, or if the head of division was in serious breach of relevant external or internal rules regarding suitability and conduct.

Negative contributions to profits are determined using a list of criteria in the following categories:

- Personal conduct
- Significant deterioration in DZ BANK's financial situation during the deferral period
- Missed targets that are ascertained only subsequently.

3.7 Remuneration systems for foreign branches

At DZ BANK's offices outside Germany, various variable components that differ from the systems used in Germany are paid along with a fixed salary in accordance with local custom and additional benefits.

Depending on the location, non-cash benefits that are typical for the particular market are also paid, for example housing allowances and healthcare contributions.

The heads of the foreign branches were identified as risk takers for the reporting year. The remuneration system described above for heads of division is also used for the heads of the four foreign branches.

The individual bonus amounts for employees at the offices outside Germany are calculated on the basis of the local systems. The remuneration of risk takers in the offices outside Germany is subject to the same principles as the remuneration of risk takers in Germany.

At the offices outside Germany, the provisions in the InstitutsVergV are applied and, if stricter than the InstitutsVergV provisions, the provisions of local remuneration legislation are also applied.

OVERVIEW OF CURRENT BONUS ARRANGEMENTS IN THE FOREIGN BRANCHES

New York	For Group Treasury: target bonus system; calculated in the same way as in the German system on the basis of individual performance and the results of the division and bank For all other divisions: discretionary bonus payment; proposed bonuses reflect individual performance, the results of the branch and bank, the business unit in which the employee works, the employee's experience and seniority, market standards, and market benchmarks
London	For Group Treasury: target bonus system; calculated in the same way as in the German system on the basis of individual performance and the results of the division and bank For all other divisions: discretionary bonus payment; proposed bonuses reflect individual performance, the results of the branch and bank, the business unit in which the employee works, the employee's experience and seniority, market standards, and market benchmarks
Singapore	For Group Treasury and for capital markets divisions: target bonus system; calculated in the same way as in the German system on the basis of individual performance and the results of the division and bank For all other divisions: discretionary bonus payment; proposed bonuses reflect individual performance, the results of the branch and bank, the business unit in which the employee works, the employee's experience and seniority, market standards, and market benchmarks
Hong Kong	For Group Treasury and for capital markets divisions: target bonus system; calculated in the same way as in the German system on the basis of individual performance and the results of the division and bank For all other divisions: discretionary bonus payment; proposed bonuses reflect individual performance, the results of the branch and bank, the business unit in which the employee works, the employee's experience and seniority, market standards, and market benchmarks

3.8 Remuneration system for members of the Board of Managing Directors

As well as a fixed salary, the remuneration system for the members of the Board of Managing Directors includes variable remuneration (bonus) that makes up no more than 20 percent of the total salary. The variable remuneration of the members of the Board of Managing Directors is set with reference to a maximum achievable bonus. Quantitative and qualitative targets derived from the corporate strategy in the form of group, bank, area of board responsibility, and individual targets are used to determine the bonus level. The basis of measurement for the bonus covers a period of several years. The maximum bonus is set in the event of full achievement of each individual target. The Supervisory Board of DZ BANK is responsible for determining the remuneration system for the members of the Board of Managing Directors.

Some of the variable remuneration of members of the Board of Managing Directors is deferred and subject to a retention period. Of the total variable remuneration, 20 percent of the calculated bonus amount is paid to the member of the Board of Managing Directors with the April salary in the following year. A further 20 percent is subject to a one-year retention period. The other 60 percent of the calculated bonus is deferred over a period of

five years. The deferred variable remuneration is split into five (each amounting to a fifth of the 60 percent). The deferred variable remuneration is also subject to a one-year retention period. During the deferral period and retention periods, 100 percent of the level of deferred variable remuneration depends on the bank's long-term performance.

DZ BANK uses the change in the value of its shares between April 15 and the applicable valuation date (April 14) to measure long-term performance. If the share price drops by more than 12.5 percent, the deferred portion of the bonus amounts to zero; if it drops by between 12.5 percent and 7.5 percent, the deferred portion of the bonus is 50 percent. If the share price drops by less than 7.5 percent, the deferred portion of the bonus is 100 percent. None of DZ BANK's shares are traded on the market. As appropriate, the Supervisory Board can take account of movements in the share price that are attributable to exogenous factors (e.g. changes to the regulatory environment) when setting the deferred portion of the bonus. Once a year, an external auditing firm calculates the value of the shares in accordance with IDW S1. An increase in the share price does not result in higher variable remuneration.

Unlike in the system for risk takers below the level of head of division, the greater responsibility of members of the Board of Managing Directors means that 100 percent rather than 50 percent of their variable remuneration is pegged to the value of DZ BANK's shares.

Negative contributions to profits are taken into account when setting bonuses and pro rata deferred bonuses, which may cause the variable remuneration to be reduced or cancelled. Variable remuneration is not vested during the deferral and retention periods. For a period of seven years after the initial payment, all bonus installments that are already subject to a retention or deferral period can be cancelled, and those that have already been paid can be clawed back, if the member of the Board of Managing Directors has played a significant part in, or was responsible for, conduct that led to substantial losses or material regulatory sanctions for the institution, or if the member was in serious breach of relevant external or internal rules regarding suitability and conduct.

Negative contributions to profits are determined using a list of criteria in the following categories:

- Personal conduct
- Significant deterioration in DZ BANK's financial situation during the deferral period
- Missed targets that are ascertained only subsequently.

3.9 Remuneration system for members of the Supervisory Board

The Annual General Meeting of DZ BANK approved the adjustment of the remuneration and attendance fees for the Supervisory Board with effect from June 1, 2018. Each member of the Supervisory Board receives fixed annual remuneration, the level of which varies depending on whether they are a chairperson, deputy chairperson, or member of a committee. The members of the Supervisory Board committees also receive an attendance fee for each committee meeting that they attend. There is no variable remuneration.

3.10 Determination of the total amount of variable remuneration at DZ BANK

In accordance with section 7 InstitutsVergV, the total amount of variable remuneration at DZ BANK and in the DZ BANK Group is determined in such a way that takes due regard of risk-bearing capacity, multi-year capital planning, and financial performance and, moreover, ensures that the adequacy of own funds and liquidity along with the combined capital buffer requirements pursuant to section 10i KWG are permanently maintained or restored.

A detailed process has been adopted for this process and the various documents required have been submitted to the relevant decision-making bodies (Board of Managing Directors, Remuneration Control Committee, and Supervisory Board) for approval.

The performance-based variable remuneration is set at individual level in accordance with the company agreements concerning the remuneration systems or, where these agreements do not apply, on the basis of individual contracts.

4 Remuneration systems of the management units regarded as major pursuant to section 1 (3c) KWG

4.1 Relevant subsidiaries according to section 27 in conjunction with section 16 InstitutsVergV

DZ BANK, BSH, DZ HYP, DVB, and DZ PRIVATBANK are major institutions according to section 1 (3c) KWG. They must fulfill the disclosure requirements pursuant to section 16 (1) InstitutsVergV.

Under the current business model of DZ BANK and the DZ BANK Group, business risk is limited because earnings are broadly diversified across various customer groups and products. This is thanks to the combination of different customer groups (retail customers, corporate customers, institutional customers), a broad customer base (more than 800 cooperative banks and their approximately 30 million customers), a nationwide branch network (over 8,500 branches), and a comprehensive range of services (including asset management, retail and private banking, insurance, real estate finance/home savings, corporate banking, capital markets business). The overarching concept of a network-oriented central institution/financial services group shapes the actions and core business of the DZ BANK Group and is thus a central pillar of the remuneration strategy as well.

Remuneration is one of the DZ BANK Group's key HR management tools. The aims of the DZ BANK Group's remuneration structure are to

- give each employee an incentive to contribute personally to the sustainable implementation of the strategic objectives of the DZ BANK Group and the individual divisions on the basis of targets that are derived from the corporate strategy and cascaded down through the organization.
- reward performance without encouraging employees to take unwanted risks.
- attract talented employees, motivate them, and encourage them to remain in the DZ BANK Group.
- award equal pay to all employees who are doing the same job, are of equal merit, and have the same level of experience, irrespective of gender, age, origin, or other characteristics.

