

REMUNERATION  
REPORT  
2021



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# HIGHLIGHTS

## 2021 IN NUMBERS

**€ 480 million**

Net profit

**16.1%**

Return on tangible common equity

**39.5%**

Cost-income ratio

**15.0%**

CET1 ratio

**€ 460 million**

Dividend paid

**€ 267 million**

Dividend accrued for distribution in 2022

**1.4%**

NPL ratio

**23 basis points**

Risk-cost-ratio

## CONTINUED EXECUTION OF OUR STRATEGY

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### GROWTH IN CORE MARKETS FOCUSED ON SERVING OUR CUSTOMERS

- ▶ Strong organic growth: +9% average customer loan growth across businesses
- ▶ Completed the acquisition of Hello bank! Austria, substantially increasing our retail brokerage market position and capabilities
- ▶ Growing in the United States: Signed a deal to acquire Peak Bancorp (Idaho community bank) in February 2022 providing US banking platform

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### EFFICIENCY THROUGH OPERATIONAL EXCELLENCE

- ▶ Launched several initiatives over the past two years which have allowed us to counter significant inflationary pressures and target net cost-out
- ▶ Simplifying our business through a continuous improvement mindset, technology investments, and organizational design
- ▶ Building an efficient and scalable banking platform

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### MAINTAIN A SAFE AND SECURE RISK PROFILE

- ▶ Resilient business model across all cycles with consistently strong earnings & capital generation (+230 basis points in 2021)
- ▶ Solid asset quality, funding and capitalization:  
NPL ratio 1.4% (1.0% excluding City of Linz), € 35 billion customer deposits, and conservative CET1 target of 12.25%
- ▶ Increased focus on secured and public sector lending: ~80% of customer assets

## NEW TARGETS & 4-YEAR PLAN THROUGH 2025

<b>Return targets</b>	RoTCE	<b>&gt; 17%</b>
	CIR	<b>&lt; 38%</b>
<b>Financial targets 2025</b>	Profit before tax	<b>&gt; € 750 million</b>
	Earnings per share	<b>&gt; € 7.25</b>
	Dividend per share	<b>&gt; € 4.00</b>
<b>ESG targets 2025</b>	CO2 emission (scope 1&2)	<b>&gt; 50% reduction vs. 2020</b>
	Women quota	<b>33%</b>
	Green lending new business	<b>&gt; € 1.6 billion</b>

# INTRODUCTION

At the annual general meeting 2020, the shareholders of BAWAG Group AG ("**BAWAG Group**") approved the remuneration policy (the "**Remuneration Policy**") for members of the management board of BAWAG Group (each, a "**Management Board Member**") and for members of the supervisory board of BAWAG Group (each, a "**Supervisory Board Member**"). In accordance with the requirements of the Austrian Stock Corporation Act (Aktiengesetz – "**AktG**") BAWAG Group presents with this report a detailed and comprehensive overview of the remuneration of current and former Management Board and Supervisory Board Members with respect to the financial year 2021 (the "**Remuneration Report**"). BAWAG Group and its direct and indirect subsidiaries form the BAWAG group. The BAWAG group operates in a highly regulated environment and is under direct supervision of the European Central Bank (ECB).

2021 was an incredible year for the Group. We delivered record net profit of € 480 million, EPS of € 5.39, a return on tangible common equity (RoTCE) of 16.1% and a cost-income ratio (CIR) of 39.5%. A special thanks to our customers for placing their trust in us, our shareholders for their continued support and our team members for their commitment and execution.

As we entered the second year of the pandemic, we knew we had to continue to transform our business. This was not merely a reaction to the pandemic, but a result of changing customer behaviors and expectations of our stakeholders over the years. Our business transformation is about maintaining a best-in-class franchise while meeting the challenges of the future. This means a more dynamic engagement with customers, greater adoption of technology, reassessing the traditional job and how we work, building a diverse and inclusive team, and defining how we can play a positive role in addressing societal challenges. Banks, and companies in general, cannot idly sit by or be tone deaf to issues impacting the environment, our personal health, and the wellbeing of our local communities. At BAWAG Group, we take great pride in being good stewards of our shareholders capital, delivering on our financial commitments, and building the banking platform of the future all while being good citizens contributing to the betterment of the communities we serve. Our financial performance and our role as a positive contributor to society are not mutually exclusive.

