REMUNERATION REPORT 2025

Neues Schaffen

LB≡BW

Contents

1 Introduction 3

2 Remuneration governance of LBBW 4
2.1 Structures of governance and decision-making processes related to remuneration 4
2.2 Remuneration Control Committee 5
2.3 Remuneration officer 7
2.4 Relevant stakeholders 7
2.5 External consulting 7

3 Structure of the remuneration systems 8
3.1 Business strategy 8
3.2 Group remuneration strategy 8
3.3 Remuneration structure and elements 9

4 Remuneration systems of LBBW (Bank) 14
4.1 Determination of variable performance-based remuneration at LBBW (Bank) 14
4.2 Board of Managing Directors 15
4.3 Supervisory Board 16
4.4 Employees and senior managers 17

5 Remuneration systems of subsidiaries 21
5.1 Relevant subsidiaries in accordance with Section 27 InstitutsVergV 21
5.2 Description of the remuneration systems 23

6 Remuneration figures 25
6.1 Methodology 25
6.2 Total remuneration of LBBW Group 26
6.3 Remuneration of risk takers at the LBBW Group (Supervisory Board, Board of Managing Directors, managing directors of subsidiaries and employees) 27

1 Introduction

As a significant institution within the meaning of section 1(3c) of the Kreditwesengesetz (KWG – German Banking Act), Landesbank Baden-Württemberg (LBBW) is required to publish information on the structure of its remuneration systems. In some cases, subsidiaries are subject to their own regulatory standards concerning the appropriateness of their remuneration systems. Other local provisions can apply to locations outside Germany.

The disclosure obligations for LBBW as a CRR institution are based on section 16 of the Institutsvergütungsverordnung (InstitutsVergV – German Remuneration Regulation for Institutions) of 25 September 2021 in conjunction with Article 450 of Regulation (EU) No 575/2013 (CRR).

The remuneration report contains the detailed information on the remuneration paid at the LBBW Group for the 2025 financial year. Given LBBW's size, an appropriately high level of detail has been selected. As the parent Institution of the LBBW Group, LBBW fulfills its disclosure requirements at Group level (section 2(12) InstitutsVergV in conjunction with section 27(1) sentence 3 InstitutsVergV), i.e. including the remuneration disclosures for LBBW itself and its subsidiaries.

The remuneration report is structured as follows:

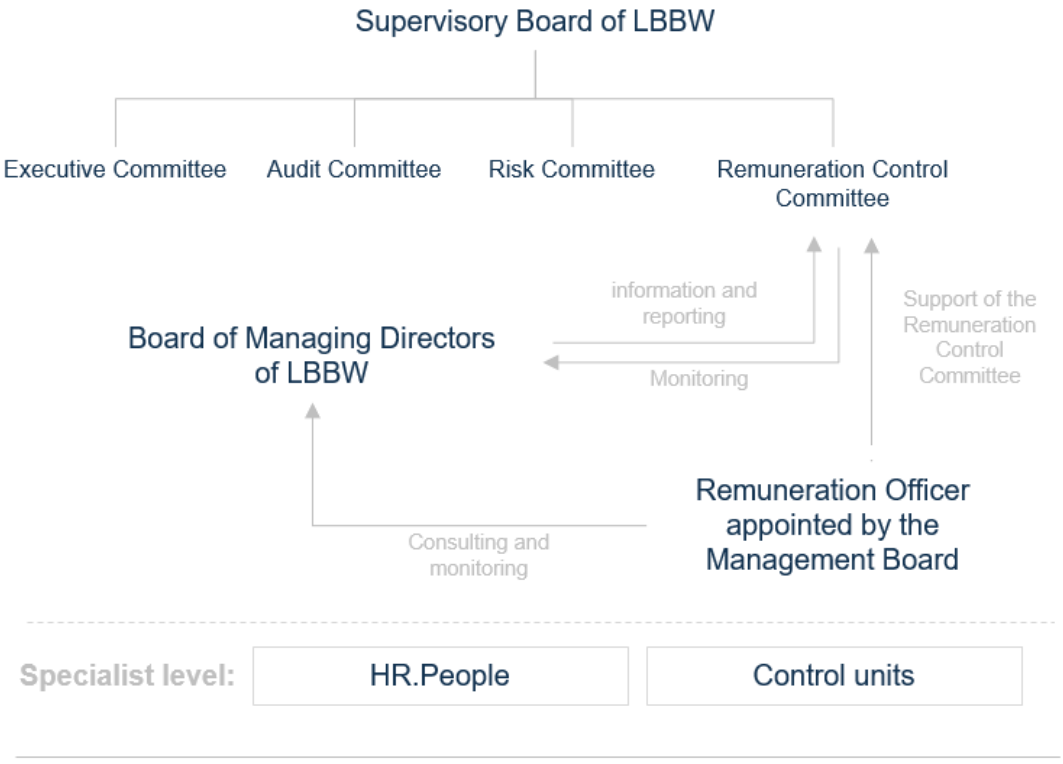
- Remuneration governance of LBBW
- Structure of the remuneration systems
- Remuneration systems of LBBW (Bank)
- Remuneration systems of relevant subsidiaries
- Remuneration figures

2 Remuneration governance of LBBW

2.1 Structures of governance and decision-making processes related to remuneration

As a major institution within the meaning of section 1(3c) KWG, LBBW is required to meet not only the requirements relating to the structure and disclosure of remuneration, but also the requirements of remuneration governance.

Remuneration governance structure of LBBW
(based on Section 25d (12) KWG and the provisions of the InstitutsVergV)



All remuneration matters and compliance with regulatory requirements are decided and monitored within the remuneration governance structure:

- The Supervisory Board makes decisions regarding the design and implementation of the remuneration system for members of LBBW's Board of Managing Directors and monitors the appropriate design of the remuneration systems for the employees. It is also the decision-making body as far as the amount of remuneration and, in particular, the total amount of variable remuneration for the Board of Managing Directors are concerned. The Supervisory Board of LBBW held four meetings in the reporting period.

- The Remuneration Control Committee assists the Supervisory Board in its duties to supervise the remuneration systems and monitors the design of the remuneration systems and their alignment with the Group's remuneration strategy and its business and risk strategies.

- The Group's Board of Managing Directors as a whole makes decisions on the design and implementation of the remuneration systems, the remuneration budgets and the remuneration of the individual employees. To the extent permitted by law, the individual Managing Directors work to ensure the implementation of the systems in the Group through their positions on the supervisory boards of subsidiaries or in their role as shareholders.

- The remuneration officer assists the Remuneration Control Committee/Supervisory Board in their monitoring function and is continuously involved in the application of remuneration systems as well as new developments or enhancements. In addition, the remuneration officer is informed about the development of new/updated remuneration systems at the subsidiaries and reviews their consistent application of the Group remuneration strategy.

- Human Resources prepares the structure of the remuneration systems at the technical level and prepares and implements the decisions taken by the Board of Managing Directors.

- The control units within the meaning of section 2(11) InstitutsVergV are regularly included in designing and monitoring the remuneration systems.

  At LBBW, these units are Group Compliance, Financial Controlling, Group Auditing, Risk Control and all of Risk Management.

- Executives use the performance management and remuneration tools that are provided as they perform their leadership and management role.

At LBBW subsidiaries, responsibility for the remuneration systems is governed by the relevant company and regulatory guidelines.

2.2 Remuneration Control Committee

The Remuneration Control Committee assists the Supervisory Board as the supervisory body in appropriately designing the Bank's remuneration systems for managers and employees. It works closely with LBBW's Risk Committee and involves internal control units as well as other relevant business units in its work. Its tasks include in particular monitoring the appropriateness of remuneration systems. In doing so, it takes their impact on the Bank's management of risk, capital and liquidity into particular consideration. The committee also advises the Board of Managing Directors on fundamental issues relating to remuneration, points out to the Board any potentially undesirable developments in the remuneration systems and offers proposals to correct these.

The Remuneration Control Committee is composed of members of the Supervisory Board, thus enabling it to guarantee closer ties to the Supervisory Board and ensuring that it focuses on the Group's remuneration matters. It comprises a chair, a deputy chair and five members.

Members of the Remuneration Control Committee in 2025

Chair	Christian Brand FORMER CHAIRMAN OF THE BOARD OF MANAGEMENT OF L-BANK
Deputy Chair	Dr Danyal Bayaz (Member of the State Parliament) MINISTER OF FINANCE OF THE STATE OF BADEN-WÜRTTEMBERG
Members	Bernhard Ilg MAYOR (RETIRED)
	Dr Matthias Neth PRESIDENT OF THE SPARKASSENVERBAND (ASSOCIATION OF SAVINGS BANKS) BADEN-WÜRTTEMBERG
	Dr Frank Nopper MAYOR OF THE STATE CAPITAL OF STUTTGART
	B. Jutta Schneider SHAREHOLDER OF SCHNEIDER UND PETERS CONSULTING GBR
	Norbert Zipf EMPLOYEE REPRESENTATIVE AT LANDESBANK BADEN-WÜRTTEMBERG

The Remuneration Control Committee held four meetings in total in the reporting year and, in conjunction with its monitoring activities in accordance with section 25d (12) KWG and section 15(3) to (5) InstitutsVergV, essentially discussed the following remuneration issues:

- Group performance 2024 and total amount of variable remuneration 2024
- Planned bonus budget 2026 and total amount of variable remuneration 2026
- Selection criteria, procedures and results of the risk taker selection 2026
- Group remuneration strategy 2026
- Remuneration control report of the remuneration officer 2025
- Information on the remuneration structure and 2024 remuneration systems by LBBW's Board of Managing Directors
- Report on the review of the remuneration systems at Board level in accordance with sections 12, 15 II IVV for the 2024 financial year

All key discussions on the remuneration systems were also held in the meeting of the full Supervisory Board.

