

REMUNERATION
REPORT
2023



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HIGHLIGHTS 2023

ONGOING STRONG PROFITABILITY AND CAPITAL GENERATION

Net profit	€ 683 million	+34% vPY
Earnings per share	€ 8.31	+43% vPY
RoTCE	25.0%	+6.4pts
CIR	31.8%	-4.1pts

RETURNING CAPITAL TO SHAREHOLDERS AND LEAVING EXCESS CAPITAL AS DRY-POWDER FOR POTENTIAL M&A

€ 305 million	dividend distributed in 2023	€ 3.7 dividend per share
€ 175 million	share buyback executed	3.9 million shares cancelled
€ 393 million	dividend will be proposed to the AGM in 2024	€ 5.0 dividend per share
€ 475 million	excess capital to management	target of 12.25%

ALL 2023 TARGETS ACHIEVED

	Actuals	
PBT	€ 910 million	✓
EPS	€ 8.31	✓
DPS	€ 5.00	✓

2024 TARGETS

(excluding recently signed transaction in the Netherlands)

PBT	>€ 920 million
RoTCE	>20%
CIR	<34%

BAWAG GROUP

WHAT WE STAND FOR

WE ARE ...

- ... a multi-brand and multi-channel bank
- ... with a history dating back to 1883 in Austria
- ... focusing on mass retail business in the DACH/NL region
- ... with 2.1 million customers

WE AIM ...

... to provide our customers with simple, transparent, and affordable financial products and services they need and that promote their financial health.

WE FOCUS ON ...

... simplification, standardization, transparency and ease-of-use for the benefit of customers

WE EXECUTE ...

- ... on our strategic pillars
- I. Growth in core markets focused on serving our customers
- II. Efficiency through operational excellence
- III. Safe and secure risk profile

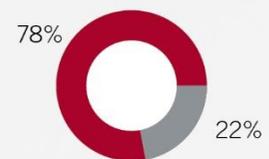
WE OFFER ...

- ... products aligned to customer needs
- Current accounts, Credit cards
- Investments
- Savings products (Deposits)
- Leasing and Factoring
- Lending
- Insurance

A RETAIL-FOCUSED BANK

Core revenues, FY 2023

- Retail & SME
- Corporates, Real Estate & Public Sector



FOCUS ON DEVELOPED AND MATURE MARKETS

Customer assets, FY 2023*

*) No exposure to Russia, Ukraine, limited CEE exposure

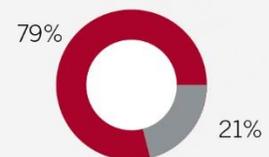
- DACH/NL
- Western Europe & United States



SAFE & SECURE RISK PROFILE

Customer assets, FY 2023

- Focused on safe & secure risk profile
- Unsecured



SOLID FUNDING PROFILE

A1

Moody's issuer rating with positive outlook

>90%

retail and public sector deposits

INTRODUCTION

Dear Fellow Shareholders,

This past year has been another record year for the Group. We delivered net profit of € 683 million, EPS of € 8.31, a return on tangible common equity (RoTCE) of 25.0%, and a cost-income ratio (CIR) of 31.8% despite the significant movement in rates, high inflation, and subdued consumer confidence.

We also distributed € 480 million of capital in the form of € 305 million dividends (€ 3.70 per share) and completed a € 175 million share buyback during 2023, reducing our number of shares by 5%, which now stand at 78.6 million shares. We ended the year with a CET1 ratio of 14.7% (post dividend accrual of € 393 million, or € 5.00 per share) and excess capital of € 475 million versus our CET1 target of 12.25%.

I want to thank our customers for placing their trust in us, our shareholders for their continued support, and our team members for their commitment and execution.

Delivering a record year in 2023

2023 was a record year for the Group delivering on all targets despite a challenging macroeconomic environment. The seeds of this past year's success were planted over a decade ago, when we launched our strategic transformation. We must never forget that to be successful year-in and year-out, we cannot take a short-term view. We must anticipate and prepare for the future, always adapting, and continuously investing in our franchise. Although the franchise is in great shape, we need to remain vigilant in guarding against complacency, and continue to adapt from a position of strength. This continuous improvement culture, more than anything else, will secure the long-term success of the franchise.

Being good stewards of capital

Disciplined capital allocation, and M&A in specific, is key to our strategy and how we run the Bank. We aim to be good stewards of capital, making sure we are prudent in our capital distribution plans, maintain our fortress balance sheet, and being ready to capitalize on unique opportunities. Underpinning this is our strong profitability, which allows us to accrete significant amounts of capital each year. We then use this capital to invest in our franchise and teams, extend credit to our customers, acquire businesses, and distribute to our shareholders. Our priority is to invest in our franchise, both organically and through acquisitions. As part of our capital distribution framework, we target a dividend payout of 55% of net profit, which is an important source of income for investors who represent pension funds, private retirement plans, retail investors, and employees. We also make use of share buybacks, as this is a valuable tool that both increases the ownership of remaining shareholders and the dividend per share of future shareholders.

Since our IPO in October 2017, we have generated € 3.1 billion of gross capital, equal to approximately 230 basis points of CET1 on an annual basis. We have extended € 47 billion of credit to our customers and completed 9 acquisitions that were all self-funded allowing us to grow our franchise. We also distributed € 2.6 billion of capital in the form of € 1.7 billion of dividends (paid or earmarked for payment), equivalent to € 19.70 per share, and € 900 million of buybacks, having reduced our total shares outstanding by over 21%.

Staying patient & disciplined

In terms of business activity, 2023 was defined by staying patient and disciplined. We saw an impact on customer lending volumes as high rates and inflation translated into anemic growth negatively impacting lending opportunities across both Retail & SME as well as the Corporates, Real Estate, and Public Sector business.

Despite our record performance in 2023, our best years are still ahead. Our strategy has been consistent over the past decade, one focused on being patient, disciplined, cutting through the noise, and consistent execution. This "patient and disciplined" approach to commercial lending focused on risk-adjusted returns, not blindly chasing volume growth, and thinking beyond the

immediate quarter is not always obvious or understood. However, we are rewarded when unique opportunities present themselves and we have the capital and liquidity to take advantage of such opportunities.

We closed the year with a significant amount of dry powder – equal to € 475 million of excess capital and € 13 billion of cash. We are now investing in a transformative and highly accretive acquisition of Knab bank in the Netherlands. This deal will expand our DACH/NL footprint, building-out our customer franchise, and allowing us to significantly grow the business and earnings in the years ahead. We have been disciplined with the 13 acquisitions we've made over the past decade, and this acquisition is no different. Our experience with acquisitions, the continuity of our Senior Leadership Team, and the remarkable commitment of our teams and advisors allowed us to pursue this unique opportunity. Although we cannot dictate the timing of deals, we can ensure we are ready once they present themselves.

The € 475 million of excess capital will be earmarked for the acquisition of Knab bank as well pursuing other strategic opportunities. Given the significant capital accretion of the franchise of over 300 basis points per year, we will revisit buybacks as part of our overall capital distributions in 2025.

The BAWAG Group culture

Our foundation is as strong as ever. I truly believe this is born from our unique culture. One that captures the best parts of our legacy as a trade union bank focused on serving local communities infused with a culture of entrepreneurship, accountability, meritocracy, and inclusion.

Today, our team members span 53 different nationalities operating across 7 core markets, with Austria as our foundation. We pride ourselves on promoting the best-and-brightest-and-hardest working, challenging the status quo, and continuously looking to improve ourselves and our business. We do not shy away from change, knowing that this is the only constant.

As I've stated many times, we see every mistake as an opportunity to learn and grow. We've made our fair share of mistakes, and I am certain we will continue to make many more mistakes long into the future. However, I am also certain that we will learn to adapt and grow from these experiences. Our business transformation is ongoing and will be anchored by our culture and the values we uphold. A great deal has been accomplished since we launched our strategic transformation back in 2012. We are coming off a record year in 2023, however, much more lies ahead and there is much more to do.

Supporting our local communities

Over the years, we have learned that more is required of companies in engaging on the issues of our time. Be it in addressing the climate crisis, issues stemming from socio-economic inequalities across society, or reengaging with the communities we serve on a grassroots level.

The team's efforts around social engagement resulted in a record year of both financial support and volunteerism, which reflect the values of our team members and the Bank. In 2023, we had a record year surpassing 3,700-hour mark of corporate volunteering, with ~ 400 team members (over 15% of all employees) having actively participated in volunteer programs.

Our efforts this past year were focused on partnering with Samariterbund and Kinderuni, providing support to underserved communities and promoting financial literacy. These partnerships have been incredibly rewarding for all involved and as a result we have committed to providing financial and volunteer support over the next two years. The bank also supported various disaster relief efforts, most recently supporting communities in Carinthia and Styria across 19 municipalities in Austria. To further develop our community outreach programs, the Management Board and Extended Management Board collectively donated € 1 million, which will be matched 100% by the Bank, to fund the various social programs BAWAG is supporting.