During the fourth quarter of 2021 and the start of 2022 we have witnessed greater market volatility. This will most likely be a constant as central banks across the globe begin raising interest rates and unwinding their balance sheets to address significant inflationary pressures. No company will be immune from these developments. This is coupled with intensifying geopolitical, climate, and health risks translating to greater volatility, which require us to be more vigilant in how we manage these risks. However, the resilience of our franchise lies in our ability to deliver results across all cycles as we are built for all seasons. The benefits of creating a scalable and efficient banking platform that can deliver positive operating leverage are more evident today than ever. In the past this allowed us to deliver mid-teen returns in a deflationary negative interest rate environment defined by subdued growth and a benign credit environment. We believe this will change course with rising interest rates, significant inflationary headwinds, and the repricing of risk. Going forward we will be able to demonstrate continued positive operating leverage as we see greater revenue growth opportunities while continuing to reduce costs. Our approach is consistent, focus on the things that we can control, be a disciplined lender, maintain a conservative risk appetite, and only pursue profitable growth.

We learned a great deal navigating the pandemic over the past two years and making the necessary changes to our business. The pandemic has made us more resilient, brought us closer to our customers, and provided an added catalyst in accelerating our transformation that has been taking place over the past decade. The past two years have given us all a greater appreciation for all that we are blessed with and we are thankful for the hard work, commitment, and resilience of our employees, serving our customers and demonstrating the best of community focused banking.

## REMUNERATION OF THE MANAGEMENT BOARD

### Remuneration principles for Management Board Members as outlined in the Remuneration Policy

In October 2020 the shareholders of BAWAG Group voted on the Remuneration Policy in accordance with Sections 78b and 98a of the Austrian Stock Corporation Act and approved the Remuneration Policy with a vast majority of votes cast. The Remuneration Policy is available on BAWAG Group's website ([www.bawaggroup.com](http://www.bawaggroup.com)).

The Remuneration Policy is aligned with BAWAG Group's business strategy which is based on three pillars: (i) **growth** in BAWAG Group's core markets focused on serving its customers; (ii) **efficiency** through operational excellence (iii) **maintaining** a safe and secure risk profile. In accordance with this business; we have defined clear, objective, predetermined and transparent criteria for fixed and variable remuneration.

In general, remuneration paid to Management Board Members can be qualified as either fixed or variable remuneration.

### Fixed Remuneration

#### Fixed Salary

The fixed base salary of Management Board Members is non-discretionary and generally paid in monthly installments. It reflects the individual level of professional experience, the specific board function and the responsibilities of the respective Management Board Member.

#### Benefits in kind

Management Board Members may be granted benefits in kind. Benefits in kind may for example include insurance benefits such as private medical insurance, accident/disability insurance, term life insurance or directors' and officers' liability insurance. Management Board Members may be offered to participate in a defined contribution pension plan.

### Variable Remuneration

The variable remuneration is determined based on the individual Management Board Member's success (in quantitative and qualitative terms) as well as on the success of BAWAG Group. In deciding on any variable remuneration awards ("**Bonus**"), the nomination and remuneration committee of BAWAG Group considers, apart from the evaluation of the performance criteria, the market situation and market trends, the appropriateness of the Bonus, the risk trends and the strengthening of the equity base.

BAWAG Group may grant Management Board Members a Bonus based on target achievement. As outlined in the Remuneration Policy, the targets are currently divided into three equally weighted categories:

- ▶ **Group targets** which are tied to the externally communicated targets;
- ▶ **Individual targets** such as results of the respective business unit, specific initiatives and tasks; and
- ▶ **ESG & leadership targets** such as leadership development, succession planning, talent development, strengthening of internal governance and enhancing compliance culture as well as sustainability-related topics across the group.

Any Bonus will be composed of a cash payment and instruments, currently granted in the form of phantom shares. In line with the current regulatory framework, at least 50% of any Bonus is granted in the form of instruments.

In years in which a Bonus is granted to a Management Board Member, generally 60% of the Bonus will be deferred. The deferral period is 5 years. The part of the Bonus which is not subject to deferral currently vests in the year in which the

Bonus is being granted (i.e. year 0). The deferred part of any Bonus then vests in five subsequent annual instalments in equal amounts. Only upon vesting, the respective Management Board Member will become the legal owner of the Bonus subject to, in case of the part paid in instruments, a one-year retention period. The split between cash payment and payment in instruments as well as the deferral periods may be adjusted from time to time always considering and complying with applicable regulatory requirements.