The DZ BANK Group is committed to the principles of sustainable, incentivizing, and risk-oriented remuneration. The remuneration systems also take account of statutory and regulatory requirements.

The remuneration systems of DZ BANK's subordinated entities that are deemed major pursuant to section 1 (3c) KWG are described below

4.2 Remuneration systems at BSH

This section describes the remuneration systems in the BSH management unit. In addition to the building society, the BSH management unit includes Schwäbisch Hall Kreditservice (SHK) in Germany. The managing directors of Fundamenta-Lakáskassza Lakástakarékpénztár Zrt. (FLK) in Hungary are also included as group risk takers.

There are differences between the way in which the remuneration systems of managing directors are structured and the way in which those of employees in the CN wage sector, employees in the NCN wage sector, and risk takers below the level of the managing directors are structured. These remuneration systems are described below.

Besides the remuneration components listed below, there is no other remuneration in the form of shares, options, or other components of variable remuneration at BSH, SHK, and FLK.

At BSH and SHK, the Supervisory Board has resolved that the variable remuneration of all employees and the managing directors – at 100 percent target achievement – may not make up more than 25 percent of the total remuneration. Under no circumstances may variable remuneration exceed fixed remuneration.

In addition to monetary remuneration, there are non-financial remuneration components at BSH, SHK, and FLK that are designed to promote staff loyalty, such as skills training, services from the health management team, and working arrangements that help employees to balance work and family life.

Hungarian remuneration legislation applies to FLK and its subsidiaries Fundamenta-Lakáskassza Pénzügyi Közvetítő Kft. and Fundamenta Erteklanc Ingatlanközvetítő és Szolgáltató Kft.

FLK applies the provisions of the German *InstitutsVergV* because it is a subordinated entity of BSH. And because it is a Hungarian building society, it is also subject to European rules that have been implemented in Hungarian law. FLK applies whichever provisions are the strictest. FLK's remuneration policy is based on the legal requirements.

4.2.1 Target agreement and target achievement

Company performance, as derived from the business, risk, and sustainability strategies, forms the basis for determining the variable remuneration of employees in the CN and NCN wage sectors. This is done using management-related KPIs that are important to a building society and reflect current and future risks. By taking RORAC, profit before taxes, and administrative expenses into account, the remuneration is linked to earnings figures, key risk indicators, and the liquidity situation.

The entity targets apply across the BSH and SHK entities and are set by the Board of Managing Directors or the managing directors. Target achievement ranges from 50 percent to 120 percent. The lower limit of 50 percent ensures payment of the 13th monthly salary guaranteed in the collectively negotiated wage settlement.

For risk takers, company performance is factored into target achievement at 75 percent and the achievement of group targets is factored in at 5 percent. The risk taker's individual targets and the targets of the organizational unit are each factored into target achievement at 10 percent. Target achievement ranges from 0 percent to 120 percent.

The individual targets and the targets of the organizational unit are discussed during the annual review, which includes a transparent and clearly documented performance appraisal and the setting of targets. Employees and managers jointly agree on targets and tasks derived from the business and risk strategies. The targets must be specific and ambitious, and measurement criteria and deadlines must be defined. Target achievement is then evaluated. Remuneration-relevant targets are factored into the determination of variable remuneration. If an employee's remuneration was deferred in the past, the original level of target achievement is reviewed.

Taking account of the individual targets and the targets of the organizational unit ensures that risk takers in the control units are remunerated independently of the employees in the divisions that they oversee. In the control units, the first, second and, in some cases, third management levels are classified as risk takers. The variable remuneration of employees in the CN wage sector and of some employees at the lower management level is based entirely on the achievement of entity targets. It was decided that this group of people do not have a material impact on the risk profile because decisions are generally made at a higher level or are made collectively within committees. The control mechanisms implemented mean that the employees have little possibility of influencing the achievement of entity targets and one individual employee would not have any influence. In view of the low proportion of variable remuneration relative to total remuneration and the fact that criminal intent would be needed in order to influence the entity targets, there is no conflict of interests for employees in the control units

when the chance of higher variable remuneration is weighed up against the risk of criminal activity and its consequences.

The variable remuneration of employees in the control units at FLK is not determined by the same remuneration parameters as those applicable to the employees whom they oversee. The remuneration of employees in the control functions is independent of the remuneration in the organizational units that they oversee and is linked to the achievement of targets that have been set in respect of their tasks. In other words, remuneration parameters relating to risk management, compliance, security management, and internal audit have to be chosen in such a way that they do not jeopardize the objectivity and independence of these employees.

The remuneration of employees who perform internal control functions at FLK must predominantly consist of basic remuneration in order to underline the nature of their responsibilities. Where variable remuneration is decided upon for employees in internal control functions, performance must be determined separately from the performance of the divisions that they oversee.

4.2.2 Remuneration system for employees in the collectively-negotiated wage sector

The remuneration system for employees in the CN wage sector generally applies to any employee in the CN wage sector who is in an active employment relationship at any of BSH's or SHK's offices in Germany.

The remuneration of employees in the CN wage sector at BSH is based on the applicable collective pay agreements for the private banking sector and the number of years working in the profession. The annual salary consists of the following:

- 12 x monthly salary (plus any CN or NCN allowances)
- 2.1 x target achievement bonus (1 monthly salary in November, difference relative to the total amount of the target achievement bonus in April of the next year).

The remuneration of employees in the CN wage sector at SHK is based on the collective agreement for SHK. The annual salary consists of the following:

- 12 x monthly salary (plus any CN or NCN allowances)
- 2.0 x target achievement bonus (1 monthly salary in November, difference relative to the total amount of the target achievement bonus in April of the next year).

The performance-based remuneration includes the 13th monthly salary guaranteed in the collectively negotiated wage settlement. The variable proportion can be up to 1.2 monthly salaries. The process is governed by a company agreement.

Outstanding performance of employees in the CN wage sector can be rewarded by assigning them to an appropriate CN pay category and by means of allowances.

4.2.3 Remuneration system for employees in the non-collectively-negotiated wage sector

The remuneration of employees in the NCN wage sector comprises a pensionable basic salary plus a fixed remuneration component (not pensionable) and a target achievement bonus. Outstanding performance is recognized by means of salary increases.

The level of remuneration is oriented to external benchmarks that are collated for BSH regularly.

The target achievement bonus is determined as follows:

Amount paid as a target achievement bonus = target achievement x (target achievement bonus + fixed remuneration)/100 – fixed remuneration

4.2.4 Remuneration of risk takers below the level of managing director at BSH

The remuneration of risk takers below the level of managing director at BSH and SHK (including managing directors at SHK) comprises a pensionable basic salary, a fixed non-pensionable remuneration component, and a target achievement bonus.

Target achievement ranges from 0 percent to 120 percent. Target achievement, which is used to determine the level of variable remuneration, is broken down as follows: 75 percent entity targets, 5 percent DZ BANK Group target, 10 percent targets for the organizational unit, and 10 percent individual targets. The breakdown for the managing directors of SHK is the same as for the members of the Board of Managing Directors of BSH; all targets are measured over a one-year period. In accordance with the provisions of the InstitutsVergV, the remuneration system for risk takers includes a ban on hedging.

Because the target system, which reflects the change in enterprise value, is combined with the deferral and retention of some of the remuneration, the remuneration is also linked to the entity's long-term performance.

Where the currently applicable exemption threshold of €50 thousand is reached or exceeded, the arrangements regarding deferrals, retention periods, and malus criteria are the same as in the system for the managing directors. For a period of two years after the end of the final deferral period, a bonus installment already paid can be clawed back, and the entitlement to bonus payments can be cancelled, if the risk taker has played a significant part in, or was responsible for, conduct that led to substantial losses or material regulatory sanctions for the institution or if the risk taker was in serious breach of relevant external or internal rules regarding suitability and conduct.

The Board of Managing Directors is responsible for determining the remuneration system for risk takers below the level of the Board of Managing Directors. The control units (Internal Audit, Risk Controlling, Compliance) and the remuneration officer were involved in designing the remuneration systems.