2.3 Remuneration officer

In accordance with the requirements of section 23 InstitutsVergV, the Board of Managing Directors has appointed an independent remuneration officer and a deputy remuneration officer.

Section 24 InstitutsVergV stipulates the legally defined tasks of the remuneration officer as, in particular, continuous monitoring of the appropriateness of employee remuneration systems as well as support for the Supervisory Board and the Remuneration Control Committee in carrying out their monitoring and design duties. In addition, the remuneration officer is informed about the development of new/updated remuneration systems at the subsidiaries and reviews their consistent application of the Group remuneration strategy.

As part of their tasks, the remuneration officer coordinates closely with the Remuneration Control Committee and its chair and also provides it with information upon request.

Once a year the officer drafts a report on the appropriateness of how the employee remuneration systems are structured (remuneration control report), which they make available to the entire Board of Managing Directors, the Supervisory Board and the Remuneration Control Committee at the same time. The remuneration control report also includes the results of the review of the appropriateness of the remuneration systems with regard to their compliance with the business and risk strategies as well as the regulatory requirements in accordance with section 12 InstitutsVergV; this review is performed once a year by the remuneration officer on behalf of the Board of Managing Directors. The report from the 2025 financial year established the fundamental appropriateness of the remuneration systems for the employees of LBBW.

The remuneration officer's activities focus on monitoring the appropriateness of the remuneration systems, a function that largely involves ensuring compliance with regulatory requirements. In this work, the officer collaborates with the other control and monitoring functions at LBBW.

2.4 Relevant stakeholders

There are other relevant stakeholders in addition to the functions described above:

Owners

In the cases expressly determined in the legislation governing LBBW as well as in its articles of association, the Annual General Meeting in particular makes decisions on the remuneration of Supervisory Board members as well as the expense allowance of Advisory Board members. The owners are also represented on the Supervisory Board in line with their shares of ownership in LBBW. This ensures that the owners are involved in designing the remuneration systems and that they receive information on the remuneration of employees every year.

Employees represented by the Staff Council

The Staff Council is also involved in designing the remuneration systems within the scope of the participation rights of the Landespersonalvertretungsgesetz Baden-Württemberg (LPVG Ba-Wü – Staff Representation Act of the state of Baden-Württemberg).

2.5 External consulting

At the request of Human Resources, LBBW made use of the technical support provided by Willis Towers Watson, Mercer and also the GÖRG law firm in individual remuneration-related issues.
LBBW takes part in external remuneration benchmarking studies every year and, in the course of the annual remuneration process, examines the appropriateness of LBBW employees' remuneration in relation to the market conditions. Market benchmarks were obtained by Human Resources from the external consultants Mercer, Willis Towers Watson, Kienbaum and McLagan in 2025. As scheduled, the Supervisory Board engaged the law firm GÖRG for the

report on the review of the appropriateness of the remuneration of the Board of Managing Directors in accordance with section 12 InstitutsVergV. In addition, it also commissioned the consultancy Mercer to produce the market analyses of the remuneration of the Board of Managing Directors.

3 Structure of the remuneration systems

3.1 Business strategy

The rapidly evolving banking environment and its complex requirements are placing high demands on the strategic positioning of banks. In an environment that remains volatile, the balanced universal banking approach, which has proven its worth, remains the foundation for LBBW's strategic direction aligned with the strategic goals of growth and relevance. At its core is a clear focus on growth with steady earnings growth, consistent risk management and active cost management. At the same time, LBBW aims to establish a significant position in the competitive landscape and among its stakeholders so that it can act as a reliable partner to businesses and society, supporting and shaping complex transformation processes in the long term.
Five strategic levers support the implementation of the Group strategy and its operationalization across LBBW's individual segments: Sustainable Transformation, Innovative Solutions, Enhanced Resilience, Inspiring Employees and Social Contribution.

3.2 Group remuneration strategy

The Group remuneration strategy forms the basis for designing the remuneration system of Landesbank Baden-Württemberg (LBBW) itself and all its subordinate companies in Germany and abroad in a way that takes into account the strategy and risks in the medium and long-term. It describes the contribution made by remuneration instruments and processes to the successful implementation of the business and risk strategies, the HR strategy, the ESG strategy and the corporate culture. The remuneration parameters for variable remuneration thus support the ability to reach the targets derived from the business and risk strategy on a sustainable basis. Current and future risks, including in setting the overall budget for the Bank, the agreement of targets relevant to remuneration and the malus/clawback review are taken into account in the remuneration systems. The control units are appropriately involved as part of their activities. The control units are appropriately involved as part of their activities.

The overall goal of the Group remuneration strategy is to ensure that its remuneration systems are consistent with its strategies and based on risk It sets the minimum requirements for the remuneration systems of all companies that are part of the Group and that are monitored by LBBW in connection with remuneration governance and provides the framework for employee benefits and remuneration within the this governance.

The key purposes of the group remuneration strategy are to:

- align the remuneration instruments and processes with LBBW's business and risk strategies, as well as its ESG strategy;
- define a uniform operational framework for designing and implementing performance management processes and for designing and measuring remuneration;
- provide clarity and transparency for managers and employees;
- support LBBW's appeal as an employer.
- ensure that the relevant regulatory requirements for remuneration systems for subordinate/relevant subsidiaries are implemented and monitored throughout the Group on a long-term basis;

LBBW expressly supports the requirement for gender-neutral remuneration for the same or equivalent work and performance. It strives to grant every employee fair, non-discriminatory remuneration. The Group remuneration strategy ensures that the remuneration systems are fundamentally based on performance, outcomes and the market,

thereby ruling out the possibility of gender-based pay discrimination. Any gender pay gaps are actively addressed. LBBW's business strategy takes the topic of ESG into account in its strategic levers. The related objectives are integrated in the Group remuneration strategy. Sustainability aspects thus play an important role in the remuneration policy and are embedded in all three levels of how performance is measured (Group, cluster, individual). The business and risk strategies are continuously updated and refined by taking both external and internal influencing factors into consideration. This is reflected in the Group's remuneration strategy, as it is reviewed at least annually, but also during the year in the event of changes in strategy and is adjusted whenever necessary.

The Group remuneration strategy is coordinated with the control units, adopted by the entire Board of Managing Directors of LBBW and discussed by the Remuneration Control Committee and the Supervisory Board. The design of the Group remuneration strategy as well as the establishment of the Remuneration Control Committee and the activities it performs have given LBBW a stable governance structure that ensures the appropriate design, implementation and monitoring of the remuneration systems. The Group remuneration strategy and information on the design of the remuneration systems are available to all employees on LBBW's Intranet as part of the Bank's written rules of procedure and are also sent to all subsidiaries. All new employees at LBBW are also informed of the remuneration systems relevant to them. The Group remuneration strategy is anchored in the remuneration principles of the subsidiaries as a mandatory general framework alongside any of their own regulatory remuneration requirements directly applicable to the companies. The subsidiaries are consequently informed by Human Resources every year about the updated Group remuneration strategy and their inclusion in it as a relevant subsidiary.

3.3 Remuneration structure and elements

LBBW's remuneration systems are geared towards performance, results and the market as well as the sustainable development of the Group. When the remuneration systems are designed, the implementation of the relevant statutory requirements on the basis of the InstitutsVergV and other regulations is comprehensively ensured. The variable remuneration incentives are closely linked to the Bank's sustained performance and designed to avoid conflicts of interest with regard to customer interests. All remuneration systems are characterized by simplicity and clarity within the scope of the legal requirements and at the same time guarantee that LBBW is able to remain competitive on the employment market.

LBBW grants (fixed and variable) remuneration and benefits in line with the market – where considerable emphasis is placed on fixed remuneration.

There is in principle no guaranteed variable remuneration in the LBBW Group. Guaranteed variable remuneration can be agreed in special cases and in compliance with the restriction defined in section 25a(5) sentence 2 KWG only when employment commences and for not more than the first year of employment. A commitment to pay guaranteed variable remuneration is subject to the condition that the company has appropriate own funds and liquidity resources as well as sufficient capital to safeguard internal capital adequacy at the time of payment.