## TOTAL REMUNERATION AWARDED OR OWED IN THE FINANCIAL YEAR

In 2021 the Supervisory Board appointed Guido Jestädt as additional Management Board Member, who took over the role as Chief Administrative Officer as of July 1, 2021. Prior to that, Guido Jestädt was acting as General Counsel, heading BAWAG's General Counsel Office.

Due to this change and given that the Management Board had waived the bonus for 2020, the figures for the financial year 2021 cannot be directly compared to figures for the financial year 2020 as far as the total remuneration of the Management Board is concerned. The relative proportion of fixed and variable remuneration of Guido Jestädt is not shown as this would be misleading. His bonus figure relates to the entire year 2021 while the fixed remuneration relates to a period from July 1, 2021, up to and including December 31, 2021, only.

The fixed base salary is paid to Management Board Members in fourteen installments and covers all work performed by the respective Management Board Member. Management Board Members are not entitled to receive separate remuneration for performing board functions within the BAWAG group. Other remuneration as shown in the table below consists of insurance contributions such as health insurance, disability insurance and term life insurance as well as allowances granted to Management Board Members. In addition, Management Board Members are covered by a directors' and officers' liability insurance. The costs of the directors' and officers' liability insurance are borne by BAWAG group.

The total remuneration per Management Board Member for the financial year 2021 is shown in the following table:

in € thousand	Position 2021	Fixed salaries	Pension	Other	in % of total	Bonus	in % of total	Total
Anas Abuzaakouk	CEO	5,200	780	39	57%	4,500	43%	10,519
Enver Sirucic	CFO, Deputy CEO	3,200	480	39	57%	2,825	43%	6,544
Sat Shah	Retail & SME, Deputy CEO	3,900	585	26	56%	3,500	44%	8,011
Guido Jestädt (since July 1, 2021)	CAO	625 <sup>1</sup>	94	19	n/a	1,200	n/a	1,938
David O'Leary	CRO	3,100	465	1	56%	2,750	44%	6,316
Andrew Wise	CIO, Non-retail lending	3,600	540	1	56%	3,225	44%	7,366
<b>Total of Management Board Members as of 31 December 2021</b>		<b>19,625</b>	<b>2,944</b>	<b>125</b>	<b>56%</b>	<b>18,000</b>	<b>44%</b>	<b>40,694</b>

The total remuneration per Management Board Member for the financial year 2020 is shown in the following table:

in € thousand	Position 2020	Fixed salaries	Pension	Other	Bonus <sup>2</sup>	Total
Anas Abuzaakouk	CEO	3,990	806	494	0	5,290
Enver Sirucic	CFO, Deputy CEO	2,300	345	115	0	2,760
Sat Shah	Retail & SME, Deputy CEO	3,000	606	584	0	4,190
David O'Leary	CRO	2,400	520	370	0	3,290
Andrew Wise	CIO, Non-retail lending	2,880	585	395	0	3,860
<b>Total active Management Board Members</b>		<b>14,570</b>	<b>2,862</b>	<b>1,958</b>	<b>0</b>	<b>19,390</b>
Stefan Barth	former CRO	1,580	236	94	0	1,910
<b>Total of Management Board Members as of 31 December 2020</b>		<b>16,150</b>	<b>3,098</b>	<b>2,052</b>	<b>0</b>	<b>21,300</b>

Since the Management Board Members waived their potential bonuses for the financial year 2020 and 2019, the relative proportion of fixed and variable remuneration is not shown in the table related to the financial year 2020 above.

<sup>1</sup> 1,250 on an annualized basis.

<sup>2</sup> The Management Board Members waived any potential bonuses for the year 2020 and 2019.

## TOTAL REMUNERATION PAID

### Remuneration paid

In the financial years 2020 and 2021 the amounts shown in the table below were paid out to the Management Board Members. The table includes paid out deferred Bonus payments awarded in previous financial years starting with 2017, the year of BAWAG Group's IPO. Deferred Bonus payments are paid out to Management Board Members in accordance with the regulatory framework. As indicated below, the Management Board Members waived their potential bonuses for the financial year 2020 (after having already waived their potential bonuses for the financial year 2019).