4.2.5 Remuneration of managing directors

The remuneration of the BSH Board of Managing Directors consists of a basic salary, a non-pensionable basic salary, and a bonus. Variable remuneration – at 100 percent target achievement – is not more than 25 percent of the total remuneration.

Target achievement ranges from 0 percent to 150 percent. Target achievement, which is used to determine the level of variable remuneration, is broken down as follows: 70 percent entity targets, 10 percent HR targets (integrated into sustainability targets), and 20 percent individual targets, factoring in the contribution to profits of the managing director's area of responsibility and group targets. All of the targets are measured over a period of several years and include the main targets in the corporate strategy. The parameters factored into the remuneration are management-related KPIs that are important to a building society.

In accordance with the provisions of the InstitutsVergV, some of a risk taker's variable remuneration is deferred and subject to a retention period if the variable remuneration exceeds €50 thousand. 20 percent of the bonus is paid immediately in the following year and 20 percent after a one-year retention period. 60 percent of the bonus is deferred over a period of up to five years, with each payment made after a subsequent retention period of one year. All amounts earmarked for deferred payment are pegged to the long-term change in the enterprise value as measured by the change in the notional share price of the building society. The change in the value of the BSH

Group's shares and in its enterprise value between April 16 and the applicable valuation date (April 15) is used to measure long-term performance. None of BSH's shares are traded on the market. Once a year, an external auditing firm calculates the value of the shares in accordance with IDW S1. An increase in the share price does not result in higher variable remuneration.

Negative contributions to profits are taken into account when setting bonuses and pro rata deferrals and at the end of the retention period, which may cause the variable remuneration to be reduced or not be paid.

Negative contributions to profits are determined using a list of criteria in the following categories:

- Personal conduct
- Significant deterioration in the BSH Group's financial situation during the deferral period
- Missed targets that are ascertained only subsequently.

Variable remuneration is not vested during the deferral period or retention period.

For a period of two years after the end of the final deferral period, a bonus installment already paid can be clawed back, and the entitlement to bonus payments can be cancelled, if the managing director has played a significant part in, or was responsible for, conduct that led to substantial losses or material regulatory sanctions for the institution or if the managing director was in serious breach of relevant external or internal rules regarding suitability and conduct.

The Supervisory Board is responsible for determining the remuneration system for the members of the Board of Managing Directors. The remuneration systems were designed in consultation with DZ BANK; the legal affairs division was involved in drafting the employment contracts for the members of the Board of Managing Directors. The Remuneration Control Committee of the Supervisory Board monitors the appropriateness of the remuneration systems.

The remuneration of the Board of Managing Directors of FLK in Hungary consists of basic remuneration and a bonus. Variable remuneration accounts for 33 percent of the basic remuneration.

Target achievement ranges from 0 percent to 150 percent. Target achievement, which is used to determine the level of variable remuneration, is broken down as follows: 80 percent entity targets, 10 percent targets for the area of responsibility of the member of the Board of Managing Directors, and 10 percent individual targets. Some of the entity targets are measured over a period of several years. The criteria for target achievement are derived from the rules specified in a regulation of the Hungarian government.

A risk taker's variable remuneration is deferred and subject to a retention period if the variable remuneration exceeds HUF 15 million. 20 percent of the bonus is paid immediately in the following year and 20 percent after a one-year retention period. 60 percent of the bonus is deferred over a period of up to five years. Half of each deferred amount is subject to a subsequent retention period of one year. All amounts earmarked for deferred payment are pegged to the change in the average profit before taxes for the last five financial years. Negative contributions to profits are taken into account when setting bonuses and amounts earmarked for deferred payment and at the end of the retention period, which may cause the variable remuneration to be reduced or forfeited in full. In cases where the variable remuneration is forfeited in full, the bank is also entitled to claw back any variable remuneration already paid to risk takers.

Variable remuneration is not vested during the deferral period or retention period.

The Supervisory Board is responsible for determining the remuneration system for the members of the Board of Managing Directors. The remuneration systems were designed in consultation with BSH. The Remuneration Committee of the Supervisory Board monitors the appropriateness of the remuneration systems.

4.3 Remuneration systems at DZ HYP

Following the broad harmonization of the remuneration systems at the Hamburg and Münster offices in 2019, there were no significant changes to the remuneration systems in 2021.

4.3.1 Remuneration strategy at DZ HYP

Within the framework of the groupwide remuneration of the DZ BANK Group, the Board of Managing Directors of DZ HYP drew up a remuneration strategy for DZ HYP that is oriented to achievement of the targets defined in the banks' business and risk strategies. The corporate culture is also taken into account.

DZ HYP's strategy applies to all of the bank's sites and divisions in Germany. DZ HYP has no subsidiaries and no branch offices in third countries.

The remuneration strategy is reviewed and, if necessary, amended at least once a year. There were no material changes to DZ HYP's remuneration strategy during the year under review.

DZ HYP's remuneration systems are designed in a way that is geared to the achievement of DZ HYP's targets and are in line with the bank's risk appetite. The main risks at DZ HYP are credit risk and market risk. Other material risks are operational risk, liquidity risk, equity investment risk, business risk, reputational risk, and actuarial risk. Because the capital waiver pursuant to section 2a (5) (1) KWG applies to DZ HYP, it is included in the methods and models used by the DZ BANK Group to measure and manage risk. DZ HYP's risk-bearing capacity on a standalone basis is not calculated. Instead, contributions to profits are included in the DZ BANK Group's consolidated profit and affect the group's risk-bearing capacity.

DZ HYP strives for robustness, a focus on values, and sustainability. The remuneration systems take account of these aims by not offering any incentives to take on disproportionately high risks. They encourage conduct that is in line with DZ HYP's system of values. The remuneration models therefore help to strengthen a robust, values-oriented, and sustainable risk culture. DZ HYP's remuneration systems are gender-neutral, thereby excluding the possibility of gender discrimination in terms of pay for equal or equivalent work.

The integration of the business and risk strategies with the remuneration strategies is ensured by deriving entity targets from the strategic planning. The strategic planning involves drawing up, evaluating, confirming, and/or adjusting the corporate strategy, carrying out the strategic financial and capital planning, and integrating them with the risk strategies and other strategies for a planning horizon of four years. All elements are updated annually.

During the annual target agreement process, targets are agreed with the members of the Boards of Managing Directors. These targets are based on the DZ BANK Group's and DZ HYP's strategic planning. These targets are then filtered through to the lower hierarchy levels via the cascading structure initiated by the Board of Managing Directors, helping to ensure that the DZ BANK Group's and DZ HYP's strategic objectives can be achieved.

In its sustainability strategy, DZ HYP makes a commitment to the UN sustainable development goals (SDGs), the Paris climate agreement, and the German government's sustainability strategy. Through its sustainability efforts, DZ HYP aims to maintain prime status in the ISS ESG rating, which it has held since 2014, and to develop sustainability-oriented products such as green Pfandbriefe. The variable remuneration of the members of the Board of Managing Directors has been linked to sustainability targets since 2021. The cascading structure

means that corresponding sustainability targets are also included in the target agreements of a number of heads of division. This is helping sustainable thinking and behavior to become embedded at DZ HYP. Consequently, the groupwide remuneration strategy and DZ HYP's remuneration strategy comply with the provisions concerning the integration of sustainability risks in article 5 of Regulation (EU) 2019/2088.

4.3.2 Risk takers at DZ HYP

DZ HYP conducted an analysis as at October 1, 2021 in order to identify the risk takers within the meaning of section 25a (5b) sentence 2 KWG that was based on the criteria set out in section 1 (21) and section 25a (5b) sentence 1 nos. 1–3 KWG and articles 5 and 6 of Delegated Regulation (EU) 2021/923. The members of the Supervisory Board, the members of the Board of Managing Directors, and all heads of division at DZ HYP were identified as risk takers. Below the level of head of division, further employees were identified as risk takers on the basis of the qualitative criteria in article 5 of Delegated Regulation (EU) 2021/923. The bank's risk analysis as at October 1, 2021 identified a total of 107 risk takers.

4.3.3 Design of the remuneration systems at DZ HYP

The remuneration of employees at DZ HYP comprises fixed remuneration and, as a rule, variable remuneration that is partly dependent on the bank's success.