If the employment relationship is terminated, a severance payment may be agreed between the employee and the employer as compensation for the loss of the employee's job. Severance pay is granted solely in line with the applicable framework for defining and approving severance pay; the respective length of service and current fixed annual remuneration are also taken into account. The principle always applies that negative performance contributions must be considered and misconduct must not be rewarded. Severance payments must reflect the employee's performance and take into account LBBW's litigation risk in the event of possible labor tribunal proceedings.

The remuneration systems are an element of LBBW's integrated risk management.
Detailed information on the material types of risk and the risk policy can be found in LBBW's 2025 disclosure report. The avoidance of incentives to take inappropriate risks is ensured by the Group remuneration strategy derived from LBBW's business and risk strategies and its implementation in the respective remuneration systems. If strategies change, the design of the remuneration systems is reviewed accordingly and amended if necessary.

This relationship is expressed in particular in the design of the remuneration systems at LBBW:

- LBBW's business strategy pursues the overarching objectives of growth and relevance while taking the risk situation and the capital employed into account. The business strategy is put into operation using the five strategic levers (Sustainable Transformation, Innovative Solutions, Enhanced Resilience, Inspire Employees, Social Contribution).
- For the Board of Managing Directors and employees entitled to bonuses alike, performance is evaluated within the LBBW Group on the basis of the business strategy. The parameters for measuring performance at all three levels of the assessment (Group, cluster, individual) are anchored on this basis in the remuneration system. In addition to the objectives of growth and relevance as anchor objectives, the parameters that are used take into account both long-term profitability, cost efficiency and risk/resource productivity in the sense of a solid capital base. Specific KPIs have also been defined for the strategic levers. The Social Contribution lever is not relevant for the InstitutsVergV and is not taken into consideration here. The individual goals count towards the general goals of the levers set at cluster and Group level. The targets of growth and relevance and the strategic levers are the key factors here. The remuneration systems are designed in such a way that they ensure an appropriate response to internal and external events, and in particular to changes in key financial data, as part of the parameterization.
- As safeguarding internal capital adequacy is at the heart of the risk strategy, the utilization of risk-bearing capacity is a material performance indicator for LBBW. This is also taken into account in the remuneration system, e.g. the adjusted aggregate risk cover is used as an indicator of the performance of stock appreciation rights.

The remuneration systems are designed in such a way that the incentive to take inappropriately high risks is avoided. For this reason, LBBW has set caps on the ratio of fixed to variable remuneration components, which guarantee a reasonable balance between the two elements in order to avoid any significant dependence on variable remuneration. There is a 1:1 cap on the ratio of variable performance-based remuneration to fixed remuneration, which complies with the relevant regulatory requirements. In divergence from this, variable remuneration of not more than one third of total remuneration is typically considered appropriate in control units. This limit of one third of total remuneration and the 1:1 cap were not exceeded in any case in 2025.

In accordance with section 8 InstitutsVergV, LBBW employees subject to these limits must not implement any personal hedging or other countermeasures ("hedges") for their remuneration to limit or eliminate the risk orientation of the variable remuneration. LBBW can perform active, random checks of securities accounts to ensure compliance with the prohibition on hedging. Employees are required to cooperate with these checks and to provide LBBW with the necessary information on request as quickly as possible.

There were no grounds for structural changes in LBBW's remuneration policy in the reporting year. As part of the annual reporting to the Board of Managing Directors on the remuneration structure and remuneration systems, the Remuneration Control Committee and the Supervisory Board discussed the design of the remuneration systems and structure at length.

Fixed remuneration

Fixed remuneration is essentially based on the function exercised and its significance in accordance with the applicable collective agreements or, for positions not covered by such agreements, market conditions. The duties and requirements of the position, the qualifications and skills required of the employees and sustained individual performance are among the factors relevant for determining remuneration. The level of fixed remuneration ensures that employees are not significantly dependent on the variable remuneration component. There are no employment contracts at LBBW that give rise to any obligation to pay severance when employees leave the bank.

Fixed remuneration for non-pay-scale employees

Senior managers and non-pay-scale employees, i.e. those not covered by collective agreements, receive 12 monthly salary installments. The fixed remuneration is based on a benchmarking of the remuneration paid for the function by external competitors and internal remuneration on the one hand and on the employee's personal performance on the other.

In contrast to those covered by collective arrangements, position-based market indicators play a decisive role in determining the remuneration for non-pay-scale employees and senior managers. This means that salaries in line with the market are used as a benchmark for determining the fixed remuneration.

The benchmarks required for this purpose are prepared in consultation with the consulting companies mentioned in this report. The benchmarks calculated in this way are used as a standard for determining remuneration and are supplemented with internal comparisons.

To improve the transparency of the remuneration structure, LBBW (Bank) additionally has "salary bands" for non-pay-scale specialist and executive staff functions below the second level not covered by collective agreements; each position classed as non-pay-scale is assigned to these bands based on a defined system.

Fixed salaries are reviewed once a year. Each year, the Board of Managing Directors, or the Supervisory Board or the shareholder for subsidiaries, makes a decision on regular adjustments (adjustment of base salary for non-pay-scale employees). In addition, there is an option for granting an individual increase, with the decision-makers mentioned above deciding on a budget for this each year. Subsidiaries generally rely on the decision made by the parent company. The decision on which employee receives an individual increase is made by the responsible manager and is largely dependent on the employee's individual performance, the internal salary structure and market indicators.

Individual salary components are provided in particular in the following cases:

- promotion to a higher position;
- measures to bring the function in line with the applicable market indicators;
- consistently good to very good performance by the person holding the position;
- minimization of any salary differences between genders (equal pay).

In addition, a limited budget was made available to the divisions of LBBW (Bank) for individual salary components effective 1 November 2025 for senior managers and non-pay-scale employees.

Fixed remuneration of employees subject to collective bargaining agreements for the banking industry and public sector

Fixed remuneration of employees subject to collective bargaining agreements is based on pay scales for the banking industry and public sector (TVöD) as well as transition agreements (ÜTV I and II). As a rule, employees covered by collective agreements receive twelve monthly salary installments as fixed remuneration plus a special payment covered by the collective bargaining agreement. In addition, a company bonus (14th monthly salary installment) is paid at LBBW and several subsidiaries.

The fixed salaries paid to employees covered by collective bargaining agreements are increased in line with the industry-wide collective agreements for the banking industry and the public sector.

Assumption of costs for the "Deutschlandticket"

The LBBW Group has assumed the costs of the Deutschland-Jobticket – the nationwide public transport season ticket – up to a maximum of EUR 49 since August 2023. This plays an important role in promoting the change to using public transport and thus to sustainable mobility. The policy governing the Deutschland-Jobticket applies to all of LBBW's employees, including trainees, undergraduates and vocational training students, in Germany.

Variable remuneration

Variable performance-based remuneration

Variable performance-based remuneration rewards the sustained economic performance of the LBBW Group, LBBW and the relevant subsidiary and the employee's above-average contribution to performance.

The remuneration parameters that determine variable performance-based remuneration are geared toward achieving the targets derived from the Bank's business and risk strategy on a long-term basis and support their fulfillment.

Individual variable performance-based remuneration is tied to performance management, i.e. to an individual performance assessment made by the responsible manager and follows the principles outlined below:

- The level of the budget available for bonuses depends on the sustainable performance of the Bank or the subsidiary and takes the risk adjustment into appropriate account.
- Individual bonuses are awarded on the basis of the position, defined targets and how far they have been achieved and the performance of responsibilities. This process is guided by quantitative and qualitative targets for the three levels of Group, cluster and individual.
- In general, variable performance-based remuneration does not offer any incentives for taking inappropriately high risks. There is no correlation between the returns from risk taking and the variable performance-based remuneration that can be earned.

Impromptu awards

In order to reward outstanding individual performance on a case-by-case basis and as promptly as possible, LBBW also sets aside a limited budget for impromptu awards for all employees except risk takers.

Performance bonus in retail customer sales

A limited budget for pay-scale employees was provided in 2025 for selected service and advisory functions in retail customer sales. Sales successes, in terms of both quality and quantity, that have been achieved by teams and individuals in the previous year are rewarded.

Profit-sharing

The profit-sharing scheme for 2025 recognizes outstanding performance by employees covered by collective agreements at the Germany site, including trainees, students at dual universities/vocational academies (DH/BA) and working students. This is a one-off payment.

Benefits

Benefits are salary-related payments offered by LBBW to its employees in Germany largely on a voluntary basis, i.e. not as a result of entitlements under the collective agreements. The benefits named in the report do not apply to the employees at LBBW's foreign branches. LBBW observes local statutory and company arrangements when granting benefits at individual units abroad. The specific benefits at the subsidiaries may differ from those of LBBW (Bank).

The main remuneration-related benefits at LBBW (Bank) and at most subsidiaries are:

- company pension
- FlexiWertkonto (working time account),
- company car.

With the exception of the company car, all of the above-mentioned remuneration components are cash payments.

Company pension

Various pension plans are in place as a result of the mergers and integration of different companies at LBBW. Commitments under these plans are granted either in the form of a service contract or, particularly in the case of commitments granted in the past, in the form of a comprehensive or individual commitment. These commitments cover old age, invalidity and death.