As a large financial institution, we take immense pride in playing a positive role in society as this reflects the values of our company and demonstrates the positive impact we can have in our local communities. A special thank you to our partners and the many team members who volunteered and have been so generous with your time and resources.

Investing in our team members

In addition to our presence in the community, we have worked hard to invest in our greatest asset, our people. Our HR & Communications team, in partnership with the Workers Council, did an excellent job revamping our employee benefits to reflect a modern and progressive company, reinvigorating our approach to recruiting, and spearheading multiple employee development forums and socials. The various employee benefits, ranging from employee stock grants and the BAWAG “3+1” stock matching program, were established with the principle of broadening employee ownership. To help alleviate the effects of high inflation on so many of our team members in an equitable manner, we rolled out two separate inflation bonuses over 2023. We will also be rolling out a profit share program in 2024, where each employee will directly participate in the overall success of the Group. These various programs are based on creating progressive and equitable employee benefits with employees each owning a stake in the company. We also held our annual company Summer & Winter Bash in Vienna and Salzburg this past year. This was the 7th year we hosted a BAWAG Family Bash, which is an amazing weekend social event celebrating our team members, their families and loved ones. This has become a hallmark of BAWAG Group and can’t miss event!

We also made new promotions to our senior leadership team (SLT), which is made up of 98 team members, up 12% from the prior year. This reflects our growing footprint and the broader leadership responsibilities across the Group, ensuring we have the proper leadership and bandwidth to deal with multiple integrations. After the most recent promotions, the SLT is comprised of 13 nationalities, and we have increased female representation from 28% to 32%. Our promotions are based on merit, character, and work ethic. This is the criteria we have, and will always use, in assessing our people. I’m proud that we were also able to identify, promote, and grow a diverse and inclusive leadership team. However, we still have more to do. The SLT represents the diversity of the whole company, our customer base, and our local communities. Diversity is a true strength of the Group and a pillar of the BAWAG culture.

Thank you!

The fourth quarter of 2023 was one of the busiest that I’ve personally experienced. The teams worked on multiple initiatives that will set the course for 2024 and beyond. A BIG “THANK YOU” to all of the team members across BAWAG Group who span Austria, Germany, Switzerland, the Netherlands, the UK, Ireland, and the United States. Your strong work ethic, commitment and passion is unmatched!

I am truly blessed to be part of a company of dedicated and hardworking team members that care for one another and work as one team. I am proud of how we collectively embody a commitment to excellence, raising the bar every year and bringing the best out of each other in support of our customers, our shareholders, and the communities we serve. This is a feeling that I’ve been fortunate to have every year since joining BAWAG over a decade ago, and one that I never take for granted. This group of people is truly special and this company truly unique.

Best,
Anas



Anas Abuzaakouk, CEO of BAWAG Group AG

COMPENSATION-RELATED DEVELOPMENTS SINCE PUBLISHPMENT OF LAST REMUNERATION REPORT

Vote at the AGM 2023

The vote on the Remuneration Report 2022 during the Annual General Meeting (AGM) 2023 held on March 31, 2023, was positive with ~80% approval, showing a significant improvement compared to the results of the previous year. We continued to actively engage with both shareholders and external compensation consulting firms in order to thoroughly review and address the concerns previously raised regarding our remuneration design.

In particular, a new remuneration design for the annual bonus of Management Board members was set up, providing for a stricter formulaic approach which is to a large extent (80%) based on financial KPIs that correspond to externally communicated targets. The new remuneration design also provides for additional guidance on how to assess the target achievement and has introduced an initial hurdle (Bonus Entry Condition) which ensures that rewards to the Management Board are only delivered if BAWAG's financial position is strong. These changes were positively noted by external consultants during the evaluation process as well as by shareholders during the outreach in the fourth quarter 2023 (see next chapter).

Investor Outreach Q4/2023: *Listen – Redesign – Communicate*

After the 2022 results, we initiated a shareholder outreach program, which has translated into an institutionalized engagement and dialogue process with our shareholders in regard to management compensation. We value the input and perspective of our shareholders and are committed to continued meaningful engagement with our investors. We followed our broad-based outreach in the beginning of 2023 ahead of the AGM 2023, with continued active engagement during the fourth quarter 2023. We approached 20 shareholders, covering more than 40% of our entire shareholder base and engaged with approximately 15 shareholders by presenting the remuneration design changes implemented in 2023. We specifically sought feedback from shareholders on our executive remuneration program to consider ways to further evolve our program. Our Supervisory Board led these conversations, with our Chairperson and our Deputy Chairperson (who also heads the Remuneration Committee) personally participating in these meetings with shareholders. The aim of these meetings was to:

- ▶ **Listen:** solicit feedback from investors, especially those who voted against the Remuneration Report 2022, to understand remaining concerns of our shareholders;
- ▶ **Redesign:** work through changes based on such feedback with our external remuneration consultant who supported in redesigning the annual bonus plan for Management Board members;
- ▶ **Communicate:** ensure that proper and comprehensive disclosure in this Remuneration Report clarifies the key features and changes made following our extensive investor outreach.

For fiscal year 2023, in response to shareholder feedback we made significant changes to the annual bonus plan for the Management Board members. Changes were made following a thorough review of remuneration at the peer companies (detailed below), discussion with our executive remuneration consultants, engagement with our shareholders and input from other stakeholders. Following review of market practice and engagement with shareholders, the Remuneration Committee redesigned the annual bonus plan to emphasize the topics which are summarized below and explained in greater detail in the respective sections of this Remuneration Report.

► **Greater focus on quantifiable KPIs and formulaic approach to determining annual bonus payout:**

Under the previous remuneration design, shareholders indicated that the metrics for the individual and the ESG/leadership components (which represented 67% of the STI goals) were vague and that there was no direct translation of the previous MbO scorecard results to how the individual Management Board annual bonus was calculated.

Our Action 2023: The weight of financial KPIs has been increased to 80% (except for the Chief Risk Officer (CRO) and the Chief Administrative Officer (CAO), see below), with the KPIs of the new scorecards being tied to our externally communicated targets. Even with respect to non-financial KPIs, we introduced targets which are mainly driven by quantifiable metrics (social engagement target) and, with respect to any qualitative targets, an increased level of disclosure and explanation will be provided in this Remuneration Report.

Our formulaic approach, implemented firstly for the financial year 2023 and as described further below, ensures that the achievement levels of financial and non-financial targets directly translate into the annual bonus each individual Management Board member will receive. Please see section *“Compliance with Remuneration Policy & application of performance criteria – New Formulaic Approach”* for further details.

► **Introduction of a Bonus Entry Condition as initial hurdle:**

Our analysis of remuneration at peer companies revealed that many peers have set an initial hurdle for the granting of an annual bonus to Management Board members. Shareholders commented that including an overarching threshold for bonus payouts would help to ensure that minimum levels of financial soundness are achieved for the company.

Our Action 2023: The Bonus Entry Condition stipulates an initial hurdle for any annual bonus to Management Board members and addresses whether it is suitable according to the financial situation of BAWAG to grant an annual bonus to its management. It is linked to certain KPIs (CET1 for capital, LCR for liquidity, Risk/RCC for risk) and thresholds as defined in the applicable regulatory *Recovery Plan* of BAWAG. If any of the defined thresholds is breached for a period of more than three consecutive months within the specific calendar year, the Bonus Entry Condition is not fulfilled. As a consequence, no bonus will be granted to Management Board members for the respective year.

Please see section *“Compliance with Remuneration Policy & application of performance criteria – Bonus Entry Condition”* for further details.

► **Formalized and transparent target setting and assessment of actual performance relative to targets:**

Shareholders have noted that our remuneration system does not provide for ratchets or other specific guidelines with respect to the assessment of target achievement.

Our Action 2023: We have introduced a comprehensive set of assessment guidelines, with ratches and caps for all financial and non-financial targets, which are disclosed in this Remuneration Report. Our aim is to provide a level of transparency in this respect which allows shareholders to review and understand our remuneration design and to form a well-informed opinion on our remuneration design.

Please see section *“Compliance with Remuneration Policy & application of performance criteria – Target Assessment & Overall Cap”* for further details.

► **Maintaining an overall cap for the annual bonus plan & no off-setting between targets:**

Shareholders have noted that our previous plan did not provide for a specific cap for the STI. We disclosed that variable remuneration is capped and may not exceed 200% of fixed remuneration in a specific fiscal year, whereas this cap applies to both combined, any STI as well as LTIP.

Our Action 2023: We have introduced a cap of 125% for any annual bonus which would, however, require that all (financial and non-financial) targets are overachieved. There is no off-set between the different targets (i.e. an overachievement in one target may not be used to compensate for underachievement in another target).