The level of fixed remuneration is determined by the collective pay agreement or by the importance of the employee's role, market conditions, and the employee's personal skills.

The level of variable remuneration fundamentally reflects the employee's personal performance or, depending on the remuneration system, is based solely or partly on the bank's success and sometimes partly on the success of the division in which the employee works.

There is no remuneration in the form of shares or options at DZ HYP. Variable remuneration is not guaranteed.

Severance pay is granted in compliance with the provisions in section 5 (6) InstitutsVergV and DZ HYP's severance pay framework. This framework defines gross monthly salary, period of service, and age as the basic criteria. It allows additional criteria to be applied on a case-by-case basis.

In March 2022, the bank granted variable remuneration in the form of a one-off and voluntary bonus to its employees in order to mitigate the additional burden they faced due to the coronavirus crisis in 2021. The bonus is based on the statutory provision introduced for this purpose in section 3 no. 11a EStG.

Variable remuneration is subject to the requirements of the InstitutsVergV concerning major institutions pursuant to section 1 (3c) KWG. In accordance with section 18 (1) sentence 3 InstitutsVergV and article 94 (3) letter b of Directive 2013/36/EU, the variable remuneration of identified risk takers at DZ HYP that does not exceed €50 thousand and does not constitute more than a third of the risk taker's total annual remuneration is exempt from the special requirements in sections 20 and 22 InstitutsVergV applicable to risk takers, which implement article 94 (1) letters l, m, and o (2) of Directive 2013/36/EU into German law.

The differences and unique features in the design of the remuneration systems for individual employee groups are described below.

4.3.3.1 Remuneration system for employees in the collectively-negotiated wage sector

The fixed remuneration of employees in the CN wage sector is based on the collective pay agreements for the private banking sector and for public-sector banks. It comprises 12 monthly salaries and a collectively negotiated bonus in the form of one gross monthly salary (13th monthly salary). On the basis of an overall commitment, all

employees in the CN wage sector who are not eligible for a target bonus also receive an annual bonus in the amount of half of one gross monthly salary in December of each year.

In addition to the collectively negotiated remuneration, the employees in the CN wage sector receive variable remuneration based on the 'Principles of variable performance-based remuneration' company agreement, which is applicable with identical content. Under this agreement, employees in the CN wage sector generally receive variable remuneration under a profit-sharing scheme that depends solely on the achievement of entity targets. The profit-sharing scheme is based on the KPIs return on equity (ROE), cost/income ratio (CIR), and risk-weighted assets (RWAs) and amounts to no more than 0.8 x one gross monthly salary in the event that the bank's target achievement exceeds 130 percent. If the bank's target achievement is between 90 percent and 110 percent, the variable remuneration under the profit-sharing scheme amounts to half of one gross monthly salary. If the bank's target achievement is less than 50 percent, the variable profit-sharing scheme is cancelled.

As an alternative under the 'Principles of variable performance-based remuneration' company agreements, employees receive variable remuneration in the form of a target bonus that depends on the achievement of individual and entity targets. The target bonus must not exceed three gross monthly salaries. This form of variable remuneration is usually only available to employees in the NCN wage sector. Please refer to the relevant information on variable remuneration for employees in the NCN wage sector.

4.3.3.2 Remuneration system for employees in the non-collectively-negotiated wage sector

Employees in the NCN wage sector at the Hamburg office receive twelve monthly salaries. On the basis of an overall commitment, all employees in the NCN wage sector at the Hamburg office who are not eligible for a target bonus additionally receive an annual bonus in the amount of half of one gross monthly salary in December of each year. The employees in the NCN wage sector at the Hamburg office who are eligible for a target bonus also receive an annual bonus in the amount of half of one gross monthly salary on the basis of an individual agreement, which means that all employees in the NCN wage sector at the Hamburg office receive 12.5 monthly salaries as fixed remuneration.

The fixed salary of the employees in the NCN wage sector at the Münster office consists of 12 monthly salaries and, in some cases, a fixed bonus in December amounting to an average of two monthly salaries on the basis of an individual agreement. Since August 2018, new employment contracts with employees in the NCN wage sector at the Münster office have no longer included a fixed bonus.

The 'Principles of variable performance-based remuneration' company agreements for the Hamburg and Münster offices also apply to employees in the NCN wage sector who are not senior managers. The agreements distinguish between those employees who receive a target bonus and those who do not. Managers, employees with quantitative sales targets, and employees who are risk takers but not in the aforementioned groups are eligible for a target bonus. Each year, target agreements are reached with the employees eligible for a target bonus. These agreements set out qualitative and quantitative criteria as well as divisional and individual targets. The level of variable remuneration for employees eligible for a target bonus depends on the individual's performance and target achievement, on the success of his or her division, and the entity's results (measured on the basis of return on equity (ROE), the cost/income ratio (CIR), and risk-weighted assets (RWAs)). The target bonus must not exceed three gross monthly salaries. Employees eligible for a target bonus can receive a maximum of 1.5 x the contractually agreed target bonus or a maximum of around 27 percent of their total annual remuneration as variable remuneration.

The variable remuneration for employees in the NCN wage sector who are not eligible for a target bonus is based on the same rules as the variable remuneration for employees in the CN wage sector who are not eligible for a target bonus; please refer to the relevant information.

The variable remuneration is paid with the April salary in the year following the year to which it applies.

4.3.3.3 Remuneration system for employees in control units

For employees in control units within the meaning of section 2 (11) InstitutsVergV, employment contract provisions or, where applicable, company agreements governing variable performance-based remuneration ensure that their variable remuneration cannot exceed a third of the total remuneration, thereby placing the emphasis on fixed remuneration (section 9 (2) InstitutsVergV).

There are also safeguards in place to ensure that employees in control units are remunerated independently of the divisions that they oversee (section 5 (4) InstitutsVergV). The company agreements governing variable performance-based remuneration stipulate that, in respect of target agreements for employees in control units who are eligible for a target bonus, there is no overwhelming correlation between their targets and the targets of the organizational units that they oversee and that conflicts of interest must be avoided.

4.3.3.4 Remuneration system for risk takers below the level of head of division

With regard to the remuneration systems for risk takers who are not members of the Supervisory Board or Board of Managing Directors, a distinction is made between the level of head of division and risk takers below the level of head of division.

The remuneration structure and, in particular, the bonus calculation for all employees below the level of head of division who have been identified as risk takers are governed by the remuneration system for employees in the NCN wage sector who are eligible for a target bonus.

They receive twelve (Hamburg office: twelve and a half) fixed monthly salaries plus variable remuneration that is based on the 'Principles of variable performance-based remuneration' company agreement.

The variable remuneration for risk takers below the level of head of division is set by the Board of Managing Directors on the basis of the relevant head of division's suggestion with reference to a contractually agreed target bonus. The level of the contractually agreed target bonus is limited to a maximum of three gross monthly salaries.

Quantitative and qualitative targets derived from the corporate strategy in the form of overall bank, divisional, and individual targets are used to determine the actual bonus level. Target achievement, and thus the variable remuneration, depends on the entity's success (derived from ROE, CIR, and RWAs; target/actual comparison = success of the bank), on the contribution made by the division, and on the individual target achievement of the risk taker. New divisional and individual targets are agreed upon and set during a target agreement meeting each year between the risk taker and head of division. The variable remuneration to be paid to risk takers eligible for a target bonus equates to a maximum of 1.5 x the contractually agreed target bonus, which means that the variable remuneration may account for a maximum of around 27 percent of their total annual remuneration.

Besides the aforementioned overall bank, divisional, and individual targets, group targets are agreed with any risk takers at DZ HYP who are also group risk takers.

The variable remuneration for a particular year is paid in April of the following year.

If the variable remuneration for a year amounts to or exceeds €50 thousand or a third of the total annual remuneration of a risk taker, the same arrangements as for the heads of divisions apply with regard to deferral, entitlement requirements, and payment requirements.

4.3.3.5 Remuneration system for the level of head of division

All heads of division are senior managers and have been identified as risk takers. Because they are senior managers, they are not covered by the company agreements governing variable performance-based remuneration. Their remuneration is governed by their employment contracts. The bank has set the following remuneration parameters for measuring the remuneration of heads of division:

They receive fixed remuneration in the form of twelve monthly salaries and variable remuneration that is based on individual contractual arrangements.