Since the merger with LBBW, employees have been granted a defined contribution plan in the form of a capital account plan. In addition to employer-funded commitments, deferred remuneration plans are also available, allowing employees to build up additional entitlements. This commitment was ended on 31 December 2016.

With the introduction of “LBBW VorsorgeFonds Plus” (investment savings account) on 1 January 2017, LBBW introduced modern and attractive company pension scheme for its employees. The contributions provided by the employer since 2017 or voluntarily changed by the employee since January 2018 through deferred compensation are invested in two multi-asset funds based on a life cycle model. Employees benefit in full from a positive performance and are protected by the employer through a contribution guarantee if the investments suffer losses.

As of 31 December 2021, LBBW (Bank) transferred the majority of its existing pension obligations to a non-insurance-based pension fund under German law as a legally independent entity in return for a one-time payment. All beneficiaries received an irrevocable right to draw on the pension fund. Following the integration of Berlin Hyp in 2025, these pension entitlements are also taken into account for the first time.

There were a total of 13,540 employer-financed and 5,308 employee-financed claims for staff actively employed at LBBW (Bank) as of 31 December 2025. These include claims held by former employees who have a vested entitlement to a pension from their employment contract with LBBW (Bank). In addition, there are a total of 1,633 employer-financed and 58 employee-financed pension commitments for retirees. The scope of the company pension obligations for active employees in accordance with IFRS (International Financial Reporting Standards) as at the end of 2025 came to EUR 0.97 billion at LBBW (Bank). The obligations for retired employees amounted to EUR 1.45 billion and the figure for former employees with a vested entitlement was EUR 0.34 billion.

LBBW FlexiWertkonto

The LBBW FlexiWertkonto is a working time account that the bank offers. With this account, employees may defer certain parts of their remuneration for early retirement or for sabbaticals. The deferred remuneration is used by taking full early retirement or full leave of absence.

A web-based portal gives employees the ability to flexibly define how much of their remuneration they wish to defer. Various funds are available for investment based on the intended purpose. As of the end of 2025, a total of around EUR 135.1 million had been invested in the individual portfolios of LBBW (Bank) (plan assets). At the same time, retirement benefit obligations under IFRS were valued at EUR 158.2 million.

4 Remuneration systems of LBBW (Bank)

4.1 Determination of variable performance-based remuneration at LBBW (Bank)

The total amount of variable performance-based remuneration is determined using a standardized, transparent and readily understandable process.

Prior to the measurement period, a planned bonus budget is created as part of the business planning and divided into managing directors, senior managers and employees.

After the financial year closes, the Board of Managing Directors proposes the Group targets, depending on how far the business plan has been achieved and whether the additional conditions in accordance with section 7 InstitutsVergV have been complied with. An allocation budget for variable performance-based remuneration of LBBW (Bank) is determined on this basis. The Supervisory Board adopts a resolution on this budget. Furthermore, the appropriate involvement of the control units required in accordance with section 3(3) InstitutsVergV is ensured.
The evaluation of the achievement of Group targets is based on the strategic company targets derived from the Bank's strategy, which are measured using various quantitative and qualitative parameters and given a projected level at the beginning of the year. After the measurement period, the achievement of these objectives is discussed and assessed by the entire Board of Managing Directors. Performance is measured on an annual basis, so that there is a direct incentive for the performance provided in the year. The Group's success determines the amount of the allocation budget for the variable performance-related remuneration of all non-pay-scale employees and senior managers at LBBW (Bank). The allocation budget determined in this way sets the cap for the payment.

The performance of the organizational units is measured based on several clusters, to which each division at LBBW (Bank) is allocated. The aggregated measurement of performance at the level of the organizational unit strengthens cooperation between the units in a cluster.

To guarantee the supervisory function of control units and to avoid conflicts of interest, the InstitutsVergV stipulates that the remuneration of employees in control units at all levels should not be determined according to the same remuneration parameters as those of the employees in the units they control. For this reason, parameters are defined for each cluster. At the cluster level, the evaluation of target achievement is carried out in the same way as for the Group, with cluster success determining the relational allocation of the allocation budget to the individual clusters. The allocation budget of the respective cluster is then distributed to senior managers and the allocated divisions.

The allocation budget for the members of the Board of Managing Directors comprises the cumulative total of the individual variable performance-based remuneration amounts derived from the performance management for the members of the Board of Managing Directors.

4.2 Board of Managing Directors

Responsibility

The Supervisory Board makes decisions on the remuneration system for the members of the Board of Managing Directors, fixes the remuneration payable to them and regularly reviews its appropriateness. The Remuneration Control Committee plays an important advisory role and prepares the Supervisory Board’s resolutions.

Principles of the remuneration system

The remuneration parameters that determine variable remuneration are aligned toward achieving the targets derived from the Bank's strategy on a sustained basis and support it in reaching its strategic company targets. In 2025, 50% of the performance-based variable remuneration of Board of Managing Directors members was based on the Group’s sustainable overall success over three years and 50% on the individual performance contributions of each Board of Managing Directors member during the reporting year. The individual performance contribution is tied to target achievement agreements based on the business strategy and business plan. Final calculation of the variable performance-based remuneration is based on the overall target achievement as determined in a resolution passed by the Supervisory Board in the following year.

Alongside sustainability in the decision on performance, sustainability in the payout of the variable remuneration constitutes a key element for the remuneration for members of the Board of Managing Directors. Significant parts of the variable remuneration are based on sustained business success. For this reason, 60% of the variable remuneration granted for 2025, the year under review, will be deferred over a five-year period and paid out pro rata temporis (deferral); negative performance contributions can reduce the deferral or lead to its expiry (malus) or a clawback. 60% of the deferred proportion of the variable remuneration granted for the 2025 reporting year is subject to a blocking period of one year and is geared toward sustained performance (i.e. it is subject to a stock appreciation right). LBBW’s sustained performance is measured by the change in the adjusted aggregate risk cover, taking account of the risk situation (risk cover). To this end, the aggregate risk cover performance in each respective payout year is determined in a comparison with the base year (awarding of variable performance-based remuneration). The current risk situation is assessed based on the risk evaluation in the overall risk report. Of the non-deferred proportion (40%) of the variable remuneration determined, 40% is paid directly. 60% of the non-deferred portion of the variable remuneration is subject to a one-year vesting period and remains aligned with the sustainable value performance of the institution over this period.

Following the expiry of the deferral period, the malus/clawback is reviewed using the criteria set out in the Board remuneration model at Group level and at individual level prior to payment (for details see the criteria presented under 4.4 Employees and senior managers). In addition, a review is performed prior to payment to establish that the additional conditions (positive overall performance of the Group, no risk to appropriate capital backing, sufficient liquidity on the part of the Bank and compliance with the combined capital buffer requirements) have been satisfied.

The retirement benefits are essentially designed as defined-contribution benefits. The bank grants one component each calendar year on the basis of a share of the eligible salary.

The remuneration systems for the Board of Managing Directors were comprehensively reviewed in the 2025 financial year to ensure their compliance with the business and risk strategies as well as the regulatory requirements in accordance with Section 12 InstitutsVergV and their appropriateness was established.

Remuneration 2025

In 2025, the remuneration of the Board of Managing Directors members consisted of a fixed, non-performance-based salary and performance-based variable remuneration. In addition to the contractually agreed fixed salary, the fixed remuneration includes payments into the company pension scheme and all other benefits (essentially the use of a company car).

During the 2025 financial year, the members of the Board of Managing Directors received fixed contractually agreed remuneration totaling EUR 6.0 million for their activities as Members of the Board of Managing Directors. The other benefits amounted to EUR 0.1 million. In addition, variable performance-based remuneration totaling EUR 2.1 million was paid out (accrual), with this amount also including shares of deferred variable remuneration from previous years.

In addition, members of the Board of Managing Directors acquired variable performance-based remuneration totaling EUR 3.06 million for the 2025 financial year. Of this, an amount of EUR 0.49 million was paid out directly, EUR 0.73 million was frozen for 12 months and EUR 1.84 million was deferred in accordance with the applicable remuneration system; of this amount, EUR 1.10 million was tied to sustained changes in value.

In 2025, EUR 2.2 million was transferred to the pension obligations for serving members of the Board of Managing Directors as an element of the fixed remuneration and recognized in the income statement in accordance with IFRS. The pension obligations under IFRS for Board of Managing Directors members active as at the reporting date totaled EUR 8.9 million as at 31 December 2025.

Other information

There is also financial loss liability insurance for members of the Board of Managing Directors (D&O). The deductible is 10% of the loss up to a maximum of 1.5 times the fixed annual remuneration.