► **Differentiation of Annual Bonus plan by Management Board role:**

Different stakeholders have noted that Management Board members with risk management and compliance roles should be assessed based on scorecards which do not rely on financial metrics.

Our Action 2023: The variable remuneration that each Management Board member may receive from the bonus plan each year is based on a scorecard that is weighted 80% on group financial metrics and 20% on non-financial metrics. As already implemented for the financial year 2022, we have continued to apply a different approach for the Chief Risk Officer (CRO) and the Chief Administrative Officer (CAO). Due to the nature of their risk management and compliance roles of these individuals, they will be assessed based on scorecards that are weighted 100% on non-financial metrics which remain equally challenging, with an increased focus of individual targets related to their specific functions and responsibilities (scorecard weighted 80% on individual targets).

► **Confirming that market references continue to be the most relevant points of comparison for making remuneration decisions:**

In 2022, we engaged an external compensation consultant to determine the primary peer group of talent competitors used to assess the appropriateness of executive remuneration.

Our Action 2023: We continued to review, with the assistance of the compensation consultant, the appropriateness of the peer group. It was determined that for 2024, slight adjustments to the peer group would be made as the result of M&A activity amongst the peers.

Please see section “*Assessment of Management Board Remuneration (Market Analysis)*” of this chapter for further details.

► **Total quantum of Management Board remuneration:**

A select minority of shareholders shared their concerns in respect of the total quantum of Management Board remuneration.

Our Action 2023: Despite the record year in 2023, and after having reduced the bonus pool in 2022 by 20+%, the Management Board bonus pool 2023 has been reduced by another 6.3% by the Remuneration Committee. This was a result of the Remuneration Committee applying the *Individual Deduction Factor* with an average of ~34% deduction across the Management Board, compared to the result of the annual bonus formula. The Remuneration Committee decided on such reduction in light of the regulator’s repeated recommendation to take a cautious and prudent approach with respect to variable remuneration for the financial year 2023 as well as the underperformance of the share price versus the two primary bank indexes (SX7E & SX7P).

Please see section “*Compliance with Remuneration Policy & application of performance criteria – Performance Criteria for the Financial Year 2023*” for further details.

Enhancement of disclosure in the Remuneration Report 2023

Consistent with themes we heard through our engagement efforts the past two years, this Remuneration Report continues our path to provide enhanced and more transparent disclosure of remuneration at BAWAG. We have, again, included a more robust description of the process and information used to make remuneration decisions for 2023 year-end and strive to carry this forward for 2024 and beyond.

- **More comprehensive explanations regarding target achievements:** This year’s Remuneration Report includes more comprehensive qualitative and quantitative disclosure with respect to the target achievement assessment process which the Remuneration Committee conducted. Increasing the transparency with respect to the Remuneration Committee’s decision-

making process allows shareholders to review and understand this year's changes and to form a well-informed opinion on the robustness of our remuneration design.

- ▶ **Process of making remuneration decisions:** The Remuneration Committee conducts a thorough, data-driven process to help inform remuneration decisions that are in the best interest of BAWAG's strategy and its shareholders. This process takes into account numerous perspectives from inside BAWAG and externally – including absolute financial performance, relative performance in the financial services sector, assessment of the management team, and best practices in corporate governance.

In 2023, the Remuneration Committee began by considering the financial and strategic performance of the Management Board to determine appropriate levels of incentive pay for the past year, then reviewing appropriateness of the program for the following year. The remuneration program's overall level of pay was compared to external market benchmarks (see more below) through the assistance of a third-party compensation consultant (FW Cook). The structure of the program was redesigned with the assistance of the same third-party consultant to follow a more formulaic approach and to implement the improvements as summarized earlier in this chapter.

- ▶ **Market benchmarks:** To assist in determining appropriate remuneration levels for the Management Board, the Remuneration Committee considers a variety of comparison points in appropriate talent markets. See the following section for additional detail.

Assessment of Management Board Remuneration (Market Analysis)

The Remuneration Committee does not target a specific competitive position versus the market or peer companies in determining the compensation of Management Board Members as it believes that strict adherence to a specific market positioning fails to appropriately reflect the unique nature of our business portfolio and the degree of difficulty in leading the company and key businesses and functions.

However, the Remuneration Committee believes it is important to understand the competitive marketplace for executive talent to inform its decision-making and ensure that our executive compensation program supports our recruitment and retention needs. As a result, the Remuneration Committee uses a multi-faceted approach including various peer sets for purposes of assessing competitive compensation practices and design, and periodically reviews compensation data for the peer group derived from publicly filed proxy statements. The Remuneration Committee will continue to review these peer sets on an annual basis to ensure they remain appropriate.

The three peer groups used have different considerations when it comes to comparisons: comparable business activities as well as a comparable size and international presence, the competitive landscape from an investment perspective as well as a broader regional perspective in terms of potential employment.

PEER GROUP	RATIONALE	SAMPLE
PEER GROUP 1	<ul style="list-style-type: none"> - Business model - Geographic focus (Western Europe and US) - Similar financial size (focus on assets and revenues) 	18 banks AIB Group plc, Bankinter, S.A., Banque Cantonale Vaudoise, Basler Kantonalbank, Berner Kantonalbank AG, Cadence Bank, Citizens Financial Group, Inc., Close Brothers Group plc, Comerica Incorporated, First Horizon Corporation, Huntington Bancshares Incorporated, Jyske Bank A/S, KeyCorp, Synchrony Financial, Texas Capital Bancshares, Valiant Holding AG, Valley National Bancorp, Virgin Money UK PLC
PEER GROUP 2	<ul style="list-style-type: none"> - Profitability levels - European banks investor universe 	14 banks ABN AMRO Bank NV, Banco Bilbao Vizcaya Argentaria SA, Banco Santander SA, BNP Paribas SA, Commerzbank AG, Danske Bank A/S, Deutsche Bank AG, Erste Group Bank AG, ING Groep NV, Intesa Sanpaolo SpA, KBC Group NV, Nordea Bank Abp, Societe Generale SA, UniCredit SpA
PEER GROUP 3	<ul style="list-style-type: none"> - Non-industry related peers in terms of potential employment in core markets 	ATX, DAX, SMI20

For **Peer Group 1**, BAWAG engaged FW Cook as external compensation consultant to assist in reviewing its executive compensation program, including benchmarking pay levels and pay design to the market, through a custom group of peer companies. These companies were selected through the following criteria:

- ▶ Banks with similar business focus as BAWAG
- ▶ Geographic focus on Western Europe and North America, as these geographies represent where BAWAG most competes for talent and business
- ▶ Similar financial size, primarily focusing on assets and revenue, which are the closest indicators of complexity of financial services organizations and thus strong proxies for determining competitive compensation, with additional consideration of profitability and market capitalization.

The resulting peer group of 18 banks in Western Europe and North America was used to better understand the latest market design and levels of pay relevant to BAWAG.

To improve the diversity of perspectives informing remuneration policy, the Nomination and Remuneration Committee also incorporates remuneration trends from other market sources and therefore established **Peer Group 2 and Peer Group 3**.

For **Peer Group 2**, the Remuneration Committee compared the design of BAWAG's remuneration program with the remuneration designs and corporate governance policies of major financial institutions across Western Europe, including Austria, France, Italy, Germany, Spain and beyond. The financial institutions in Peer Group 2 reflect the European banking investment universe for investors.

Peer Group 3 considers the broader regional perspective in terms of potential employment of Management Board members, regardless of industry. Highly relevant to the talent strategy of BAWAG is to provide a competitive employment opportunity for high-performing executives across Europe. As such, the Remuneration Committee compares to companies in the ATX, DAX and SMI20, who are considered as competitors in the battle for talent in certain of BAWAG's core markets.

With the combination of the peer group described above, the broader European financial services sector, and additional international perspective from international indices, the Remuneration Committee has a strong foundation of market-current pay design trends upon which to build a highly competitive remuneration program.