The Board of Managing Directors sets the variable remuneration for the heads of division with reference to a contractually agreed target bonus. Quantitative and qualitative targets derived from the corporate strategy in the form of group, overall bank, divisional, and individual targets are assessed during the annual target achievement process and used to determine the actual bonus level.

Target achievement, which is calculated on the basis of ROE, CIR, and RWAs for group and overall bank targets, ranges from 0 percent to 130 percent; it ranges from 0 percent to 150 percent for divisional and individual targets. The group and overall bank targets are set by the Board of Managing Directors and are given a 40 percent weighting; the divisional and individual targets are agreed upon by the responsible member of the Board of Managing Directors and head of division and are given a 60 percent weighting. This means that the variable remuneration may account for a maximum of 142 percent of the target bonus. The amount of variable remuneration of heads of division may not exceed the sum of their fixed gross annual salary.

The variable remuneration for a particular year is paid in April of the following year.

If the variable remuneration exceeds €50 thousand or a third of the total annual remuneration of a head of division, some of it is paid immediately, some is deferred, and some is subject to a retention period:

- 20 percent of the calculated bonus is paid immediately in cash in April of the following year.
- 20 percent of the calculated bonus is subject to a one-year retention period. The amount paid after the retention period has ended depends on the bank's long-term performance during the retention period.
- 30 percent of the calculated bonus (risk amount) is deferred over a period of five years from the end of the financial year in question. After the end of each of the five years following the financial year in question, one-fifth of the risk amount is paid, provided that there are no negative contributions to profits. A malus event may lead to a reduction or even cancellation of the risk amount.
- 30 percent of the calculated bonus is deferred over a period of five years from the end of the financial year in question and, during an additional one-year retention period, is pegged to the bank's long-term performance.

The relevant portion of the variable remuneration is vested during the aforementioned retention periods.

Long-term performance is calculated on the basis of the change in the value of the shares in the calendar year in question. If the share price drops by more than 25 percent, the deferred portion of the bonus amounts to zero; if it drops by between 15 percent and 25 percent, the deferred portion of the bonus is 50 percent. If the share price drops by less than 15 percent, the deferred portion of the bonus is 100 percent of the calculated amount.

Negative contributions to profits are taken into account when setting bonuses and calculating pro rata deferral payments. These are determined using a list of criteria in the following categories:

-
- Personal conduct
 - Significant deterioration in the bank's or the DZ BANK Group's financial situation during the deferral period
 - Missed targets or conduct that results in sanctions or losses.

Negative contributions to profits may cause the variable remuneration to be reduced or cancelled. Variable remuneration can be clawed back in particularly serious cases.

4.3.3.6 Remuneration system for members of the Board of Managing Directors

The remuneration for members of the Board of Managing Directors is definitively agreed with the Supervisory Board in writing. The members of the Board of Managing Directors receive twelve fixed monthly salaries plus variable remuneration.

The variable remuneration of the members of the Board of Managing Directors depends on the achievement of quantitative and qualitative targets. Target achievement is measured using the average of the past three financial years for the bank or the DZ BANK Group. The targets are derived from the corporate strategy in the form of group, bank, area of board responsibility, and individual targets and are agreed between the Supervisory Board and the members of the Board of Managing Directors.

The remuneration system for the members of the Board of Managing Directors does not run counter to the monitoring function of the member of the Board of Managing Directors responsible for risk management. When agreeing on the targets with the member of the Board of Managing Directors responsible for risk management, the Supervisory Board makes sure that there is no significant correlation between the targets of this member of the Board of Managing Directors and the targets of the organizational units that he or she monitors.

There is no right to a guaranteed minimum bonus. If all agreed targets are achieved in full, the contractually agreed, maximum achievable bonus is set. Target achievement for each individual target ranges from 0 percent (target not achieved) to 150 percent (target exceeded).

Some of the variable remuneration is deferred and subject to a retention period:

- 20 percent of the bonus amount is paid in April of the following year.
- A further 20 percent is subject to a one-year retention period. During the retention period, this bonus installment depends on the bank's long-term performance.
- The remaining 60 percent is deferred for five years and split into five parts. After each year of the five years following the financial year in question, one-fifth of the deferred amount is calculated on the basis of the change in enterprise value and a one-year retention period is applied. These bonus installments are also pegged to the bank's long-term performance during the retention period.

Variable remuneration is not vested during the deferral period or retention period because there is merely an entitlement during these periods to the accurate calculation of each bonus installment. The change in the value of DZ HYP's shares between April 15 and the applicable valuation date (April 14) is used to measure the bank's long-term performance. If the share price drops by more than 25 percent, the deferred portion of the bonus amounts to zero; if it drops by between 15 percent and 25 percent, the deferred portion of the bonus is 50 percent. If the share price drops by less than 15 percent, the deferred portion of the bonus is 100 percent.

Negative contributions to profits are taken into account when setting bonuses and pro rata deferral payments, which may cause the variable remuneration to be reduced or cancelled. The list of criteria used to determine negative contributions to profits comprises a list of types of personal misconduct and factors that resulted in the significant deterioration of DZ HYP's financial situation during the deferral period. Missed targets (individual targets or targets for the area of board responsibility) that are ascertained only subsequently also count as negative contributions to profits.

For a period of two years after the end of their deferral and retention periods, bonus installments already paid can be clawed back, and the entitlement to payment of deferred bonus installments can be cancelled, if the member of the Board of Managing Directors has played a significant part in, or was responsible for, conduct that led to substantial losses or material regulatory sanctions for the institution or if the member was in serious breach of relevant external or internal rules regarding suitability and conduct.

4.3.3.7 Remuneration system for members of the Supervisory Board of DZ HYP

Each Supervisory Board member's remuneration consists of fixed annual remuneration, the level of which varies depending on whether they are a chairperson, deputy chairperson, or member of a committee. The members of the Supervisory Board committees also receive an attendance fee for each committee meeting that they attend. There is no variable remuneration.

4.4 Remuneration systems at DVB

4.4.1 General principles

The DVB Group's remuneration system is based a remuneration strategy ('Remuneration strategy and principles of the DVB Group') that sets out uniform rules for the groupwide management of remuneration and applies in all companies and at all sites. These groupwide rules governing the remuneration strategy, the remuneration systems, and the annual setting of targets ensure that the requirements of the InstitutsVergV are met by all subordinated companies. Stricter local requirements do not have to be applied.

In 2021, the following units were defined as control units at DVB: Credit Shipping, Credit Quality Assessment, Group Audit, Group Compliance Office, Group Controlling, Group Risk Management, and Operational Services. In terms of the remuneration in control units, DVB makes sure that employees in the control units are remunerated independently of the employees in the divisions that they oversee by ensuring that their variable remuneration is not determined to a significant extent by the same remuneration parameters. The remuneration for risk takers is based on individual targets, team targets, and bank targets; other employees' variable remuneration is based solely on individual targets. This means that there are targets at bank level that apply both to risk takers in control units and to risk takers in the units overseen by the control units; the targets are different at the other two levels (individual and team), so 2 out of the 3 factors are ultimately independent of each other. Because employees other than risk takers only have individual targets, there is no correlation between the targets of such employees in the control units and those in the units overseen by the control units.

All employees receive a fixed salary, the installments of which vary depending on location and local custom. Employees also have the possibility of a variable payment in the form of an annual performance-based bonus.

Additional, non-financial remuneration components in 2021 included tax, pension, and careers advice in the context of site closures and the voluntary severance program in Germany.

Variable remuneration is generally subject to the requirements of the InstitutsVergV. In accordance with section 18 (1) sentence 3 InstitutsVergV and article 94 (3) CRD, variable remuneration of risk takers that does not exceed €50 thousand for a financial year and does not make up more than a third of their total remuneration is exempted from the special requirements in the InstitutsVergV.

4.4.2 Remuneration system for employees in the collectively-negotiated wage sector

The remuneration of employees in the CN wage sector in Germany is governed by collective pay agreements for the private banking sector and for public-sector banks in Germany. Fundamentally, the remuneration of these employees comprises 13 fixed monthly salaries (including bonuses pursuant to clause 10 of the collective pay agreement for the private banking sector and the agreements in DVB's company agreement). A discretionary bonus may also be granted depending on the success of the bank's business and the employee's personal performance.