4.3 Supervisory Board

Principles of remuneration for Supervisory Board members

The shareholders' meeting on 8 April 2022 adopted a resolution on the following remuneration regulation for Supervisory Board members:

- The members of the Supervisory Board receive fixed remuneration of EUR 30,000 for the financial year in question. The chair of the Supervisory Board receives EUR 75,000 and the deputy chair EUR 50,000.
- Supervisory Board members who hold a seat on a committee in accordance with article 17(1) of the articles of association receive further fixed remuneration of EUR 12,500 per committee per year.
- The chair of a committee receives further fixed remuneration of EUR 30,000 per year, the deputy chairman EUR 20,000.
- The members, the deputy chair and the chair of the Executive Committee who are also a member, deputy chairman or chair of the Remuneration Control Committee do not receive remuneration for their work on the Remuneration Control Committee.
- Each Supervisory Board member receives an attendance allowance of EUR 200 to attend a meeting of the Supervisory Board or one of its committees.
- In addition, Supervisory Board members are reimbursed for expenses incurred in connection with their duties as Supervisory Board members (e.g. travel costs, individual bank-related training, etc.).

Employee representatives on the Supervisory Board who are employed by LBBW also receive their employee remuneration.

The remuneration of Supervisory Board members who are not part of the Supervisory Board for a complete financial year is paid pro rata for their term in office.

Remuneration 2025

For the 2025 financial year, a total of EUR 1.05 million in remuneration and EUR 0.06 million in attendance fees were paid to the members of the Supervisory Board.

Other information

There is also financial loss liability insurance for members of the Supervisory Board (D&O). The deductible is 10% of the loss up to a maximum of 1.5 times the fixed annual remuneration.

4.4 Employees and senior managers

Responsibility

Decisions regarding the remuneration system are made by the entire Board of Managing Directors. The remuneration officer and the control units together with the Staff Council within the framework of its co-determination rights are involved here. It is the duty of the responsible managers to make decisions regarding the setting of the individual remuneration payable and the target achievement in performance management for non-pay-scale employees.

The model for variable performance-based remuneration for employees and senior managers will continue to adhere to a conservative bonus policy.

Identification of risk takers

Risk takers are defined as employees who, by virtue of their activities, have a material impact on the bank's overall risk profile. On the other hand, at LBBW, non-risk takers are considered all employees who do not fit the criteria of risk takers. A distinction is made between employees who are covered by collective agreements and those who are not covered (non-pay-scale employees).

Risk takers at LBBW are identified in the course of a comprehensive risk analysis documented in writing on the basis of sections 1(21) and 25a(5b) sentence 1 KWG and the further selection criteria applicable to significant institutions under Commission Delegated Regulation (EU) No 2021/923 of 25 March 2021. Furthermore, LBBW determines every year whether additional criteria specific to the institutions must be used to identify all risk taker functions. LBBW's Human Resources division, which is responsible for the operational performance of the risk analysis, involves a wide range of experts from throughout the bank, but above all from the control units, in gathering and validating data when it performs the risk analysis.

In accordance with section 27(2) InstitutsVergV, a risk analysis is also performed to determine whether a company belonging to the group has any employees with a significant impact on the overall risk profile. This takes place independently of any risk taker selections by subsidiaries at some Group companies on the basis of provisions specific to their industry.

Due to LBBW's size, business activities, complexity and the risk content of its business activities, there are senior managers and non-pay-scale employees at LBBW (Bank) who are risk takers in addition to the members of the Board of Managing Directors and the Supervisory Board.

In February 2025, 375 risk taker functions in total were finally determined for the 2025 financial year by way of a resolution of the Board of Managing Directors in consultation with the Remuneration Control Committee and the Supervisory Board. This figure includes the seven members of the LBBW Board of Managing Directors, 21 members of the Supervisory Board and 17 managing directors of subsidiaries as well as 330 other risk takers who were identified in various selection steps. As part of the updates during the year, the number changes slightly as the year progresses. The risk takers identified by this analysis were informed of their status in writing.

In addition to the members of the Board of Managing Directors in their capacity as managing directors and the Supervisory Board, all members of the Board of Managing Directors of BW-Bank (AidA), all directors and regional board members and all division heads are classified as risk takers. In addition, selected department and group heads as well as subject-matter experts in the Board of Managing Directors' areas of responsibility were identified as risk-takers. In addition, the managing directors and a small number of employees of individual subsidiaries were identified as risk-takers.

Regardless of the harmonized remuneration model for all employees and senior managers at LBBW (Bank) (risk takers and non-risk takers), the requirements for risk takers described in the InstitutsVergV regarding the sustainability of the remuneration apply when granting variable remuneration to risk takers in excess of the relevant deferral threshold.

Principles of the remuneration system

In the event of above-average performance, senior managers and non-pay-scale employees may receive variable performance-based remuneration provided that the Board of Managing Directors has passed a decision providing for a corresponding budget for variable remuneration.

Due to the commitment to pay a 14th monthly salary installment, no performance-based variable remuneration was paid to employees covered by a collective agreement.
In order to still reward outstanding individual performance on a case-by-case basis and as promptly as possible, LBBW sets aside an additional budget for impromptu awards for all employees.

The remuneration parameters that determine variable remuneration are aligned toward achieving the targets derived from the Bank's strategy on a sustained basis and support it in reaching its strategic company targets. It is tied to compulsory performance management and thus to the achievement of personal goals. The responsible manager assesses the individual employee's performance by evaluating the individual targets set at the start of the measurement period. The actual performance and the assessment of this performance are discussed and calibrated by the managers on the basis of a structured discussion, known as the panel.

The findings of this panel form the basis for distributing the variable performance-based remuneration. The amount of the variable performance-based remuneration is determined by the managers on this basis within the scope of the allocated budget.

If the variable remuneration of a risk taker exceeds the deferral threshold of EUR 50,000 or a third of total remuneration, 60% (for AidA (legally dependent institution) Board members, divisional Board members, division heads and employees with particularly high remuneration) or 40% (for department and group heads as well as non-pay-scale employees) is deferred over a period of five or four years and paid out on pro rata temporis (known as deferrals); in the event of any negative performance contributions, the deferred amount is reduced or forfeited (malus) or leads to a clawback.

60% or 50% of the deferred proportion of the variable remuneration granted is subject to a blocking period of one year and is geared toward sustained performance (i.e. it is subject to an appreciation right). LBBW's sustained performance is measured by the change in the adjusted aggregate risk cover, taking account of the risk situation (risk cover). To this end, the aggregate risk cover performance in each respective payout year is determined in a comparison with the base year (awarding of variable performance-based remuneration). The current risk situation is assessed based on the risk evaluation in the overall risk report.

Of the non-deferred proportion of the determined variable remuneration, 40% or 50% is paid directly. The remaining 60% or 50% of the non-deferred proportion of the variable remuneration is subject to a blocking period of one year and during this period is also aligned to the sustained performance of the bank in this period.

At the end of the deferral period, a review is conducted to determine if there are negative performance contributions on the basis of the criteria defined in the risk taker payout model. The malus/clawback review is performed using back testing at a Group level, at the level of the organizational unit and at an individual level and also on the basis of a review of personal knock-outs: In line with the regulatory requirements set out in the FAQs on BaFin's Institutional Remuneration Regulation published in June 2024, the necessary amendments to LBBW's malus and clawback criteria were implemented with effect from 1 January 2025.

The set of criteria comprises three components:

1. General valuation principles: When ascertaining as to whether a negative profit contribution exists, the following general valuation principles must be included in the assessment:

- Conduct and decisions within the business judgment rule aimed at legitimate business risk and planned realization of losses, e.g. for risk reduction, are explicitly exempted from this rule
- Period-based principle: period-based means that failures are only relevant for the determination or correction of the variable remuneration to whose assessment period they are attributable
- Degree of fault, i.e. elements of fault must be taken into account accordingly (intent, gross negligence, simple negligence and manipulative behavior) – "principle of responsibility"

- Meaning of the duty breached
- Decisiveness: Weight of the contribution to the respective causation (e.g. direct realization, participation in the realization, breach of a monitoring or organizational duty) and consideration of the actual proximity of the risk carrier (competence or decision-making power). Relevance requires intent, willful misconduct, gross negligence or deliberately manipulative behavior.
- Amount of the respective loss (including in relation to the respective total remuneration)
- Scope of reputational damage
- Previous conduct (in particular, previous breaches of duty)
- Permanence of the breach of duty (duration and repetition of breaches of duty)
- Any other sanctions (extraordinary termination, supervisory sanctions)
- Compensation payments
- Business interests of LBBW

2. Malus test - “backtesting” on 3 levels
The following figure highlights the criteria for backtesting on three levels (not exhaustive).