CONSISTENT EXECUTION OF OUR STRATEGY SINCE 2013

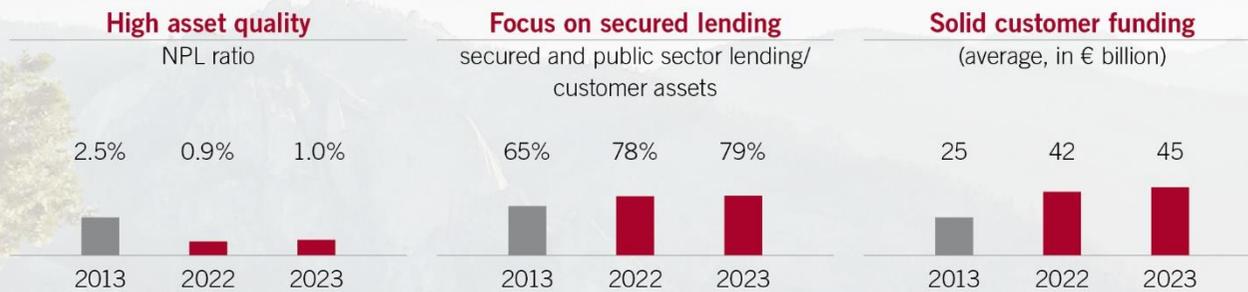
GROWTH IN OUR CORE MARKETS FOCUSED ON SERVING OUR CUSTOMERS



EFFICIENCY THROUGH OPERATIONAL EXCELLENCE



SAFE & SECURE RISK PROFILE



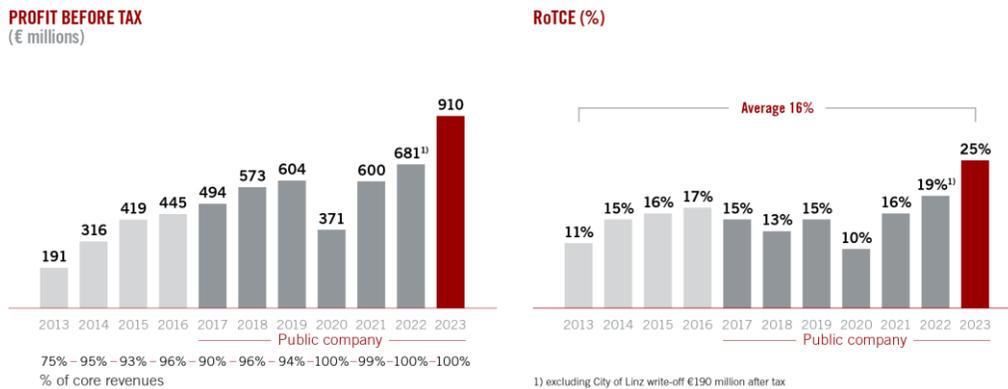
COMPARATIVE INFORMATION

Our strategy over the past decade ... consistency + execution

Our strategy has been consistent over the past decade. We focus on growing our franchise in our core markets “providing customers with simple, transparent, and affordable financial products and services they need and that promote their financial health.” We differentiate ourselves with a commitment to operational excellence, embracing technology, simplicity, and a continuous improvement mindset that allows us to achieve high levels of productivity and efficiency. We operate a safe and secure business, maintaining a fortress balance sheet with strong asset quality and robust funding profile. This underpins our strategy, our growth, and the investments we’ve made over the past decade.

Today, BAWAG Group is a multi-channel and multi-brand commercial bank with a strong focus on Retail & SME banking in the DACH/NL region, Western Europe, and the United States. We serve 2.1 million customers, with Austria as our foundation. Our customer franchise is 78% Retail & SME, with 72% of the business located in the DACH/NL region and 28% in Western Europe / United States.

Our strategic transformation was the catalyst for sustainable long-term growth and value generation for all stakeholders. We have grown pre-tax profits in every year since 2013, apart from 2020, when we booked significant management overlay provisions to address potential headwinds brought on by the COVID pandemic, of which we continue to hold € 80 million on the balance sheet. We delivered an average return on tangible common equity of 16% over the past decade, despite operating in a negative interest rate environment for 8 years. We completed 13 acquisitions and have signed one strategic acquisition, all funded from organic earnings and capital generation.



Development of Remuneration & KPIs

The table further below in this chapter 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 required pursuant to the Austrian Stock Corporation Act.

We believe that following factors should be taken into consideration when analyzing the comparison:

- **Financial performance since IPO:** Between the IPO and year end 2023, we achieved a +10 point improvement in RoTCE and -16 point reduction in CIR, with core revenues growing by 52% while operating expenses were down 8%. In a nutshell, we improved on every operational and financial metric.

- ▶ **Increase of dividends & additional share buybacks:** Since the IPO in 2017, we have distributed € 2.2 billion of capital through € 1.3 billion in dividends and € 900 million in share buybacks. In addition, we deducted € 393 million for the 2023 dividend, which will be proposed to the Annual General Meeting on 8 April 2024.
- ▶ **Employee Participation Programs & one-time payment in 2023:** In 2023, a new employee benefit scheme has been introduced at BAWAG to reward our team members for their dedication and commitment as well as to give everyone a chance to participate in the success of the company through direct share ownership as well as monetary participation in the Company's success in form of direct cash profit participations.

The benefit scheme consists of three components: (i) an annual (cash) profit participation bonus in form of € 1 per each million net profit of BAWAG Group, (ii) an ongoing stock participation program starting from 2024 according to which employees receive one BAWAG Group share per each month of employment within BAWAG Group, paid out every three years (*BAWAG Employee Participation Program*) and (iii) an ongoing matching program in the years without share allocation according to which employees receive one free BAWAG Group share for every 3 BAWAG Group shares bought (*BAWAG 3+1 Matching Program*), up to a value of € 3,000 of matching shares.

In 2023, employees received an additional one-time payment for 2023 which was paid to address the financial pressure stemming from high inflation across the jurisdictions in which BAWAG operates. Furthermore, employees received up to 24 BAWAG Group shares (2 shares per month of employment within BAWAG Group within the previous year) to further align interests between the entire employee base of the BAWAG Group and the company.

None of these programs or initiatives applies to Management Board members.

- ▶ **Management Board salary waiver in 2023 to drive BAWAG's social engagement activities:** As an articulation of BAWAG Group's unequivocal commitment to further develop our outreach programs and to support those in need, the Management Board members waived a total amount of € 725,000 of their combined base salaries in 2023 to fund various social programs BAWAG Group is supporting.
- ▶ **Management Board waiver of bonus in 2019 and 2020:** Management Board members waived their bonuses for the financial year 2020, after having already waived their potential bonuses for the financial year 2019. This waiver was proactively proposed by the entire Management Board to address economic uncertainties in light of the pandemic and impact this had on the communities we serve.
- ▶ **Reduction of Management Board bonus pool 2023:** Despite the record year in 2023, and after having reduced the bonus pool in 2022 by 20+%, the Management Board bonus pool 2023 has been reduced by another 6.3% by the Remuneration Committee vs the bonus pool 2022. This was a result of the Remuneration Committee applying the *Individual Deduction Factor* with an average of ~34% deduction across the Management Board, compared to the result of the annual bonus formula. The Remuneration Committee decided on such reduction in light of the regulator's repeated recommendation to take a cautious and prudent approach with respect to variable remuneration for the financial year 2023 as well as the underperformance of the share price versus the two primary bank indexes (SX7E & SX7P).

	2019	2020	2021	2022	2023	2022 vs 2023
Total remuneration of Management Board members in € thousand	19,800	21,536	41,638	38,261	36,637	(4.2%)
Fixed remuneration (prior to salary waiver)	19,800	21,536	23,638	24,011	24,012	
Salary waiver					-725	
Fixed remuneration (post salary waiver)	19,800	21,536	23,638	24,011	23,287	(3.0%)
Cash Bonus	0	0	18,000	14,250	13,350	(6.3%)
Total remuneration of each Management Board Member in € thousand						
Anas Abuzaakouk	4,920	5,290	10,575	9,443	9,039	(4.3%)
Enver Sirucic	1,900	2,760	6,544	6,869	6,806	(1%)
Sat Shah	4,110	4,190	8,067	7,473	6,913	(7.5%)
Guido Jestädt	n/a	n/a -	2,676	2,470	2,570	+4%
David O'Leary	3,170	3,290	6,343	4,994	5,010	(0.3%)
Andrew Wise	3,780	3,860	7,433	7,012	6,299	(10.2%)
Former Management Board members						
Stefan Barth	1,920	2,146	-	-	-	-
Performance of BAWAG Group AG						
Return on Tangible Common Equity (RoTCE)	16.1%	10.2%	16.1%	18.6%	25.0%	+6.4pts
Cost-income ratio (CIR)	42.7%	44.3%	39.5 %	35.9%	31.8%	(4.1)pts
Common Equity Tier 1 capital ratio (fully loaded)	13.2%	14.0%	15.0%	13.5%	14.7%	+1.2 pts
earmarked dividends	€ 230 million	€ 230 million	€ 267 million	€ 305 million	€ 393 million	+28%
Average remuneration on an FTE basis*						
Employees of BAWAG Group	€ 63,670	€ 63,790	€ 64,360	€ 69,350	€ 70,865	+2%
Employee Stock Grant Program				€ 947	€ 966	
Employee Stock Matching Program				€ 347		
Other cash payments**		€ 366	€ 268	€ 551	€ 892	
Total	€ 63,670	€ 64,156	€ 64,628	€ 71,195	€ 72,723	+2%

*The average remuneration of employees in the table above shows the average of fixed remuneration (excluding bonuses) in respect of all employees who were employed within the BAWAG group for the entire financial year 2023 (including domestic and foreign subsidiaries/branches).