4.4.3 Remuneration system for employees in the non-collectively-negotiated wage sector

Employees covered by this remuneration system receive a fixed salary paid in regular installments plus a contractually agreed performance- and results-based remuneration component (target bonus).

The fixed salary installments vary depending on location and local custom.

The variable remuneration component can be tailored to the individual on the basis of a target bonus agreement. The target bonus is set by the Board of Managing Directors and the HR division.

The proportion of target income (basic salary + target bonus) accounted for by variable remuneration is kept to a level at which the employee does not become financially dependent on it. The fixed component has an even higher weighting in the control units.

In addition to departmental targets for the Credit Asset Solution Group (CASG), the bonus calculation reflects individual performance. Employees' individual targets consist of not only financial metrics but also non-financial factors, such as process-oriented targets, involvement in projects, and conduct. The individual targets can be given different weightings and, like the departmental targets, are documented in writing.

These target levels can vary in terms of weighting. They are currently weighted as follows:

	CASG	All other divisions
Departmental targets	40%	-
Individual targets	60%	100%

The performance factors at departmental level are determined on the basis of management reporting. The individual factor and any qualitative departmental targets are set during the annual performance review with the employee's manager.

Target achievement is calculated independently for each level/for each target. The individual results are aggregated and then multiplied by the target bonus to give the payment amount.

The Board of Managing Directors has a number of options at its disposal for adjusting the formula-based bonus calculation in the event of exceptional circumstances and/or achievements or if achievements have not yet been reflected in the targets.

- Granting of an additional discretionary bonus pool at departmental or team level
- Granting of a discretionary bonus to individual employees
- Adjustments due to personal misconduct.

4.4.4 Remuneration system for risk takers (below the level of head of division)

The remuneration system for risk takers is fundamentally the same as the remuneration system for employees in the NCN wage sector.

When the bonus for risk takers is calculated, the entity targets (DVB Group targets) and the departmental targets are taken into consideration.

	All divisions
DVB Group targets	30%
Departmental targets	35%
Individual targets	35%

The performance factors at bank and departmental level are determined on the basis of management reporting. The individual factor and any qualitative departmental targets are set during the annual performance review with the employee's manager.

Target achievement is calculated independently for each level. The individual results are aggregated and then multiplied by the target bonus to give the payment amount.

The Board of Managing Directors has a number of options at its disposal for adjusting the formula-based bonus calculation in the event of exceptional circumstances and/or achievements or if achievements have not yet been reflected in the targets.

- Adjustment of target achievement at group level using a modifier of plus or minus 20 percentage points (prerequisite: unforeseeable events outside the bank's sphere of influence)
- Granting of an additional discretionary bonus pool at departmental or team level
- Granting of a discretionary bonus to individual employees
- Adjustments due to personal misconduct.

However, the bonus is paid as follows in accordance with the *InstitutsVergV*:

The risk taker becomes entitled immediately (in the following year) to 40 percent of the achieved bonus, once it has been set by the Board of Managing Directors (immediate bonus). Only 50 percent of this amount is paid immediately; the remaining 50 percent is subject to a one-year retention period, during which it is pegged to the change in the DVB Bank Group's enterprise value.

60 percent of the achieved bonus is deferred (deferred bonus) and allocated in five tranches (each equating to 12 percent) over a period of five years. 50 percent of each tranche is subject to a further retention period of one year and is pegged to the change in the DVB Bank Group's enterprise value during both the deferral period and the retention period.

After each deferral period and after the individual tranche's additional retention period, the risk taker becomes entitled to payment of the particular bonus installment.

Negative contributions to profits are taken into account when setting bonuses and pro rata deferrals.

Each deferred bonus tranche undergoes a malus process before payment, which involves reviewing the relevant risk situation and financial performance, compliance with internal policies (e.g. compliance policies, lending policies), and personal conduct. However, the malus process cannot increase an individual deferred bonus tranche; it can merely reduce or cancel it.

In the event of serious misconduct on the part of an employee, the Board of Managing Directors will initiate a clawback process, leading to the variable remuneration being forfeited in full (not only outstanding installments but also installments already paid).

The DVB Board of Managing Directors is responsible for determining the remuneration system.

4.4.5 Remuneration system for heads of division (below the level of the Board of Managing Directors)

The remuneration system for heads of division is the same as the remuneration system for risk takers below the level of head of division.

4.4.6 Remuneration system for the Board of Managing Directors

In addition to a fixed salary, the remuneration system for the Board of Managing Directors includes a variable remuneration component (bonus). The variable remuneration of the Board of Managing Directors is set with reference to a maximum achievable bonus. Quantitative and qualitative targets derived from the corporate strategy and strategic planning are used to determine the bonus. Targets are set at group, bank, divisional, and individual level and are all measured over a period of several years. The maximum bonus is set in the event of full achievement of each individual target.

The member of the Board of Managing Directors becomes entitled immediately (in the following year) to 40 percent of the achieved bonus, once it has been set by the Supervisory Board (immediate bonus). Only 50 percent of this amount is paid immediately; the remaining 50 percent is subject to a one-year retention period, during which it is pegged to the change in the DVB Bank Group's enterprise value.

60 percent of the achieved bonus is deferred (deferred bonus) and allocated in five tranches (each equating to 12 percent) over a period of five years. After the deferral period, 50 percent of each tranche is subject to a further retention period of one year and is pegged to the change in the DVB Bank Group's enterprise value during both the deferral period and the retention period.

After each deferral period and after the individual tranche's additional retention period, the member of the Board of Managing Directors becomes entitled to payment of the particular bonus installment.

Negative contributions to profits are taken into account when setting bonuses and pro rata deferrals, which may cause the variable remuneration to be reduced or cancelled. Variable remuneration is not vested during the deferral period.

Each deferred bonus tranche undergoes a malus process before payment, which involves reviewing the relevant risk situation and financial performance, compliance with internal policies (e.g. compliance policies, lending policies), and personal conduct. However, the malus process cannot increase an individual deferred bonus tranche; it can merely reduce or cancel it. For a period of two years after the end of its deferral period, a bonus installment already paid can be clawed back, and the entitlement to bonus payments can be cancelled, if the member of the Board of Managing Directors has played a significant part in, or was responsible for, conduct that led to substantial losses or material regulatory sanctions for the institution or if the member was in serious breach of relevant external or internal rules regarding suitability and conduct.

The full DVB Supervisory Board is responsible for determining the remuneration system for the members of the Board of Managing Directors. Since 2014, the appropriateness of the remuneration systems has been ensured, primarily by the Remuneration Control Committee of the Supervisory Board.

4.5 Remuneration systems at DZ PRIVATBANK

At DZ PRIVATBANK, the remuneration of employees in the CN wage sector is governed by the prevailing collective pay agreement. There is also a remuneration system for employees in the NCN wage sector and a remuneration system for risk takers. The Supervisory Board of DZ PRIVATBANK decides on the remuneration of the members of the Board of Managing Directors of DZ PRIVATBANK on the basis of individual contractual arrangements.

The remuneration systems generally apply at all locations while taking country-specific aspects into consideration, for example provisions in a collective pay agreement. All offices in Luxembourg and abroad are included in a points system that is based on a systematic assessment of the importance of a role; remuneration is paid in accordance with this system.

There is a collective pay agreement for employees in the financial sector in Luxembourg. Employees in the CN wage sector receive a 13th monthly salary payment at the end of the year and a loyalty bonus linked to their length of service that is paid in June. It ranges from 20 percent to 85 percent of the basic monthly salary and is capped at a maximum amount.

4.5.1 Remuneration system for employees in the non-collectively-negotiated wage sector

The Board of Managing Directors is responsible for determining the remuneration system for employees in the NCN wage sector. In accordance with the provisions of the *InstitutsVergV*, the remuneration system for employees in the NCN wage sector includes a ban on hedging, rules on the 1:1 ratio of fixed to variable remuneration, an explicit ban on guaranteed bonuses (except in the first year of employment, provided that the employee did not transfer from another entity in the DZ BANK Group), and specific rules on remuneration arrangements for employees in control units.