	Criteria for negative performance contributions (malus – backtesting on 3 levels)		Impact
“Backtesting” at three levels	**Group**	• Significant restatement of consolidated balance sheet in the period under review • Findings or observations by the supervisory authority and/or the auditor of the annual financial statements in relation to the consolidated balance sheet	**Reduction of the deferred portion (1) (if necessary, down to zero)**
	Organizational Unit (OU)	• Significant correction of relevant risk assessments relating to area-specific transactions (matters with a negative impact on earnings > EUR 1 million); • Failure to achieve OU targets, including retroactive legal challenge- as well as discovery of falsification and/or manipulation; • OU-related findings or observations by the supervisory body authority and/or the auditor of the annual financial statements and/or Internal Audit and/or Compliance, for example in relation to the processes and documents and/or audit and control activities for which the OU is responsible,	
	Individual	• Requirement of a target correction due to demonstrably falsified and/or manipulated documents and records submitted at the time • Requirement of a target correction due to subsequent findings by external and/or internal auditors (such as the auditor of the annual financial statements, internal audit)	

(1) These include the portion with the right to increase in value and the cash deferral, which are due for payment in the year of the malus test.

3. Malus test – individual “knock-outs” (clawback)
The following figure shows the criteria for individual knock-outs (not exhaustive).

	Criteria for negative performance contributions (individual ‘knock-outs’ – clawback)	Impact
Individual knock-outs	Significant involvement in, or responsibility for, conduct that has resulted in **substantial losses** for LBBW. Non-exhaustive case studies for a **substantial loss, the following should be mentioned:** • Based on LBBW’s own funds, the conduct has led to a loss that reached an extent, which is expected to trigger the obligation to issue an Ad-hoc notification pursuant to Art. 17 Market Abuse Regulation (MAR) in the case of issuers pursuant to Art. 3 (1) No. 21 Market Abuse Regulation (MAR) within the meaning of Article 3(1)(21) of the Market Abuse Regulation (MAR) • The conduct in question has led to a loss that corresponds to at least 1.0% of the equity capital actually held by LBBW and the person has made a significant contribution to at least one exposure to which an unexpected loss of at least 1% of equity capital is attributable through at least gross negligence (e.g. by deviating from MaRisk rule processes); if the sum of the expected (and unexpected) loss is at least 5.0% of the regulatory equity capital actually held, this is significant in any case – even without the attribution of fault. Definitive involvement in (or responsibility for) conduct that resulted in a significant regulatory sanction or an extensive supervisory measure. The following are non-exhaustive examples of significant supervisory measures or extensive significant regulatory sanctions: • Moratorium within the meaning of Section 46a German Banking Act (KWG) • Measure in case of a hazard within the meaning of Section 46 German Banking Act (KWG) • Reasons for dismissal within the meaning of Section 36 German Banking Act (KWG) • Fine within the meaning of Section 56 German Banking Act (KWG) or penalty payment imposed if the total of both equals (or exceeds) 1.0% of the equity capital actually held by LBBW • Cancellation of permission within the meaning of Section 35 German Banking Act (KWG) • Measure in the event of organizational deficiencies within the meaning of Section 45b German Banking Act (KWG) A breach of relevant external or internal regulations in relation to suitability and conduct to a serious extent. The following are non-exhaustive examples of breaches of relevant external or internal regulations: • Immoral or grossly unethical behavior • Serious violations of compliance regulations/Code of Conduct (this shall also include criminal offenses and conduct that damages the company's reputation) – Criminal acts pertaining to fraud prevention, money laundering, financial sanctions and embargoes – Criminal acts relating to market abuse, market manipulation and insider knowledge • Serious breaches of regulatory provisions relevant to the underlying activity – Conducting prohibited transactions in accordance with Section 3 German Banking Act (KWG) – Breach of the requirements for large exposures pursuant to Section 13 German Banking Act (KWG) – Breach of the obligation to disclose financial circumstances pursuant to Section 18 German Banking Act (KWG) • Comparably serious instances of misconduct that meet the requirements for extraordinary dismissal for conduct-related reasons.	**Immediate forfeiture of the deferred portion (1) and clawback of the proportional amounts already paid out**

(1) These include the portion with the right to increase in value and the cash deferral, which are due for payment in the year of the malus test.

Prior to payment, a check is performed to ensure the additional conditions have been complied with:

- positive overall performance of the Group;
- nothing jeopardizing adequate equity backing;
- sufficient liquidity of the bank; and
- fulfillment of the combined capital buffer requirements.

The remuneration components from previous years deferred for payment in 2025 were reviewed for malus criteria. No malus circumstances were identified in 2025. There were also no clawback scenarios.

5 Remuneration systems of subsidiaries

5.1 Relevant subsidiaries in accordance with Section 27 InstitutsVergV

Within the framework of the presentation of the remuneration systems of the relevant subsidiaries, the following companies are considered in accordance with section 27 of InstitutsVergV:

- Berlin Hyp AG (until 31 July 2025)
- LBBW Asset Management Investmentgesellschaft mbH
- LBBW Immobilien Group
- MMV Bank GmbH
- SüdLeasing GmbH
- SüdFactoring GmbH
- Süd Beteiligungen GmbH
- LBBW Venture Capital GmbH
- LBBW Service GmbH
- LBBW México
- LBBW Corporate Real Estate Management GmbH
- ALVG Anlagenvermietung GmbH

The basic principles below apply to them within the scope of the Group's remuneration strategy:

- Relevant regulatory requirements are implemented and monitored for remuneration systems for subordinate/relevant subsidiaries.
- The business and risk approach taken by the LBBW Group is also reflected in the design of the remuneration systems of the subsidiaries. They implement the strategic requirements in line with the quantitative and qualitative risk tolerance specifications on the basis of the Group risk strategy.
- The level of fixed remuneration ensures that employees are not significantly dependent on the variable remuneration component.
- Performance-based variable remuneration rewards sustained performance of the company and the employee's above-average contribution to performance. There is no correlation between the returns from risk taking and the variable remuneration that can be earned.
- The total amount of variable remuneration is determined using a formal, transparent and readily understandable process.
- A key element for the provision of a bonus budget is an appropriate income, equity and liquidity situation at the company, but also at the LBBW Group. If LBBW is in a preliminary stage of restructuring, variable remuneration at the subsidiaries can be reduced (down to zero); in the event of restructuring, no bonuses are paid at the subsidiaries.

Some subsidiaries of LBBW are themselves (CRR) institutions or investment companies and must therefore satisfy specific requirements for their remuneration systems independently of the Group context.

In addition to LBBW itself, Berlin Hyp AG was also a significant institution within the meaning of section 1(3) InstitutsVergV until 31 July 2025. LBBW has decided to consolidate the commercial real estate financing business of LBBW and Berlin Hyp AG within the parent company, LBBW, into a Commercial Real Estate (CRE) center of expertise in the form of a dependent public-law institution operating under the Berlin Hyp brand (known as an “institution within an institution” (Anstalt in der Anstalt – AidA)). As a result, the entire commercial real estate business, including international operations, will be consolidated and managed under the Berlin Hyp brand within the AidA. The demerger, and with it the transfer of operations, took legal effect on 1 August 2025.

For the 2025 financial year, Berlin Hyp AG’s fixed and variable remuneration arrangements will, in principle, remain unchanged to ensure a smooth transition for the employees transferring to the AidA. From the 2026 financial year onwards, LBBW’s fixed and variable remuneration arrangements will apply.

5.2 Description of the remuneration systems

As at LBBW (Bank), the total remuneration of employees at subsidiaries usually consists of a fixed component, an additional variable component, if applicable, and other salary-related payments and benefits.

Fixed remuneration

Fixed remuneration at subsidiaries is essentially based on the value of the position or function exercised in accordance with the applicable collective agreements or, for positions not covered by such agreements, the criteria of a performance, success and market-based remuneration system and market conditions and personal performance.

As a rule, all employees receive 12 monthly salary installments as fixed remuneration. In addition to the 12 monthly salary installments, employees with fixed remuneration under collective bargaining agreements usually receive a collectively agreed special payment and a voluntary company bonus (14th monthly salary installment).

Variable remuneration

Variable performance-based remuneration

In addition to fixed remuneration, the subsidiaries generally grant variable performance-based remuneration, the amount of which is dependent in particular on the company's performance and the individual performance contribution.

A key element for the provision of variable remuneration is meeting additional conditions in accordance with Section 7 InstitutsVergV in the context of the LBBW Group. The income, equity and liquidity situation of the company and of the LBBW Group will thus be taken into account.

The individual performance contribution is usually determined based on a structured performance management process based on standardized performance criteria and additional individual targets. Performance criteria and targets for employees are therefore different from those of control units if the business model requires a distinction.

In divergence from this, all employees of LBBW México, except for the managing director, who were employed in the underlying financial year, are entitled to participate in the profits on account of local legal regulations (PTU). The local legislation takes precedence over the German InstitutsVergV. Granting variable performance-based remuneration as part of the participation in profits requires sustained economic success at LBBW México. This is granted to employees based on the applicable regulations of the Participacion de los Trabajadores en las Utilidades (PTU - Taxes and Employees Statutory Profit Sharing) and the statutory allocation keys. Additional separate variable remuneration for the employees and also the variable performance-based remuneration of the managing director is calculated using the model described at the beginning.