** Other cash payments include one-time payments in connection to address specific circumstances, such as the Covid-19 pandemic in the financial years 2020 and 2021 or inflation in the financial year 2022 or 2023.

REMUNERATION OF THE MANAGEMENT BOARD

Responsibility and processes related to Management Board Remuneration

The Remuneration Committee is responsible for overseeing the design of the remuneration system as well as for setting individual remuneration amounts and procedures for awarding remuneration to the Management Board. The Remuneration Committee monitors the implementation of the remuneration system and, upon a periodic review, makes adjustments to the system, if required. In the case of significant changes, but at least every four years, the Remuneration Policy is submitted to the Annual General Meeting for approval in accordance with Sections 78b and 98a of the Austrian Stock Corporation Act.

To that end, in October 2020 the shareholders of BAWAG Group voted on the Remuneration Policy 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). A new Remuneration Policy will be submitted to the AGM in 2024 for approval.

On the basis of the approved Remuneration Policy, the Remuneration Committee sets targets for each Management Board member for the respective financial year, while taking into account the scope and complexity of the respective Management Board member's functional responsibilities as well as BAWAG's financial situation. In the process, the Remuneration Committee also considers market compensation, based on a periodical review of a peer group (please refer to the section "Assessment of Management Board Remuneration (Market Analysis)" for further details).

Alignment of Management Board Remuneration to BAWAG's strategy

Doing business sustainably is the key to long-term success for all of our stakeholders. We look to create value for all our stakeholders by: being an attractive and stable employer focused on development and opportunity, a consistent partner for our customers and local communities, a reliable tax payer across the jurisdictions we operate in, a consistent source of financial returns for our investors. To achieve this requires financial resilience and a mindset of continuous improvement. Building a franchise that delivers long-term sustainable value requires consistent execution of a sound business strategy, a focus on operational excellence and an understanding that we must fundamentally change the way we consume resources over time to reduce our ecological footprint. Therefore, sustainable value creation is at the core of our decision-making and reflected in how we run the Bank. We do not pursue a separate ESG strategy, as we view it as an integral part of our overall business strategy and it is embedded across the company and our strategic roadmap.

Despite our strong record of performance over the past decade with an average RoTCE of 16%, our best years are still ahead. We have an opportunity to deliver more normalized returns in the years to come under a more normalized interest rate environment. However, we should never confuse the tailwind from a normalization of interest rates with the daily execution of our strategy. Our emphasis on managing costs and maintaining a conservative and disciplined risk appetite is more important than ever. The opportunity lies in maintaining our cost discipline and focusing on risk-adjusted returns while capturing the benefits of a normalized interest rate environment. The resilience of our franchise lies in our ability to deliver results across all cycles as we are built for all seasons. Our approach is consistent: focus on the things that we can control, be a disciplined commercial lender, maintain a conservative risk appetite, and only pursue sustainable and profitable growth.

While BAWAG Group ranks among the most profitable and efficient banks in Europe with a RoTCE of 25% and a CIR of 32% in 2023, we have set targets for the Group for 2024 and sustainable underlying return targets. Our achievement of these targets can be measured by the following KPIs:

- 1) Profit before tax > € 920 million
- 2) Return on tangible common equity >20%
- 3) Cost-income ratio <34%

To sustainably achieve and maintain these return levels, the foundation of our strategy is consistent execution, a continuous improvement mindset, and a “self-help” DNA. This is born from our unique culture of accountability, meritocracy, empathy, and inclusion. Our goal is to develop our leaders in-house that will lead the bank long into the future, which is embedded in the remuneration system of the Management Board as well. In the interest of our shareholders, the remuneration of the Management Board is fully aligned to BAWAG’s strategy which aims to ensure a profitable and sustainable growth in the future providing a balanced incentive for the achievement of the targets. This is also reflected in the capital distribution of BAWAG.

General Remuneration Principles

As guided by the Remuneration Policy, described in more detail below, the Remuneration Committee considers the following principles closely when making remuneration decisions:

Alignment with BAWAG’s strategy	BAWAG’s business strategy is based on the pillars of Growth, Efficiency, and Maintaining Safe and Secure Risk Profile. Our remuneration strategy is designed to incentivize management to pursue these pillars to create a more valuable enterprise.
Alignment with all stakeholders and ESG principles	As stewards of stakeholder interests, the remuneration policy is designed to align management’s compensation with the experience of all stakeholders. Alignment with financial shareholders is done largely through linkage of variable pay to financial performance as well as through delivering compensation in equity. Alignment with stakeholders beyond just financial shareholders is accomplished through variable pay structures that incentivize management to pursue strategies tied to the interests of customers, the workforce, suppliers, community, and the environment (including common ESG principles).
Use of multiple time horizons	Our remuneration program is comprised of multiple components that cover different time horizons. This is done by basing variable pay on near-term performance but deferring a significant portion of pay over a multi-year time horizon, thus ensuring that management decisions are taking into account multiple perspectives. Please see the relevant sections of this Remuneration Report which include an illustration of the time-horizons of the STI/respective LTIP.
Maintenance of proper risk controls	The remuneration program is designed to encourage our Management Board members to deliver strong results while discouraging them from taking unnecessary or excessive risk. This is accomplished through the balance of metric-driven pay-for-performance and safeguards, such as limits on variable pay components and other risk mitigating features.
Adherence to corporate governance best practices	The Remuneration Committee employs a portfolio of corporate governance best practices to ensure that remuneration is designed and delivered in an appropriate manner.
Cap of Variable Remuneration	Variable remuneration is capped and may not exceed 200% of fixed remuneration. This applies to both combined, any STI as well as LTIP. If in any given year an STI and an LTIP are awarded, the sum of both awards is considered in respect of the 200% cap calculation.
Variable remuneration tied to retention aspects	Variable remuneration is tied to retention aspects as deferred parts of variable remuneration will only vest, if the respective Management Board member is in good standing employment in the year of vesting. Thus, deferred portions of granted awards may be forfeited and never be realized under certain circumstances if the respective Management Board member exits prior to the end of the member’s function period (currently until March 2026).

Remuneration principles as outlined in the Remuneration Policy

Total remuneration consists of fixed and variable compensation components. Besides the short-term incentives, the achievement of the targets originally set for 2025 is tied to a long-term incentive program. The structure of the remuneration is set in a way that it gives the Management Board members motivation to achieve their targets both on a group level as well as on an individual level.

Remuneration paid to Management Board members can be qualified as either fixed or variable remuneration. The following overview provides guidance and further details on specific remuneration components as well as on specifics of the remuneration design at BAWAG.

Component	Details
Fixed salary	
<i>Base salary</i>	<p>Base salary of Management Board members is fixed (non-discretionary) and 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.</p> <p>Management Board members do not receive any separate remuneration for their activities for board memberships in affiliated companies.</p>
<i>Pension</i>	<p>Pension benefits are pre-defined and correspond to 15% of the base salary.</p> <p>This component of our remuneration program rewards Management Board members for their loyalty to the company and ensures that appropriate funds are set aside to assist with income during retirement.</p>
<i>Fringe benefits ("Others")</i>	<p>We provide limited fringe benefits to remain competitive in the markets in which we compete for talents. Benefits-in-kind include the following insurance benefits:</p> <ul style="list-style-type: none"> • private medical (health) insurance • accident/disability insurance • term life insurance • D&O insurance <p>This list is exhaustive and Management Board members do not benefit from any other fringe benefits or benefits-in-kind that go beyond the insurance benefits listed above.</p>
Short-term remuneration	
<i>Targets for STI</i>	<p>Any variable remuneration is paid based on performance. Targets for each Management Board member for the respective financial year are set by the Remuneration Committee, while considering the scope and complexity of the respective Management Board member's functional responsibilities as well as BAWAG's financial situation.</p>