The remuneration system for employees in the NCN wage sector includes not only a fixed monthly salary (12 or 12.5 salary payments in Luxembourg, 12.5 in Germany, and 13 in Switzerland) but also a performance- and results-based remuneration component (reference bonus).

In the context of corporate health management, DZ PRIVATBANK offers its employees non-cash benefits that are designed to promote staff loyalty. These include extensive services run by the health management team, such as health days, free flu vaccinations, an exercise room, and sports activities.

None of DZ PRIVATBANK's shares are traded on the market.

Certain groups of employees receive an allowance on top of their fixed remuneration that is linked to their role. The allowance stops if the employee changes role or moves to a different organizational unit. As a rule, allowances are not pensionable and the amounts are static. Allowances are not based on a statutory obligation but are granted on a voluntary basis.

DZ PRIVATBANK is required to comply with the requirements in local legislation, the regulatory requirements applicable at its sites, and the German *InstitutsVergV*. Although the *InstitutsVergV* does not apply directly to banks headquartered in Luxembourg, section 27 requires the management body of the parent company (DZ BANK, Frankfurt) to ensure compliance with the requirements of the *InstitutsVergV* in subordinated entities and thus in group companies outside Germany, provided that this does not conflict with any company-law

provisions or national rules. DZ PRIVATBANK is therefore subject to the uniform rules for the management of remuneration derived from the DZ BANK Group's remuneration strategy and submits the related documentation about its compliance with the agreed principles to DZ BANK for review. As a result of this procedure, DZ PRIVATBANK applies the strictest applicable remuneration rules in all lower-level companies.

4.5.1.1 System of responsibility levels

Each role at DZ PRIVATBANK that is not covered by a CN pay agreement is rated according to knowledge/ability, problem-solving, responsibility, and strategic importance and then assigned to one of four responsibility levels. The percentage share represented by the reference bonus and the lower and upper limits for the employee's remuneration depend on the responsibility level to which his or her role is assigned. This share ranges from 5 percent to a maximum of 40 percent of the annual fixed salary. The remuneration of employees in control units is more oriented toward annual fixed salary. Their possible reference bonus therefore ranges from 5 percent to a maximum of 20 percent of the annual fixed salary. The total variable remuneration of employees in control departments must not exceed a third of their total annual remuneration.

4.5.1.2 Calculation of the variable component

The following formula is used to calculate the variable component as part of the annual bonus process:

$$\text{Bonus} = (\text{reference bonus} \times \text{IPF} \times \text{segment factor} \times \text{location factor})$$

When calculating the bonus, the aim is to both recognize employees' high level of dedication and enable them to actively share in the success of their segment and of DZ PRIVATBANK as a company. That is why the bonus is determined using further performance factors in addition to the segment and overall bank targets. The level of these factors is as follows:

- Individual performance factor: 0.5 to 1.8
- Segment factor: 0.8 to 1.2
- Location factor: 0.8 to 1.2.

The Board of Managing Directors sets the segment factors and the location factor. The bank can set an individual performance factor and the location factor in a particular country (so that it differs from the location factor in other countries) at zero, if required under local regulatory and statutory provisions. This ensures that it is possible to cancel an employee's bonus. The segment factors for the variable remuneration of employees in control units are not based on the same remuneration parameters as for the employees in the segments overseen by the control units.

4.5.2 Remuneration system for risk takers (maximum bonus scheme)

The Board of Managing Directors is responsible for determining the remuneration system for risk takers. The remuneration system for risk takers is fundamentally derived from the remuneration system for employees in the NCN wage sector.

The remuneration system for risk takers also includes a ban on hedging, rules on the 1:1 ratio of fixed to variable remuneration, an explicit ban on guaranteed bonuses (except in the first year of employment, provided that the employee did not transfer from another entity in the DZ BANK Group), and specific rules on remuneration arrangements for employees in control units.

As is the case in the remuneration system for all employees in the NCN wage sector, risk takers are assigned to salary brackets. Based on categorization in accordance with Delegated Regulation (EU) 2021/923, they are generally assigned to responsibility levels 1 and 2. In the remuneration system for risk takers, variable remuneration is designed as a maximum bonus scheme. The target agreement system includes quantitative and qualitative targets. The quantitative targets are derived from the operational planning of DZ PRIVATBANK (e.g. IFRS profit before taxes, CIR) and of the relevant segment. There are also additional individual quantitative and qualitative targets. 60 percent of the targets are measured over a period of three years; the other targets are measured over a one-year period. Because the maximum bonus scheme is based on aggregation, target achievement for the individual targets ranges from 0 percent to 180 percent, whereas overall target achievement is limited to 100 percent of the maximum bonus. If target achievement for a particular target is below 50 percent, the share of the bonus for this target is zero percent.

Deferral and retention rules have also been established for risk takers whose bonus exceeds €50 thousand. If the variable remuneration exceeds this threshold, 20 percent of the bonus achieved is paid immediately in the following year. Payment of the remaining 80 percent of the bonus set for the previous year is spread out over a period of at least four years, taking into account deferral and retention periods for risk takers below the level of head of segment. For employees at the level of the Board of Managing Directors at subsidiaries of DZ PRIVATBANK and for managers below the Board of Managing Directors at DZ PRIVATBANK (heads of segment, risk takers required to report directly to the Board of Managing Directors, and defined high earners) whose bonus exceeds the threshold of €50 thousand, the deferral period is at least six years (including retention periods). The deferred bonus is split into three or five pro rata deferrals (each amounting to a third or a fifth of the 60 percent). All amounts earmarked for deferred payment are linked to the long-term performance of DZ PRIVATBANK because they are pegged to the value of its shares. Negative contributions to profits are taken into account when setting bonuses and pro rata deferrals, which may cause the variable remuneration to be cancelled or clawed back in a period lasting no more than two years after payment of the final deferred installment. Variable remuneration is not vested during the deferral and retention periods. The amendments enacted in 2021 for the deferred payment of variable compensation, which are the result of implementing CRD V in national legislation (Luxembourg Law on the Financial Sector) and overarching remuneration regulations (InstitutsVergV and the EBA's guidelines on sound remuneration policies), will apply for the first time for the 2022 financial year.

4.5.3 Remuneration system of the Board of Managing Directors

The Supervisory Board of DZ PRIVATBANK is responsible for determining the remuneration system for the members of the Board of Managing Directors. The remuneration of the Board of Managing Directors is set on the basis of individual contractual arrangements. As well as a pensionable fixed salary, the remuneration includes a bonus and contributions to an occupational pension. Depending on target achievement, the bonus for the Board of Managing Directors of DZ PRIVATBANK ranges from 0 percent to a maximum of 150 percent of the reference bonus. Quantitative and qualitative targets derived from the corporate strategy in the form of group, bank, area of board responsibility, and individual targets are used to determine the bonus level. All targets for the Board of Managing Directors have a historical multi-year measurement period of three years. Only 20 percent of the bonus achieved is paid immediately in the following year after the annual financial statements have been adopted and the bonus has been set by the Supervisory Board. Another 20 percent is subject to a retention period of one calendar year and depends on the long-term changes in the enterprise value of DZ PRIVATBANK. 60 percent of the bonus set by the Supervisory Board for the previous financial year is deferred over a period of five calendar years. To this end, the deferred bonus is divided into five equal installments. They are paid after taking into account deferral and retention periods. All amounts earmarked for deferred payment are linked to the long-term performance of DZ PRIVATBANK because they are pegged to its enterprise value. Negative contributions to profits are taken into account when setting bonuses and pro rata deferrals by

means of backtesting, which may cause the variable remuneration to be reduced or cancelled. Variable remuneration is not vested during the deferral and retention periods. For a period of two years after the end of its deferral period, a bonus installment already paid can be clawed back, and the entitlement to bonus payments can be cancelled, if the member of the Board of Managing Directors has played a significant part in, or was responsible for, conduct that led to substantial losses or material regulatory sanctions for the institution or if the member was in serious breach of relevant external or internal rules regarding suitability and conduct.