The managing directors of LBBW Asset Management Investmentgesellschaft mbH, LBBW Immobilien Management GmbH, MMV Bank GmbH, SüdFactoring GmbH and SüdLeasing GmbH are risk takers in the context of the LBBW Group. The performance assessment, determination and payment of variable performance-based remuneration is based on LBBW's risk-taker remuneration model. In divergence from this, the payment of the shares with stock appreciation rights is based on the performance of a co-investment in one or more "typical" funds of LBBW Asset Management Investmentgesellschaft mbH. The members of the Board of Managing Directors of Berlin Hyp AG are also risk takers in the context of the LBBW Group. The remuneration model for members of the Board of Managing Directors of Berlin Hyp AG applies to the performance assessment, determination and payment of variable performance-based remuneration for the year 2025.

Furthermore, as a significant institution in accordance with section 25a(5b) KWG, Berlin Hyp identifies other employees whose work has a significant influence on the risk profile of the institute (risk takers). A deferred disbursement method applies to the target bonuses of risk takers of more than EUR 50,000 or more than a third of total remuneration . For members of the Board and risk takers of the second management level, 40% of the established target bonus is granted immediately ("immediate bonus"). The remaining 60% ("retention bonus") is retained over a period of five years ("retention period"). For risk takers below the second management level, 60% of the established target

bonus is granted immediately (“immediate bonus”). The remaining 40% (“retention bonus”) is retained over a period of four years (“retention period”). 50% of the variable remuneration is granted in cash and 50% in what are referred to as sustainable instruments with an additional holding period of one year. Additional conditions of payment are reviewed at the final payment (malus). From the 2026 financial year onwards, the risk analysis for identifying risk-takers will also be carried out in accordance with LBBW’s methodology.

Using its own sector-specific regulations, LBBW Asset Management Investmentgesellschaft mbH also identifies other employees itself who have a significant influence on the risk profile of LBBW Asset Management Investmentgesellschaft mbH or individual funds (risk takers) and to whom specific industry remuneration provisions therefore apply. 40% of the variable remuneration is paid to risk takers at LBBW Asset Management Investmentgesellschaft mbH over a period of three years. Thus, 50% of the total variable remuneration is granted in the form of a virtual co-investment in one or more “typical” funds of LBBW Asset Management Investmentgesellschaft mbH and paid subject to an additional holding period of one year. Additional conditions of payment are reviewed at the final payment (malus).

Following the enactment of the Risikoreduzierungsgesetz (German Risk Reduction Act) and the embedding of corresponding duties in the German Banking Act, it is also now necessary for non-significant institutions to identify their own risk taker functions. Within LBBW’s scope of consolidation, this applies to those subsidiaries that are institutions in their own right: MMV Bank GmbH, SüdLeasing GmbH, SüdFactoring GmbH and ALVG Anlagenvermietung GmbH. An appropriate selection was made on the basis of sections 1(21) and 25a(5b) KWG (MMV Bank GmbH only).
A particular consideration here is that the special requirements for the deferral of variable remuneration components do not apply at non-significant institutions or only apply to risk takers who are also identified as risk takers in the context of the LBBW Group.

Number of risk takers in the 2025 financial year	MMV Bank GmbH	SüdLeasing GmbH	SüdFactoring GmbH	ALVG Anlagenvermietung GmbH	LBBW Asset Management Investmentgesellschaft mbH
Identified by the company during its own selection	17	7	7	5	15
of which: simultaneously (Group) Risk Takers at LBBW	6	7	7	3	4

The risk-takers of the individual companies may be the same individuals.

Impromptu awards

In order to reward outstanding individual performance on a case-by-case basis and as promptly as possible, most subsidiaries also set aside a budget for impromptu awards for all employees with the exception of risk-takers in addition to the variable performance-based remuneration.

Benefits

Benefits are remuneration-related benefits that are offered by the subsidiaries to their employees largely on a voluntary basis, i.e. not as a result of statutory entitlements, or that extend beyond the statutory minimum. The benefits and offerings are usually based on those of LBBW (Bank).

6 Remuneration figures

6.1 Methodology

The numerical part of the remuneration report sets out the remuneration paid to employees in the LBBW Group in 2024.

This section includes the quantitative information on total remuneration at the LBBW Group required under section 16 InstitutsVergV and the additional disclosures on remuneration for risk takers pursuant to Article 450 of Regulation (EU) No 575/2013 (CRR) in the LBBW Group as of 31 December 2025.

For the presentation of the total remuneration of all Supervisory Board members, Board of Managing Directors members, managing directors and employees in the LBBW Group in 6.2 and all risk takers in the LBBW Group in 6.3/Table REM 5, the figures are broken down by division, where organizational units and subsidiaries of LBBW have been assigned in accordance with Article 317 CRR. Managing directors of subsidiaries are also assigned to the relevant division.

Employees who were assigned to multiple units in the 2025 financial year as a result of internal turnover are allocated to the category in which they were working as of 31 December 2025. Employees who were on leave as of the reporting date are assigned to the category in which they last worked.

The remuneration data refers to the 2025 financial year. They thus include the fixed remuneration as well as the variable remuneration granted for the 2025 financial year. Variable remuneration also includes the severance paid out in 2025. The remuneration data was assigned to the “fixed” and “variable remuneration” categories as defined by the InstitutsVergV.

In addition to wages and salaries, fixed remuneration also includes other fixed remuneration components as well as benefits in kind and third party services, e.g. company pension schemes, social security contributions or company cars. Variable remuneration also includes variable remuneration components such as bonuses, benefits in kind and third party services.

6.2 Total remuneration of LBBW Group

Total remuneration of all members of the Supervisory Board at LBBW (Bank), members of the Board of Managing Directors, managing directors and employees at the LBBW Group (section 16 InstitutsVergV)

The total remuneration paid to 11,957 members of the Supervisory Board[1], the Managing Board, managing directors and employees[2] came to EUR 1,312.4 million in the 2025 financial year. The number of beneficiaries of variable remuneration[3] in the 2025 financial year was 10,746.

Broken down by remuneration component, the following picture results:

Remuneration in TEUR[4]	Supervisory Board[5]	Board of Managing Directors[6]	Business areas							
			Investment Banking[7]	Retail Banking[8]	Asset Management[9]	Corporate functions[10]	Independent control-functions[11]	All others[12]	**Total 2025**	Share of Total remuneration
Number of persons (headcount)	21	7								
Number of persons (in FTEs)			888	6,180	293	2,086	452	0	9,899	
Total remuneration	**1,104**	**14,142**	**128,535**	**780,790**	**39,169**	**259,261**	**60,104**	**29,306**	**1,312,411**	
of which: variable remuneration[13]	*0*	*5,322*[14]	*12,117*	*73,058*	*3,597*	*19,099*	*4,215*	*608*	*118,017*	*9,0%*
of which: fixed remuneration	*1,104*	*8,820*	*116,419*	*707,732*	*35,572*	*240,162*	*55,889*	*28,698*	*1,194,394*	*91.0%*
Number of people with total remuneration (beneficiary headcount)	**21**	**8**	**987**	**7,170**	**332**	**2,399**	**505**	**535**	**11,957**	

Fixed remuneration accounts for the greatest proportion of total remuneration by far.

All remuneration components at LBBW are paid in cash. A distinction should be made here between cash payments made immediately and cash remuneration that has been frozen or deferred in equity-related instruments.

As the disclosure of high-income employees at LBBW (Group) exclusively relates to risk takers, please refer to the table “Risk takers with total remuneration > EUR 1 million in the LBBW Group” in section 6.3 of this remuneration report.

[1] Supervisory Board of LBBW (Bank)
[2] including all employees in the passive phase of partial retirement
[3] Accounting for beneficiaries of variable remuneration in the 2025 financial year, including severance payments paid in the financial year.
[4] Differences due to rounding effects
[5] Supervisory Board of LBBW (Bank)
[6] Board of Managing Directors of LBBW (Bank)
[7] Financial markets and the associated back office units as well as Research
[8] Sales to private customers and private wealth management, savings banks and retail and corporate customers, real estate business, leasing, factoring and the associated back office and sales support units. The following entities are also included in this category: MMV Bank GmbH, SüdLeasing GmbH, SüdFactoring GmbH, ALVG Anlagenvermietung GmbH, LBBW México S.A. de C.V. SOFOM E.N.R. (LBBW México), Süd Beteiligungen GmbH, LBBW Venture Capital GmbH and the LBBW Immobilien Group[8].
[9] All business activities and the back office units of the subsidiary LBBW Asset Management Investmentgesellschaft mbH.
[10] All business activities, primarily central service units, that are not allocated to the operational business units or the independent control functions as defined by the EBA, for example Finance, Treasury and Human Resources. This also includes the subsidiaries LBBW Service GmbH and LBBW Corporate Real Estate Management GmbH.
[11] Independent control functions as defined by the EBA: Risk Control, Group Audit, Group Compliance and COO Risk Management.
[12] Employees who were inactive throughout the year (those on leave for example) with remuneration components from 2025
[13] Variable remuneration granted for the 2025 financial year, including severance paid in the 2025 financial year and guaranteed variable remuneration granted for the 2025 financial year.
[14] The reported variable remuneration includes a severance payment of TEUR 2,260.