	<p>From our outreach to shareholders, we understood that the previous STI metrics did not emphasize financial performance to the degree that shareholders prefer. We have thus dedicated a larger percentage to quantifiable financial metrics/KPIs to 80%, starting with FY 2023, as disclosed in this Remuneration Report, and beyond.</p>
<i>Equity-linked pay</i>	<p>More than half of STI remains at risk, as it is tied to BAWAG's share performance. Any bonus will be composed of a cash payment and phantom shares which will make at least 50% of the entire bonus award.</p>
<i>Deferral of bonus over 5 years period & one year retention period re (equity & equity-linked) instruments</i>	<p>60% of any bonus granted to Management Board members will be deferred over a period of 5 years and therefore remains at risk. The part of the bonus which is not subject to deferral vests in the year in which the bonus is being granted, with at least 50% (phantom shares) remaining at risk as such part is subject to a one-year retention period. The deferred portions of any bonus then vest in five equal annual instalments. This approach provides appropriate risk-mitigating safeguards and retention aspects to our remuneration program.</p>
<i>Remuneration Cap on STI + LTI (regulatory)</i>	<p>Variable remuneration is capped and may not exceed 200% of fixed remuneration. This applies to both combined, any STI as well as LTIP. If in any given year an STI and an LTIP are awarded, the sum of both awards is considered in respect of the 200% cap calculation.</p>
<i>Remuneration Cap of 125% for any STI (self-imposed)</i>	<p>As an additional layer to the regulatory remuneration cap described above, we have introduced a cap of 125% of the fixed remuneration for any annual bonus which would, however, require that all (financial and non-financial) targets have been overachieved. There is no set-off between the different targets (i.e. an overachievement in one target may not be used to compensate for underachievement in another target).</p>
<i>Long-term remuneration (LTIP)</i>	<p>Long-term incentive plans further align Management Board interests with the long-term strategy of BAWAG. Currently the BAWAG LTIP 2025 is in place which measures a multi-year performance period from 2022 through 2025.</p>

	2023	2024	2025	2026	2027	2028	2029
STI Annual Bonus	Performance period	40% 20% Cash 20% Phantom Shares	12% 6% Cash 6% Phantom Shares				

TOTAL REMUNERATION AWARDED OR OWED IN THE FINANCIAL YEAR

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. 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 2023 is shown in the following table:

2023 in € thousand	Position	Fixed salaries	Salary waiver	Fixed salary (post salary waiver)	Pension	Other	Total Fixed Compensation	in % of total	Bonus	in % of total	Total
Anas Abuzaakouk	CEO	5,200	-250	4,950	780	109	5,839	65%	3,200	35%	9,039
Enver Sirucic	CFO, Deputy CEO	3,500	-125	3,375	525	31	3,931	58%	2,875	42%	6,806
Sat Shah	Retail & SME, Deputy CEO	3,900	-100	3,800	585	78	4,463	65%	2,450	35%	6,913
Guido Jestädt	CAO	1,250	-50	1,200	188	32	1,420	55%	1,150	45%	2,570
David O'Leary	CRO	3,100	-100	3,000	465	70	3,535	71%	1,475	29%	5,010
Andrew Wise	CIO, Non-retail lending	3,600	-100	3,500	540	59	4,099	65%	2,200	35%	6,299
Total of Management Board members		20,550	-725	19,825	3,083	379	23,287	64%	13,350	36%	36,637

2022 in € thousand	Position	Fixed salaries	Pension	Other	Total fixed compensation	in % of total	Bonus	in % of total	Total
Anas Abuzaakouk	CEO	5,200	780	113	6,093	65%	3,350	35%	9,443
Enver Sirucic	CFO, Deputy CEO	3,500	525	44	4,069	59%	2,800	41%	6,869
Sat Shah	Retail & SME, Deputy CEO	3,900	585	88	4,573	61%	2,900	39%	7,473
Guido Jestädt	CAO	1,250	188	32	1,470	60%	1,000	40%	2,470
David O’Leary	CRO	3,100	465	29	3,594	72%	1,400	28%	4,994
Andrew Wise	CIO, Non-retail lending	3,600	540	72	4,212	60%	2,800	40%	7,012
Total of Management Board members		20,550	3,083	378	24,011	63%	14,250	37%	38,261

Explanations of changes from 2022 to 2023

The column *Other* includes private medical (health) insurance, accident/disability insurance, term life insurance and D&O insurance. There are no other allowances or other fringe benefits included that go beyond these insurances. The changes stem from adjustments to the individual coverages as well as common contract indexations.

As an articulation of BAWAG Group’s unequivocal commitment to further develop our outreach programs and to support those in need, the Management Board members waived a total amount of € 725,000 of their combined base salaries in 2023 to fund various social programs BAWAG Group is supporting. These salary waivers are reflected in the 2023 overview table.

TOTAL REMUNERATION PAID

Remuneration paid

In the financial years 2022 and 2023 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 already above, 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 that were delivered to the Management Board members under the LTIP 2018-2020 in the financial year 2022 and 2023. A total of 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	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Fixed remuneration												
Base Salary (prior to waiver)	5,200	5,200	3,500	3,500	3,900	3,900	1,250	1,250	3,100	3,100	3,600	3,600
Salary waiver		-250		-125		-100		-50		-100		-100
Base Salary (post salary waiver)	5,200	4,950	3,500	3,375	3,900	3,800	1,250	1,200	3,100	3,000	3,600	3,500
Pension	780	780	525	525	585	585	188	188	465	465	540	540
Other	113	109	44	31	88	78	32	32	29	70	72	59
Variable remuneration												
<i>Cash part</i>												
Financial year 2022		670		560		580		200		290		560
Financial year 2021	887	270	565	170	691	210	240	72	543	165	636	194
Financial year 2020	0	0	0	0	0	0	n/a	n/a	0	0	0	0
Financial year 2019	0	0	0	0	0	0	n/a	n/a	0	0	0	0
Financial year 2018	87	87	81	81	60	60	n/a	n/a	84	84	66	66
Financial year 2017	0	0	0	0	0	0	n/a	n/a	0	0	0	0
<i>Phantom share part (paid in cash)</i>												
Financial year 2022		0		0		0		0		0		0
Financial year 2021	0	851	0	534	0	662	0	227	0	520	0	610
Financial year 2020	0	0	0	0	0	0	n/a	n/a	0	0	0	0
Financial year 2019	0	0	0	0	0	0	n/a	n/a	0	0	0	0
Financial year 2018	101	103	95	95	69	71	n/a	n/a	97	99	76	78
Financial year 2017	0	0	0	0	0	0	n/a	n/a	0	0	0	0
Total variable remuneration (in cash)	1,075	1,981	741	1,440	820	1,523	240	499	724	1,158	778	959
<i>number of BAWAG Group shares delivered (LTIP 2018-2020)</i>	28,313	28,313	10,083	10,083	22,830	22,830	2,319	2,319	18,066	18,066	20,762	20,762
Total cash (€)	7,168	7,820	4,810	5,371	5,393	5,986	1,710	1,919	4,318	4,693	4,990	5,058
Total shares #	28,313	28,313	10,083	10,083	22,830	22,830	2,319	2,319	18,066	18,066	20,762	20,762

Phantom shares in retention

The number of phantom shares vested in 2023 but which are subject to a one-year retention period is shown in the table below:

	Number of phantom shares vested in 2023
Anas Abuzaakouk	19,953
Enver Sirucic	15,757
Sat Shah	16,412
Guido Jestädt	5,676
David O'Leary	10,758
Andrew Wise	15,864
Total	84,420

The cash amount of the phantom shares which vested in 2023 will be disclosed in the remuneration report 2024. The calculation of the cash amount is based on BAWAG Group's VWAP during the retention year.

SHARES HELD BY MANAGEMENT BOARD MEMBERS

The Management Board's level of ownership is distinct when compared to other European financial institutions, and emblematic of the commitment our leadership has to this firm.

More than 70% of the Management Board's shareholding is derived from their personal investment, demonstrating the commitment of the team into BAWAG. Living a true "owner-operator" mindset, the voluntary personal investment in BAWAG further strengthens the link between management's performance, the strategic business decisions they make, and their focus on long-term value creation in line with shareholders. In addition, this is the mindset that the Management Board members aim to instill across the company – that each employee acts as an owner.

The table below shows the number of BAWAG Group shares held by each Management Board member at the date of this Remuneration Report, with a break-down into shares acquired individually and shares delivered under the LTIP 2018-2020. As indicated below, Management Board members hold 3.8 % of the shares in BAWAG Group. BAWAG's entire Senior Leadership Team (including the Management Board) hold 4.4%.

Shares delivered under the LTIP 2018-2020 and shown in the table below were transferred on a gross basis. For example, to receive a granted award of 100 shares in full, each Management Board member had to pay income tax levied on the 100 shares. Therefore, assuming an average income tax rate of 50%, the figures shown below under the LTIP 2018-2020 column include an individual investment of 50% of the number of shares shown in the table below.

	# of shares acquired individually	# of shares under LTIP 2018-2020	# of shares held
Anas Abuzaakouk	953,494	226,506	1,180,000
Enver Sirucic	189,503	80,663	270,166
Sat Shah	479,364	182,639	662,003
Guido Jestädt	39,412	18,550	57,962
David O'Leary	231,657	144,526	376,183
Andrew Wise	297,024	166,097	463,121
Total	2,190,454	818,981	3,009,435

BAWAG LONG-TERM INCENTIVE PROGRAM 2025

General

In January 2022, the Remuneration Committee 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.