There was no Bonus payout in respect of the financial year 2017, as the LTIP 2018-2020 award was granted to Management Board Members in lieu of an annual Bonus based on the individual performance in 2017. The below table includes the number of shares which were delivered to the Management Board Members under the LTIP 2018-2020 in the financial year 2021. 60,497 shares were delivered to a former Management Board Member. Further information on the LTIP 2018-2020 is disclosed under the section "Long-term Incentive Program 2018-2020 - expired" and in the Remuneration Policy.

in € thousand	Anas Abuzaakouk		Enver Sirucic		Sat Shah		Guido Jestädt	David O'Leary		Andrew Wise	
	2020	2021	2020	2021	2020	2021	2021	2020	2021	2020	2021
<b>Fixed remuneration</b>											
Base Salary	3,990	5,200	2,300	3,200	3,000	3,900	625	2,400	3,100	2,880	3,600
Pension	806	780	345	480	606	585	94	520	465	585	540
Other Remuneration	494	39	115	39	584	26	19	370	1	395	1
<b>Variable remuneration</b>											
<i>Cash part</i>											
Financial year 2020	0	0	0	0	0	0	n/a	0	0	0	0
Financial year 2019	0	0	0	0	0	0	n/a	0	0	0	0
Financial year 2018	87	87	81	81	60	60	n/a	84	84	66	66
Financial year 2017	0	0	0	0	0	0	n/a	0	0	0	0
<i>Phantom share part (paid in cash)</i>											
Financial year 2020	0	0	0	0	0	0	n/a	0	0	0	0
Financial year 2019	0	0	0	0	0	0	n/a	0	0	0	0
Financial year 2018	185	69	173	64	128	48	n/a	179	67	141	52
Financial year 2017	0	0	0	0	0	0	n/a	0	0	0	0
<b>Total variable remuneration (in cash)</b>	272	156	254	145	188	108	n/a	263	151	207	118
<i>number of BAWAG Group shares delivered (LTIP 2018-2020)</i>											
		169,880		60,497		136,979	n/a		108,395		124,573
<b>Total cash (€)</b>	<b>5,562</b>	<b>6,175</b>	<b>3,014</b>	<b>3,864</b>	<b>4,378</b>	<b>4,619</b>	<b>738</b>	<b>3,553</b>	<b>3,717</b>	<b>4,067</b>	<b>4,259</b>
<b>Total shares #</b>	<b>0</b>	<b>169,880</b>	<b>0</b>	<b>60,497</b>	<b>0</b>	<b>136,979</b>	<b>n/a</b>	<b>0</b>	<b>108,395</b>	<b>0</b>	<b>124,573</b>



### Phantom shares in retention

The number of phantom shares vested in 2021 but which are subject to a one-year retention period is shown in the table below:

	<b>Number of phantom shares vested in 2021</b>
Anas Abuzaakouk	2,175
Enver Sirucic	2,025
Sat Shah	1,500
David O'Leary	2,100
Andrew Wise	1,650
<b>Total</b>	<b>9,450</b>

The cash amount of the phantom shares which vested in 2021 will be disclosed in the remuneration report 2022.

## SHARES HELD BY MANAGEMENT BOARD MEMBERS

The table below shows the number of BAWAG Group held by each Management Board member at the date of this Remuneration Report, with a break-down into shares acquired via open market purchases since the IPO in 2017 and shares delivered in 2021 and 2022 under the LTIP 2018-2020. As indicated below, Management Board Members hold approximately 2.9 % of the shares in BAWAG Group.

	<b># of shares held</b>	<b>Thereof:</b>	
		<b># of shares acquired since IPO</b>	<b># of shares under LTIP 2018-2020</b>
Anas Abuzaakouk	923,367	725,174	198,193
Enver Sirucic	240,083	169,503	70,580
Sat Shah	558,901	399,092	159,809
Guido Jestädt	48,142	31,911	16,231
David O'Leary	353,118	226,657	126,461
Andrew Wise	442,359	297,024	145,335
<b>Total</b>	<b>2,565,970 (2.9%)</b>	<b>1,849,361</b>	<b>716,609</b>

## COMPARATIVE INFORMATION

The table below contains information on the annual change in total remuneration, the performance of BAWAG Group and of average fixed remuneration on a full-time equivalent basis of employees of the entire BAWAG group. As explained above, due to changes in the composition of the Management Board and given that the Management Board had waived the bonus for 2020 (and also 2019), the figures for the financial year 2021 cannot be directly compared to figures of previous years as far as the total remuneration of the Management Board is concerned.