4.5.4 Remuneration for supervisory bodies

The Annual General Meetings of the individual companies decide on the remuneration of the members of the supervisory bodies at DZ PRIVATBANK. This remuneration comprises fixed annual remuneration and, depending on the size and location of the company, a meeting attendance fee. There is no variable remuneration.

5 Quantitative Disclosure

The following tables disclose information on the amount and breakdown of the remuneration of DZ BANK including its subordinated companies in accordance with section 27 of the InstitutsVergV. The remuneration amounts have been rounded in accordance with standard commercial practice. Therefore, the totals shown may differ slightly from the calculated totals of the individual figures.

Total amount of all remuneration pursuant to section 16 InstitutsVergV at consolidated level (aggregated by function/business areas):

	31.12.2021						
	Management body - Management function	Investment Banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	Other
Number¹	105	-	-	-	-	-	-
Full-time equivalent	-	1,778	2,435	3,198	5,266	1,653	1,980
Number/full-time equivalent with variable remuneration²	106	1,574	2,254	2,588	4,787	1,477	1,237
Total remuneration in mio. €	74.1	238.9	202.0	345.5	489.6	173.6	158.0
Of which: fixed remuneration	50.5	187.0	173.4	248.7	418.3	150.2	139.6
Of which: variable remuneration	23.6	51.9	28.5	96.8	71.3	23.4	18.3

¹ Number as of the reporting date 31.12.2021

² Number/full-time equivalents with variable remuneration takes into account beneficiaries who received variable compensation for the year 2021

The following detailed information relate to risk takers and are disclosed in accordance with the InstitutsVergV and Article 450 CRR in conjunction with Implementing Regulation (EU) 2021/637.

Remuneration awarded for the financial year in million Euro (REM 1):

		31.12.2021			
		Management body - Supervi- sory function ³	Management body – Ma- nagement func- tion ³	Other senior manage- ment ⁴	Other identi- fied staff
Fixed remuneration	Number of identified staff⁵	20.0	8.0	50.9	457.4
	Total fixed remuneration in mio. €	0.8	12.3	24.6	61.0
	Of which: cash-based	0.8	8.5	20.3	56.2
	Of which: shares or equivalent ownership interests	-	-	-	-
	Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
	Of which: other instruments	-	-	-	-
	Of which: other forms	-	3.8	4.3	4.9
Variable remuneration	Number of identified staff⁵	-	8.0	50.9	370.2
	Total variable remuneration	-	2.1	6.7	21.5
	Of which: cash-based	-	0.4	1.4	16.9
	Of which: deferred	-	-	0.1	2.0
	Of which: shares or equivalent ownership interests	-	-	-	-
	Of which: deferred	-	-	-	-
	Of which: share-linked instruments or equivalent non-cash instruments	-	1.7	5.3	4.6
	Of which: deferred	-	1.7	5.3	4.6
	Of which: other instruments	-	-	-	-
	Of which: deferred	-	-	-	-
	Of which: other forms	-	-	-	-
	Of which: deferred	-	-	-	-
Total remuneration		0.8	14.5	31.4	82.5

The derogation of Article 94 (3a) CRD does not apply. The exception under Article 94 (3b) CRD to compensation principles l and m pursuant to Article 94 (1) CRD was applied in 2021 to 282 employees with total compensation of €47.9 million (thereof fixed €39.6 million, thereof variable €8.3 million). An exception to the compensation principle o pursuant to Article 94 (1) CRD is not applied.

³ “Management body - Supervisory function” and “Management body - Management function” take into account the respective bodies of DZ BANK AG.

⁴ Other senior management comprises the first management level below the Board of Managing Directors of DZ BANK AG as well as the risk takers in the management of the subsidiaries of DZ BANK AG.

⁵ Number of identified staff: Management bodies are counted as persons; risk takers not belonging to the management bodies are counted as full-time equivalents.

Special payments to risk takers (REM 2):

	31.12.2021			
	Management body - Supervisory function	Management body – Management function	Other senior management	Other identified staff
Guaranteed variable remuneration awards				
Guaranteed variable remuneration awards – Number of identified staff	-	-	-	-
Guaranteed variable remuneration awards – Total amount in mio EUR	-	-	-	-
Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap in mio. EUR	-	-	-	-
Severance payments awarded in previous periods, that have been paid out during the financial year				
Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	-	-	1.0	3.0
Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount in mio. EUR	-	-	0.3	0.8
Severance payments awarded during the financial year				
Severance payments awarded during the financial year - Number of identified staff	-	-	-	15.8
Severance payments awarded during the financial year - Total amount in mio.EUR	-	-	-	4.9
Of which paid during the financial year	-	-	-	0.7
Of which deferred	-	-	-	-
Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	-	-	0.7
Of which highest payment that has been awarded to a single person	-	-	-	0.6

Deferred remuneration in million Euro (REM 3):

31.12.2021

Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
Management body – Supervisory function	-	-	-	-	-	-	-	-
Cash-based	-	-	-	-	-	-	-	-
Shares or equivalent ownership Interests	-	-	-	-	-	-	-	-
Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
Management body – Management function	3.6	-	3.6	-	-	-	1.4	-
Cash-based	-	-	-	-	-	-	-	-
Shares or equivalent ownership Interests	-	-	-	-	-	-	-	-
Share-linked instruments or equivalent non-cash instruments	3.6	-	3.6	-	-	-	1.4	-
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
Other senior management	15.5	0.0	15.5	-	-	-	5.0	0.0
Cash-based	0.2	-	0.2	-	-	-	0.0	-
Shares or equivalent ownership Interests	-	-	-	-	-	-	-	-
Share-linked instruments or equivalent non-cash instruments	15.2	0.0	15.2	-	-	-	5.0	0.0
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
Other identified staff	16.7	4.3	12.4	0.0	0.0	-	11.9	4.1
Cash-based	5.7	0.1	5.6	0.0	0.0	-	2.3	-
Shares or equivalent ownership Interests	-	-	-	-	-	-	-	-
Share-linked instruments or equivalent non-cash instruments	11.0	4.2	6.8	0.0	0.0	-	9.5	4.1
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
Total amount	35.7	4.3	31.4	0.0	0.0	-	18.2	4.1

Remuneration of 1 million Euro or more per year (REM 4):

	31.12.2021
EUR	Identified staff that are high earners as set out in Article 450 (i) CRR
1 000 000 to below 1 500 000	5
1 500 000 to below 2 000 000	5
2 000 000 to below 2 500 000	1
2 500 000 to below 3 000 000	1

Information on remuneration of risk takers (REM 5):

	31.12.2021									
	Management body remuneration			Business areas						
	Management body – Supervisory function	Management body – Management function	Total Management body	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
Total number of identified staff	20.0	8.0	28.0	78.7	58.5	11.0	78.9	134.2	147.0	536.3
Of which: members of the management body	20.0	8.0	28.0							28.0
Of which: other senior management				18.0	10.0	2.0	29.9	14.0	34.0	107.9
Of which: other identified staff				60.7	48.5	9.0	49.0	120.2	113.0	400.4
Total remuneration of identified staff in mio. EUR	0.8	14.5	15.3	22.4	13.8	1.7	22.4	23.8	29.8	129.2
Of which: variable remuneration	-	2.1	2.1	6.2	3.4	0.2	6.9	5.3	6.2	30.4
Of which: fixed remuneration	0.8	12.3	13.2	16.2	10.4	1.5	15.4	18.5	23.6	98.8

EDITORIAL INFORMATION

DZ BANK AG
Deutsche Zentral-Genossenschaftsbank,
Frankfurt am Main
Platz der Republik
60325 Frankfurt am Main

Postal address:
60265 Frankfurt am Main
Germany

Tel: +49 (0)69 7447-01
Fax: +49 (0)69 7447-1685
mail@dzbank.de
www.dzbank.com

Board of Managing Directors:
Uwe Fröhlich (Co-Chief Executive Officer)
Dr. Cornelius Riese (Co-Chief Executive Officer)
Souâd Benkredda
Uwe Berghaus
Dr. Christian Brauckmann
Ulrike Brouzi
Wolfgang Köhler
Michael Speth
Thomas Ullrich

Chairman of the Supervisory Board:
Henning Deneke-Jöhrens

This report is available in electronic form on our website.