As already presented in our Half-Year Financial Report 2022, Management Board members were awarded the following number of shares under the BAWAG LTIP 2025:

	# of shares awarded under BAWAG LTIP 2025
Anas Abuzaakouk	104,333
Enver Sirucic	70,224
Sat Shah	78,250
Guido Jestädt	25,080
David O’Leary	62,199
Andrew Wise	72,231

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:** The performance conditions as 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 multi-year performance targets until 2025 as presented at the investor day 2021. They consist of financial and non-financial/ESG targets which are split as follows:

Financial targets	70%	Non-Financial /ESG targets	30%
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 and 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 of the vesting conditions (including the performance targets) under the BAWAG LTIP 2025 is carried out by the Remuneration Committee of BAWAG Group. At year-end 2023, BAWAG fulfilled all financial targets, which was confirmed by BAWAG's Remuneration Committee.



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. Accordingly, the LTIP award under the LTIP 2018-2020 was considered for the bonus cap with respect to the financial year 2017.

Vesting of 75% of the LTIP award was dependent on a single performance metric (pre-tax EPS for 2018-2020), which was assessed and confirmed by the Nomination and Remuneration Committee in early 2021. This 75% portion was not tied to any service condition and the respective amount of BAWAG Group shares were delivered to the beneficiaries in 2021. Vesting of the remaining 25% of the LTIP award was subject to a service condition, requiring good standing employment on March 31, 2021, and the respective BAWAG Group shares were delivered in two equal tranches of each 12.5% in 2022 and 2023. Any shares transferred under this LTIP 2018-2020 remain subject to a one-year retention period. Furthermore, malus and clawback rules apply (see below).

With respect to the LTIP 2018-2020 the number of shares which were delivered to Management Board members in the financial year 2022 is shown in the section "total remuneration paid" above.

Following the implementation of the LTIP 2018-2020, we received the feedback from shareholders that the implementation of a long-term incentive program was generally perceived as a positive. However, in our discussions with shareholders, the topic was raised that the LTIP 2018-2020 was based on a single financial performance metric (pre-tax EPS for 2018-2020). Shareholders would have expected more than one single KPI as well as the minority of the award being tied to the fulfilment of non-financial KPIs.

We have taken this feedback into account when structuring the LTIP 2025. The performance conditions for the LTIP 2025 comprise of both, a robust set of financial and non-financial/ESG targets, which are described in further detail in the chapter “BAWAG Long Term Incentive Program 2025” above.



MALUS AND CLAWBACK

In the financial year 2023 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.

DEVIATION OF THE REMUNERATION POLICY

In the financial year 2023 there was no deviation from the Remuneration Policy.

COMPLIANCE WITH REMUNERATION POLICY AND APPLICATION OF PERFORMANCE CRITERIA

New Formulaic Approach

The design of BAWAG's incentive plan was one topic of interest raised by shareholders during outreach meetings in early 2023. Until financial year 2022, our program rewarded management across equally weighted performance pillars of financial, individual, and ESG/leadership success. While this plan established rigorous objectives for management, ultimately it did not emphasize financial performance to the degree that our shareholders preferred. After such consultation, we have increased the focus on financial metrics, while still requiring high performance in individual and non-financial/ESG-related matters. In addition, while in the previous plan the scorecard results were used by the Remuneration Committee to determine the annual bonus of Management Board members, there was no direct translation of the previous MbO scorecard results to how the individual Management Board annual bonus was calculated. With 80% of the scorecard being weighted on externally communicated financial targets and a direct translation of the new scorecard results into the individual annual bonus amount, the new remuneration design ensures that interests between the company's strategy and Management Board are aligned.

Bonus Entry Condition

We have introduced a new initial hurdle, the *Bonus Entry Condition*, which needs to be fulfilled as pre-requirement to activate the bonus calculation formula. The *Bonus Entry Condition* addresses whether it is suitable according to the financial situation of BAWAG to grant an annual bonus to Management Board members.

The *Bonus Entry Condition* is linked to certain KPIs (CET1 1for capital, LCR for liquidity, Risk/RCC for risk) and thresholds as defined in the applicable regulatory *Recovery Plan* of BAWAG. If any of the defined thresholds is breached for a period of more than three consecutive months within the specific calendar year, the Bonus Entry Condition is not fulfilled.

As a consequence of non-fulfillment of the *Bonus Entry Condition*, no bonus will be granted to Management Board members for the respective year.

Explanation of the Annual Bonus Formula

$$\text{ANNUAL BONUS} = \text{Fixed Remuneration} \times \text{Overall Adjustment Factor (0-100\%)} \times \text{Scorecard Results (0-125\%)} - \text{Individual Deduction (up to 50\%)}$$

The below explanations provide further details on each of the variables:

- ▶ **Fixed Remuneration:** Fixed Remuneration corresponds to the sum of *Base Salary*, *Pension* and *Others*, as presented in the table on page 21 above.
- ▶ **Overall Adjustment Factor:** The *Overall Adjustment Factor* takes into account the financial situation / performance of BAWAG Group as well as further ex ante adjustment factors. KPIs relevant for BAWAG Group's financial situation / performance are in line with the externally communicated targets. Ex-ante adjustment factors include quantitative and qualitative risk assessments (e.g. Risk Bearing Capacity, employee's risk behavior) as well as future developments (e.g. macro-economic risks and/or monetary outlook). The *Overall Adjustment Factor* is capped at 100%. Negative adjustments may be offset by positive ones resulting in an Overall Adjustment Factor between 0% to 100% (i.e. the *Overall Adjustment Factor* may be reduced to zero to the extent that an assessment of relevant adjustment factors demonstrates that such reduction is required (*ex ante risk adjustment*)).

- ▶ **Scorecard Results:** The *Scorecard Results* correspond to results of the individual scorecards as presented below. Financial targets will always be tied to externally communicated targets of BAWAG Group. With respect to non-financial/ESG targets, each year a new set of non-financial/ESG targets will be defined by the Remuneration Committee. For 2023 the targets included specific targets in the areas of *Compliance & Conduct*, *Social Engagement* and *Leadership*. For 2024, and in line with ECB's expectations, a greater focus will be put on environmental/climate-related targets.
- ▶ **Individual Deduction:** The Remuneration Committee has discretion to reduce individual annual bonus of Management Board by considering circumstances and facts which lie outside of the formula. The Individual Deduction may be up to 50%. This is a pure downwards adjustment factor; there is no discretion to increase the annual bonus.

Financial & Non-Financial Targets 2023

The Remuneration Committee defined the following financial & non-financial targets for 2023:

FINANCIAL TARGETS – 80%		Weighting
Return on Tangible Common Equity (RoTCE)	Target: 20.0%	40%
Cost-income ratio (CIR)	Target: 34.0%	20%
Risk Cost ratio (in bps)	Target: 25 bps	20%
NON-FINANCIAL TARGETS – 20%		
Compliance & Conduct		
<ul style="list-style-type: none"> • <i>Living a responsible & ethical behavior and setting the proper tone on compliance culture and risk mindfulness</i> • <i>Promoting openness and accountability within BAWAG Group</i> • <i>Compliance with BAWAG Group's risk appetite</i> • <i>Enabling proactive compliance risk management</i> 		5%
Social Engagement		
<ul style="list-style-type: none"> • <i>Double number of hours of volunteer work across entire BAWAG Group compared to 2022</i> • <i>Enhance social engagement activities</i> 		5%
Leadership		
<ul style="list-style-type: none"> • <i>Promoting values of BAWAG Group</i> • <i>Creating meritocratic environment within framework of human capital & governance</i> • <i>Promoting meritocracy</i> • <i>Entrepreneurship, innovation and thought leadership</i> • <i>Embrace technology and disrupting status quo</i> • <i>Human capital development & driving diversity of leadership</i> 		10%

Target Assessment & Overall Cap at 125%

FINANCIAL TARGETS

With respect to the financial targets, the following ratchets apply:

RoTCE Target 20% (+/- 25% ratchet)	Cost-Income Ratio Target 34% (+/- 25% ratchet)	Risk Cost Ratio Target 25 bps (+/- 25% ratchet)
below 15%	above 42.5%	above 31.25 bps
0%	0%	0%
between 15% & 25%	between 42.5% & 25.5%	between 31.25 & 18.75 bps
linear increase	linear increase	linear increase
above 25%	below 25.5%	below 18.75%
capped at 125%	capped at 125%	capped at 125%

NON-FINANCIAL TARGETS:

With respect to the non-financial targets, the following assessment guidelines apply:

<i>At below threshold</i>	0-2%
<i>At threshold</i>	2-5%
<i>At Target</i>	5%
<i>At Max</i>	5-6.25%

Linear payout occurs for performance between the target ranges outlined above. With respect to the Leadership targets a qualitative assessment of each individual Management Board members applies. The target may be over-achieved but is also capped at 125% (i.e. 12.5% of the total targets/score).