6.3 Remuneration of risk takers at the LBBW Group (Supervisory Board, Board of Managing Directors, managing directors of subsidiaries and employees)

The remuneration of risk takers of the LBBW Group granted by LBBW for the 2025 financial year is disclosed below on the basis of the prescribed templates REM 1 to REM 5 based on Article 450 of Regulation (EU) No 575/2013 (CRR):

Remuneration granted to risk takers of the LBBW Group for the financial year by type of remuneration (REM 1)

Key figures in EUR thousand[1]		Supervisory Board[2]	Board of Managing Directors[3]	Other members of management[4]	Other risk takers
Fixed remuneration					
	Number of persons identified (beneficiaries)	21	8	85	329
	Total fixed remuneration	1,104	8,820	31,299	68,294
	of which: monetary remuneration[5]	1,104	6,076	26,705	57,510
	of which: shares or equivalent investments	0	0	0	0
	of which: instruments linked to shares or equivalent non-cash instruments	0	0	0	0
	of which: other instruments	0	0	0	0
	of which: other items[6]	0	2,743	4,594	10,785
Variable remuneration[7]					
	Number of persons identified	0	8	85	325
	Total variable remuneration	0	5,322[8]	12,826	19,510
	of which: monetary remuneration[5]	0	3,485	6,187	13,686
	of which: retained	*0*	*735*	*2,773*	*2,410*
	of which: shares or equivalent investments	0	0	0	0
	of which: retained	*0*	*0*	*0*	*0*
	of which: instruments linked to shares or equivalent non-cash instruments	0	0	0	0
	of which: retained	*0*	*0*	*0*	*0*
	of which: other instruments	0	1,837	6,589	5,814
	of which: retained	*0*	*1,102*	*3,993*	*2,523*
	of which: other items[6]	0	0	49	9
	of which: retained	*0*	*0*	*0*	*0*
Total		**1,104**	**14,142**	**44,124**	**87,804**

The deferral scheme was not used for 241 of the risk takers identified for the 2025 financial year in total as their variable remuneration was below the deferral threshold of currently EUR 50,000 or a third of total remuneration or an exception applied (e.g. due to a bonus guarantee in conjunction with the commencement of an employment relationship). Combined, they received total remuneration of EUR 49.9 million for the reporting year (EUR 7.0 million of which as variable remuneration).

[1] Differences due to rounding effects
[2] Supervisory Board of LBBW (Bank)
[3] Board of Managing Directors of LBBW (Bank)
[4] Senior management of LBBW (Bank) and members of boards of managing directors/managing directors of subsidiaries
[5] Remuneration components granted in cash are reported under "monetary remuneration"
[6] Non-cash remuneration, such as non-cash benefits, company pensions, employer's social security contributions, etc., are reported under "other items"
[7] Variable remuneration granted for the 2025 financial year, including severance paid in the 2025 financial year and guaranteed variable remuneration granted for the 2025 financial year.
[8] The reported variable remuneration includes a severance payment of TEUR 2,260.

Guaranteed variable remuneration and severance of risk takers of the LBBW Group (REM 2)

Key figures in EUR thousand[1]	Supervisory Board[2]	Board of Managing Directors[3]	Other members of the management[4]	Other risk takers
Guaranteed variable remuneration – total amount				
Guaranteed variable remuneration granted – Number of persons identified (beneficiaries)	0	0	7	6
Guaranteed variable remuneration granted – total amount	0	0	542	187
of which: guaranteed variable remuneration paid in the financial year that does not count towards the cap on bonus payments	0	0	542	187
Severance pay granted in previous periods that was paid out in the financial year				
Severance pay granted in previous periods paid out in the financial year – Number of persons identified (beneficiaries)	0	0	2	0
Severance pay granted in previous periods paid out in the financial year – Total amount	0	0	1,069	0
Severance pay granted in the financial year				
Severance pay granted in the financial year – Number of persons identified (beneficiaries)	0	1	0	2
Severance pay granted in the financial year – Total amount	0	2,260	0	1,696
of which: paid in the financial year	0	2,260	0	1,696
of which: retained	0	0	0	0
of which: severance pay paid in the financial year that does not count towards the cap on bonus payments	0	2,260	0	1,696
of which: maximum severance pay granted to a single person	0	2,260	0	716

[1] Differences due to rounding effects
[2] Supervisory Board of LBBW (Bank)
[3] Board of Managing Directors of LBBW (Bank)
[4] Senior management of LBBW (Bank) and members of boards of managing directors/managing directors of subsidiaries

Retained remuneration of risk takers of the LBBW Group (REM 3)

Key figures in EUR thousand[1]	Total amount of deferred remuneration granted for previous performance periods	of which: to be received in the financial year	of which: to be received in subsequent financial years	Amount of performance adjustments made to remuneration retained in the financial year to be received in the financial year	Amount of performance adjustments made to remuneration retained in the financial year to be received in future annual performance periods	Total amount of adjustments in the financial year due to subsequent implicit adjustments	Total amount of retained remuneration granted before the financial year actually paid in the financial year	Total amount of remuneration granted and retained for previous performance periods earned but subject to vesting periods
Supervisory Board[2]								
Monetary remuneration[5]	0	0	0	0	0	0	0	0
Shares or equivalent investments	0	0	0	0	0	0	0	0
Instruments linked to shares or equivalent non-cash instruments	0	0	0	0	0	0	0	0
Other instruments	0	0	0	0	0	0	0	0
Other items[6]	0	0	0	0	0	0	0	0
Board of Managing Directors[3]								
Monetary remuneration[5]	3,381	754	2,627	0	0	0	754	0
Shares or equivalent investments	0	0	0	0	0	0	0	0
Instruments linked to shares or equivalent non-cash instruments	0	0	0	0	0	0	0	0
Other instruments	6,059	987	5,071	0	0	103	1,091	1,131
Other items[6]	0	0	0	0	0	0	0	0
Other members of management[4]								
Monetary remuneration[5]	7,981	1,718	6,263	0	0	0	1,718	0
Shares or equivalent investments	0	0	0	0	0	0	0	0
Instruments linked to shares or equivalent non-cash instruments	0	0	0	0	0	0	0	0
Other instruments	12,641	1,829	10,812	0	0	153	1,981	2,271
Other items[6]	0	0	0	0	0	0	0	0
Other risk takers								
Monetary remuneration[5]	7,880	1,918	5,961	0	0	0	1,918	0
Shares or equivalent investments	0	0	0	0	0	0	0	0
Instruments linked to shares or equivalent non-cash instruments	0	0	0	0	0	0	0	0
Other instruments	10,491	1,787	8,703	0	0	139	1,927	2,128
Other items[6]	0	0	0	0	0	0	0	0
Total amount	**48,432**	**8,995**	**39,438**	**0**	**0**	**395**	**9,390**	**5,530**

[1] Differences due to rounding effects
[2] Supervisory Board of LBBW (Bank)
[3] Board of Managing Directors of LBBW (Bank)
[4] Senior management of LBBW (Bank) and members of boards of managing directors/managing directors of subsidiaries
[5] Remuneration components granted in cash are reported under “monetary remuneration”
[6] Non-cash remuneration, such as non-cash benefits, company pensions, employer’s social security contributions, etc., are reported under “other items”

Risk takers with total remuneration > EUR 1 million in the LBBW Group (REM 4)

Key figures in EUR thousand	Number of persons
Total remuneration	
1,000 — 1,499	4
1,500 — 1,999	2
2,000 — 2,499	0
2,500 — 2,999	1
3,000 — 3,499[1]	1
Total	**8**

Total remuneration of all risk takers of the LBBW Group (REM 5)

				Business areas						
Remuneration in TEUR[2]	Supervisory Board[3]	Board of Managing Directors[4]	Management body in total	Investment Banking	Retail Banking	Asset Management	Corporate functions	Independent control functions	All Others	Total 2025
Total number of persons identified (beneficiaries)										**444**
of which: members of the management body	**21**	**8**	**29**							
of which: other members of management				**9**	**58**	**3**	**10**	**3**	**0**	
of which: other employees identified				**81**	**167**	**10**	**56**	**16**	**0**	
Total remuneration of persons identified	**1,104**	**14,142**	**15,246**	**24,374**	**80,163**	**4,209**	**17,724**	**5,458**	**0**	***147,174***
of which: variable remuneration[5]	***0***	***5,322***	***5,322***	***5,655***	***21,325***	***782***	***3,567***	***1,007***	***0***	***37,658***
of which: fixed remuneration	***1,104***	***8,820***	***9,923***	***18,720***	***58,839***	***3,427***	***14,156***	***4,451***	***0***	***109,517***

1 This category refers to total remuneration and includes severance pay
[2] Differences due to rounding effects
[3] Supervisory Board of LBBW (Bank)
[4] Board of Managing Directors of LBBW (Bank)
[5] Variable remuneration granted for the 2025 financial year, including severance paid in the 2025 financial year and guaranteed variable remuneration granted for the 2025 financial year.

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