	2019	2020	2021	2020 vs 2021 absolute / pts
<b>Total remuneration of Management Board</b>				
<b>Members in € thousand</b>				
<i>Fixed remuneration</i>	19,800	21,300	22,694	1,394
<i>Bonus</i>	0	0	18,000	18,000
<b>Total remuneration of each Management Board Member in € thousand</b>				
<i>Anas Abuzaakouk</i>	4,920	5,290	10,519	5,229
<i>Enver Sirucic</i>	1,900	2,760	6,544	3,784
<i>Sat Shah</i>	4,110	4,190	8,011	3,821
<i>Guido Jestädt</i>	n/a	n/a -	1,938	n/a -
<i>David O'Leary</i>	3,170	3,290	6,316	3,026
<i>Andrew Wise</i>	3,780	3,860	7,366	3,506
<b>Former Management Board Members</b>				
<i>Stefan Barth</i>	1,920	1,910	-	-
<b>Performance of BAWAG Group AG</b>				
Return on Tangible Common Equity (RoTCE)	16.1%	10.2%	16.1%	5.9
Cost-income ratio (CIR)	42.7%	44.3%	39.5 %	4.8
Common Equity Tier 1 capital ratio (fully loaded)	13.2%	14.0%	15.0%	1.0
earmarked dividends	€ 230 million	€ 230 million	€ 267 million	€ 37 million
<b>Average remuneration on a FTE basis</b>				
Employees of BAWAG group	€ 63,670	€ 63,790	€ 64,360	€ 570

The average remuneration of employees in the table above shows the average of fixed remuneration (excluding bonuses) in respect of all employees within the entire BAWAG group (including domestic and foreign subsidiaries/branches).

## BAWAG LONG TERM INCENTIVE PROGRAM 2025

### General

In January 2022, the nomination and remuneration committee of BAWAG established a new long-term incentive program (“**BAWAG LTIP 2025**”). The purpose of the BAWAG LTIP 2025 is to retain key personnel (*retention aspect*) and to effectively align the interests of participants with the long-term performance of BAWAG Group by considering BAWAG’s externally communicated multi-year performance targets until 2025 (*interest alignment aspect*). The key commercial terms of the BAWAG LTIP 2025 are summarized in this section.

All Management Board Members participate in the BAWAG LTIP 2025, as well as approximately 80 selected key leaders of BAWAG. The overall program size amounts to approximately 800,000 shares for all participants of the BAWAG LTIP 2025, including Management Board Members, whereas approximately 50% of the BAWAG LTIP 2025 has been allocated to the Management Board and the remaining approximately 50% has been allocated to selected key leaders. The awards under the BAWAG LTIP 2025 will, subject to certain conditions as outlined below, be delivered in the form of ordinary shares of BAWAG Group AG (no phantom shares) in 2026 and 2027.

In line with applicable Austrian disclosure provisions, no quantitative disclosure of individual awards for Management Board Members under the BAWAG LTIP 2025 is required in this Remuneration Report. Quantitative disclosure will follow in the remuneration reports of the following years.

### Vesting conditions

The vesting conditions comprise the following:

- ▶ **Retention Condition:** Due to the retention aspect of the BAWAG LTIP 2025, participants are required to be employed in good standing at the beginning of 2026.
- ▶ **Performance Condition:** Those externally communicated targets of BAWAG Group until 2025, which are specified below.
- ▶ **Regulatory Vesting Requirement:** Regulatory vesting requirements in accordance with the applicable regulatory framework (e.g. no malus is applied to the individual or to all BAWAG LTIP 2025 participants, vesting is sustainable according to the financial and risk situation of BAWAG Group).

