

REPORT FROM THE CHAIRPERSON OF THE SUPERVISORY BOARD

The Supervisory Board of BAWAG Group AG properly fulfilled all duties incumbent upon it by law, its Articles of Association and its Rules of Procedure. The Management Board informed the Supervisory Board of all material issues in a timely and comprehensive manner either in writing or verbally. In addition to periodic meetings, the Chairpersons of the Supervisory Board and the committees of the Supervisory Board discussed current business matters with the Management Board members. Further details regarding the composition of the Supervisory Board and its committees as well as their working procedures are disclosed further below.

SUPERVISORY BOARD

As of 31 December 2021, the Supervisory Board consisted of four female and five male members, resulting in a 44.4 % quota in terms of female representation at the Supervisory Board. The Supervisory Board focused on the annual financial statements and the consolidated financial statements for 2020 and discussed the appointment of the external auditor for 2022.

Other material topics which the Supervisory Board dealt with were BAWAG Group's strategy and budget, the ECB questionnaires on climate-related and environmental risks, the risk strategy and the mid-term plan and topics related to the board's self-evaluation and succession planning. The Supervisory Board also dealt with the acquisitions of DEPFA and Hello bank! Austria, which were closed in November and December respectively as well as with the integration of these acquisitions. Furthermore, the Supervisory Board was regularly updated about all relevant developments and measures in connection with the COVID-19 pandemic. It also received updates on BAWAG's multi-branded strategy in the international Retail & SME segment, priorities within the technology group (simplification and modernization) and the SREP process.

SUPERVISORY BOARD COMMITTEE MEETINGS

Audit and Compliance Committee

The Audit and Compliance Committee discussed the quarterly reports by Internal Audit and the Compliance Office as well as the 2022 audit plans of Internal Audit and of Compliance. The annual audit process for 2021 was also presented. Furthermore, regular updates on compliance/conduct (including ethics) and AML topics were given, including updates on cybersecurity, data security and data privacy. The external auditor as well as the Head of Internal Audit attended all meetings.

Risk and Credit Committee

The Risk and Credit Committee discussed the Group Risk Report, which includes the calculation of the risk-bearing capacity and reports on credit, market and operational risk. In addition, regulatory updates (including reports on credit, market, liquidity and operational risk and complaint management) and credit risk updates in light of the COVID-19 pandemic as well as the risk planning guidelines were presented to the committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee approved amendments of the remuneration policy pursuant to the Austrian Banking Act and also prepared the remuneration report for the Supervisory Board and the Management Board which was presented and ultimately approved by the General Meeting. . In addition, the annual Fit & Proper assessment of the Supervisory Board and the Management Board members was performed. The Committee also dealt with BAWAG's organizational structure, gender diversity and succession planning topics. It was also involved in the appointment process of new (female) members to the Supervisory Board as well as the creation of the Chief Administrative Officer role at Management Board level and the appointment of a new member into such role.

ESG Committee

The ESG Committee which was established in 2021 discussed broad ESG updates which also included details on BAWAG's ESG organization, its ESG framework. The ESG Committee also reviewed BAWAG's ESG roadmap which sets forth the path to achieving the ESG targets until 2025.

All committees also reported their discussions and decisions to the entire Supervisory Board.

ANNUAL FINANCIAL STATEMENTS

The annual financial statements and the consolidated annual financial statements for 2021 were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungs-gesellschaft headquartered in Vienna. The audit revealed no reason for objections. The legal regulations were complied with in full, and an unqualified auditor's opinion was issued. After an in-depth discussion, the Supervisory Board approved and adopted the annual financial statements in accordance with Section 96 Para 4 Stock Corporation Act. In addition, the Supervisory Board reviewed the separate consolidated non-financial report. The consolidated financial statements were noted by the Supervisory Board.

In conclusion, I would like to express my sincere thanks to the Management Board as well as all employees within BAWAG Group on behalf of the entire Supervisory Board for their performance and sustained commitment in 2021.

February 2022

Egbert Fleischer
Chairperson of the Supervisory Board of BAWAG Group AG