### Details on performance conditions and ratchets for targets

In order to effectively align the interests of participants of the BAWAG LTIP 2025 with the long-term performance of BAWAG Group, the performance conditions are tied to the externally communicated multi-year performance targets until 2025. They consist of financial and non-financial/ESG targets which are split as follows:

<u>Financial targets</u>	<u>70%</u>	<u>Non-Financial /ESG targets</u>	<u>30%</u>
Profit before tax target ("PBT") (>€750 m)	30%	CO2 emission target (>50% reduction)	10%
Earnings per share target ("EPS") (>€7.25)	20%	Women quota target	10%
Dividend per share target ("DPS") (>€4.00)	20%	Supervisory Board (33%)	5%
		Senior Leadership Team (33%)	5%
		Green lending business target	10%

### Further Terms (conditional delivery of shares (vesting of award) / retention period)

Subject to the vesting conditions as outlined above, 88% of the BAWAG LTIP 2025 award (*Part I*) shall vest in early 2026 and 12% of the BAWAG LTIP 2025 award shall vest in early 2027. Upon delivery of the shares, the shares will remain subject to retention during a period in accordance with applicable regulatory requirements, which currently stands at one year (one-year retention period).

The financial respectively non-financial/ESG targets are deemed fulfilled if all financial targets or all non-financial/ESG targets are met at any financial year end (i.e. year-end 2022/23/24). The assessment if and to which extent the vesting conditions (including the performance targets) under the BAWAG LTIP 2025 have been fulfilled, will be carried out by the nomination and remuneration committee of BAWAG.

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## LONG TERM INCENTIVE PROGRAM 2018-2020 - EXPIRED

Management Board Members have participated in a long-term incentive program ("**LTIP 2018-2020**"). Management Board Members were granted an LTIP award in lieu of an annual Bonus based on the individual performance in 2017. Further information with respect to the LTIP 2018-2020 is disclosed in the Remuneration Policy.

With respect to the LTIP 2018-2020 the number of shares which were delivered to Management Board Members in the financial year 2021 is shown in the section "total remuneration paid" above.

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## MALUS AND CLAWBACK

In the financial year 2021 no malus or clawback event has occurred. Therefore, no Bonus granted in previous years has been reduced or reclaimed.

As outlined in the Remuneration Policy, malus and clawback provisions exist to provide for risk adjustment mechanisms specifically with respect to participants engaged in fraud or intentional illegal conduct. The provisions were implemented in accordance with regulatory requirements. The period during which malus or clawback applies follows the regulatory framework.

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## DEVIATION OF THE REMUNERATION POLICY

In the financial year 2021 there was no deviation from the Remuneration Policy.

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## COMPLIANCE WITH REMUNERATION POLICY AND APPLICATION OF PERFORMANCE CRITERIA

Any remuneration to Management Board Members in the financial year 2021 was paid in compliance with the Remuneration Policy. In terms of variable remuneration and the performance criteria applied to such variable remuneration, the nomination and remuneration committee of BAWAG Group sets the target for each individual Management Board member in line with the principles set forth in the Remuneration Policy in its formal Q1 session of each year. The group performance as well as the ESG & leadership targets are identical for all Management Board Members, while the individual targets differ, taking into consideration the respective role and focus area of each individual Management Board Member.

The table below shows the targets defined for the CEO in the financial year 2021, the respective weighting of such targets and the score as assessed by the nomination and remuneration committee of BAWAG Group in respect of the CEO as well as the average score of the other Management Board Members.

### Anas Abuzaakouk, CEO

	Weighting	Score CEO	Avg. score other MB members
<b>GROUP PERFORMANCE</b>			
Profit before Tax (PBT) & net income	7.0%	7.0%	
Cost-income ratio	4.5%	4.5%	
Return on Tangible Common Equity	7.3%	7.3%	
CET1 ratio (fully loaded)	7.0%	7.0%	
Earnings per share (EPS)	7.5%	7.5%	
	33.3%	33.3%	33.3%
<b>INDIVIDUAL PERFORMANCE</b>			
Overall Capital Management & individual cost targets	10.5%	9.5%	
Technology: talent upgrades, improved developments & delivery and operational stability	7.6%	6.8%	
Enhancing Risk, Compliance, Internal Audit & regulatory teams	7.6%	6.1%	
Enhancing operational structure (including succession planning & organizational dynamics; assessment of Senior Leadership Team, promotions and recruitment)	7.6%	6.8%	
	33.3%	29.2%	31.0%
<b>ESG &amp; LEADERSHIP</b>			
Human Capital Development	8.25%	7.8%	
Promoting strong risk, controllership & compliance culture across the Group	8.65%	8.2%	
Promoting the values of the Group – integrity in our daily work and creating meritocratic environment within the framework of human capital and governance as part of ESG roadmap	8.25%	7.8%	
Entrepreneurship, innovation and thought leadership	8.25%	7.8%	
	33.3%	31.7%	31.3 %
	<b>TOTAL</b>	<b>94.2%</b>	<b>95.6 %</b>

## REMUNERATION OF THE SUPERVISORY BOARD

### Principles of the remuneration policy for Supervisory Board Members

This section of the Remuneration Report deals with the remuneration paid to Supervisory Board Members. Supervisory Board Members receive a remuneration which is strongly aligned with the market and the interests of BAWAG Group's shareholders. All remuneration of Supervisory Board Members is paid in accordance with resolutions adopted by the annual general meeting.

Supervisory Board Members receive a fixed remuneration which depends on the actual function performed (Chairman of the supervisory board, Deputy chairman of the supervisory board or (ordinary) member of the supervisory board). Supervisory Board Members being also a member of a committee may receive additional remuneration which depends on the respective committee (Audit and Compliance Committee or other committee) in which a Supervisory Board Member participates and furthermore, the specific function performed in the committee (Chairman or other (ordinary) seat in the committee). Supervisory Board Members do not receive any additional attendance fees.

The supervisory board has the following committees:

- ▶ **Audit and Compliance Committee**
- ▶ **Risk and Credit Committee**
- ▶ **Nomination and Remuneration Committee**
- ▶ **ESG Committee** (since 2021)

### Deviation of the remuneration policy

In the financial year 2021 there was no deviation from the Remuneration Policy.

### Membership in supervisory board committees (per year-end 2021)

	Nomination & Remuneration Committee	Audit & Compliance Committee	Risk & Credit Committee	ESG Committee
Chairperson	Egbert Fleischer	Gerrit Schneider	Frederick Haddad	Tamara Kapeller
Member	Kim Fennebresque	Egbert Fleischer	Kim Fennebresque	Egbert Fleischer
Member	Frederick Haddad	Frederick Haddad	Adam Rosmarin	Gerrit Schneider
Member	Adam Rosmarin	Adam Rosmarin	Tamara Kapeller	Verena Spitz
Member	Verena Spitz	Verena Spitz	Verena Spitz	Beatrix Pröll
Member	Konstantin Latsunas	Konstantin Latsunas	Beatrix Pröll	

### Attendance rate in 2021

	Supervisory Board 5 Meetings	Nomination & Remuneration Committee 2 Meetings	Audit & Compliance Committee 4 Meetings	Risk & Credit Committee 4 Meetings	ESG Committee 1 Meeting
Egbert Fleischer	100%	100%	100%	no member	100%
Kim Fennebresque	100%	100%	no member	100%	no member
Frederick Haddad	100%	100%	100%	100%	no member
Adam Rosmarin	100%	100%	100%	100%	no member
Gerrit Schneider	100%	no member	100%	no member	100%
Tamara Kapeller	100%	no member	no member	100%	100%
Verena Spitz	100%	100%	100%	100%	100%
Konstantin Latsunas	100%	100%	100%	no member	no member
Beatrix Pröll	100%	no member	no member	100%	100%

In 2021 the Supervisory Board Members attended all of the meetings of the supervisory board and its committees (attendance rate of 100%). Outside of these formal meetings, the Management Board also regularly updated Supervisory Board members on ongoing topics.

### Remuneration paid to Supervisory Board Members in 2021

The total remuneration of Supervisory Board Members paid by BAWAG Group and BAWAG PSK is illustrated in the table below

in € thousand	BAWAG Group	BAWAG PSK	Total
Egbert Fleischer	88	262	350
Kim Fennebresque	66	199	265
Frederick Haddad	54	161	215
Adam Rosmarin	49	148	197
Gerrit Schneider (since August / September 2021)	19	58	77
Tamara Kapeller (since August / September 2021)	18	52	70
<b>Total</b>	<b>294</b>	<b>880</b>	<b>1,174</b>

In addition, Supervisory Board Members are covered by a directors' and officers' liability insurance. The costs of the directors' and officers' liability insurance are borne by BAWAG group.