The above target assessment guidelines effectively cap the annual bonus for each Management Board member at 125%.

Performance Criteria for the Financial Year 2023

Remuneration paid to Management Board members in the financial year 2023 was in compliance with the Remuneration Policy. In terms of variable remuneration and the performance criteria applied to such variable remuneration, the Remuneration Committee sets the target for each individual Management Board member in line with the principles set forth in the Remuneration Policy at the beginning of the bonus cycle.

All targets are identical for all Management Board members, except for the CRO and the CAO for whom we do not set financial targets given their function, role, and responsibilities. The results of the leadership targets may differ, while the financial and other non-financial targets are assessed for all Management Board Member (except for the CRO and the CAO).

The table below shows the targets defined for the CEO in the financial year 2023, the respective weighting of such targets and the score as assessed by the Remuneration Committee in respect of the CEO as well as the average score of the other Management Board members.

ANAS ABUZAAKOUK; CEO

		Weighting	Actual	Score CEO	Avg. score other MB members*
FINANCIAL TARGETS					
Return on Tangible Common Equity	20%	40%	25.0%	125%	125%
Cost-income ratio	34%	20%	31.8%	106%	106%
Risk Cost ratio (in bps)	25 bps	20%	22.0%	112%	112%
Total of Financial Targets		80%			
NON-FINANCIAL TARGETS					
Compliance & Conduct					
<ul style="list-style-type: none"> Living a responsible & ethical behavior and setting the proper tone on compliance culture and risk mindfulness 		5%		90%	90%
<ul style="list-style-type: none"> Promoting openness and accountability within BAWAG Group 					
<ul style="list-style-type: none"> Compliance with BAWAG Group's risk appetite 					
<ul style="list-style-type: none"> Enabling proactive compliance risk management 					
Social Engagement					
<ul style="list-style-type: none"> Double number of hours of volunteer work across entire BAWAG Group compared to 2022 		5%		125%	125%
<ul style="list-style-type: none"> Enhance social engagement activities 					
Leadership					
<ul style="list-style-type: none"> Promoting values of BAWAG Group 					
<ul style="list-style-type: none"> Creating meritocratic environment within framework of human capital & governance 					
<ul style="list-style-type: none"> Promoting meritocracy 					
<ul style="list-style-type: none"> Entrepreneurship, innovation and thought leadership 		10%		95%	90%
<ul style="list-style-type: none"> Embrace technology and disrupting status quo 					
<ul style="list-style-type: none"> Human capital development & driving diversity of leadership 					
Total of Non-Financial Targets		20%			
WEIGHTED CEO TARGET ACHIEVEMENT				114%	

*CRO and CAO were excluded from the average as their scorecards differ substantially (see explanation above).

Explanations regarding Assessment of Financial Targets

In 2023, we have overachieved all our financial targets, by delivering a

- RoTCE of 25% (vs 20% target),
- CIR of 31.8% (vs 34% target) and
- Risk Cost ratio of 22 bps (vs 25bps target).

Applying the ratchets and assessment rules described earlier in this chapter, this results in the scores shown in the scorecard table above.

Explanations regarding Assessment of Non-Financial Targets

- ▶ **Compliance & Conduct:** Core to our strategy is to maintain a safe and secure risk profile as this is a key differentiator and competitive advantage for BAWAG Group. Despite challenging market conditions, we remained patient, disciplined and vigilant in guarding against loosening our risk appetite in the hopes of generating business volume. This is a result of complying with our Group risk appetite by focusing on risk-adjusted returns, maintaining strong asset quality, conservative interest rate and liquidity risk management, emphasizing secured lending in stable core markets, and proactive de-risking of our balance sheet despite much more severe theoretical stress assumptions. This was best reflected in the EBA/ECB stress test results this past year, where BAWAG ranked #2 among the 57 Eurozone stress-tested banks and #5 among the 70 total

EBA sample. We worked diligently to maintain our conservative risk appetite by enhancing our underwriting, proactively managing the portfolio through real-time weekly credit reviews, selling non-performing loans, completing securitization transactions, continuously stress testing our business, and introducing new and improved risk models. We also focused on elevating our compliance culture and capabilities building up our in-house expertise and ensuring that the full Group understands, recognizes, and appreciates the work the compliance, legal and regulatory teams perform behind the scenes in safeguarding company assets and which underpins the success of our business.

This achievement of this non-financial metric was assessed by the Remuneration Committee with **90%** (4.5% of total targets/score).

- ▶ **Social Engagement:** 2023 has been an incredible year in terms of social engagement activities. In 2023, we surpassed the 3,500-hour mark of corporate volunteering (3,711 hours in 2023 vs 891 hours in 2022; a 4x increase), with approximately 400 team members (over 15% of all employees) having actively participated in various events, which the Management Board and Senior Leadership Team ensured that we all actively participate and lead by example. We have taken preparatory steps to rollout a newly created BAWAG Foundation in 2024 (new legislation entered into force Jan 1, 2024), which will serve to focus and broaden our community outreach efforts. Further, we extended our partnerships with Samariterbund and Kinderuni for the next two years where we have committed to providing financial support as well as support by our employees, and, of course, we will continue to support Ocean Blue and the beach cleaning events going forward. As the Management Team of a large financial institution, we have tried to instill across the Group the significant role we play in society. The focus of our social engagement continues to be on underserved communities and enhancing overall financial literacy.

The achievement of this non-financial metric was assessed by the Remuneration Committee with **125%** (6.25% of total targets/score), due to the over-achievement of social engagement initiatives in 2023.

- ▶ **Leadership (CEO score):** Leadership is best tested during challenging periods. Whether the US regional banking crisis, dealing with a short attack or negotiating strategic transactions – ensuring the Group’s employees, customers, shareholders, and key stakeholders are kept apprised of developments, able to differentiate fact from fiction, and communicated to in an open and transparent manner is imperative to the success of an organization. Explaining the values of the company, our purpose, and ensuring the long-term sustainability of the franchise is at the heart of a CEO’s role. Although 2023 was a record year of financial results, this was a direct result of strategic decisions, investments and leadership over the years to prepare for periods of subdued growth. This year, more than any other, required greater engagement with various stakeholders through 1:1 meetings, employee townhalls and company events, CEO newsletters, customer meetings, investor outreach, meetings with regulators, community outreach programs, and keeping in close contact with Supervisory Board members to ensure real-time dialogue to manage the various challenges and lead the organization.

We also believe our diversity, inclusivity and meritocratic culture are a real source of strength. These are cultural habits which the entire Management Board embodies. Our team members come from 53 different nationalities, and we are fully committed to equity and diversity. This will be a byproduct of merit, integrity, and work ethic. Our greatest asset is our human capital, so we are focused on developing and mentoring our team members across the ranks. Our reconstituted SLT of 98 team members is comprised of 13 nationalities with a female representation of 32%.

Finally, the Management team are both fiduciaries as well as shareholders of BAWAG. The incentives are directly tied to real financial and non-financial targets, which we believe create long-term shareholder and stakeholder value. The Senior Leadership Team currently owns 4.4 % of BAWAG. We believe stock ownership is the best way to create alignment with shareholders and long-term strategic value creation. In order to embed this attitude across the company, we institutionalized employee equity programs to reward our team members for their dedication and commitment as well as to give everyone a chance to participate in the success of the company through direct share ownership and cash profit participations in 2023 and beyond.

The achievement of this non-financial metric with respect to the CEO was assessed by the Remuneration Committee with **95%**.

Explanations regarding the *Overall Adjustment Factor 2023*:

The Remuneration Committee set the *Overall Adjustment Factor* at 80%. This was influenced by the financial situation/ performance of BAWAG Group in 2023, special financial/ non-financial risks and macroeconomic risks/ monetary outlook:

- ▶ **Special financial / non-financial risks:** With respect to *ex-ante adjustment factors* to address special financial / non-financial risks, the Remuneration Committee took into account the increase of Risk Bearing Capacity utilization (quantitative risk assessment) and further evaluated the internal audit and compliance reports to assess whether the employee's risk behaviour has been influenced in view of a potential bonus payment (qualitative risk assessment). Such evaluation revealed no significant findings in 2023.
- ▶ **Macroeconomic risks / monetary outlook:** As another *ex-ante adjustment factor*, the Remuneration Committee evaluated future developments, with a focus on macro-economic risks and the monetary outlook as follows:
 - Still subdued economic growth prospects for 2024 / anticipated stagnating economy in BAWAG Group's major markets, as a result of high interest rates, negative sentiment and weak manufacturing orders.
 - Tight labor market and expected only marginally increase of unemployment rate.
 - Expected only gradually declining of inflation following the recent rapid decline in inflation driven by large base effects.
 - Eurozone interest rate has reached its peak with ECB expected to shift its focus towards keeping rates high for an extended period of time.

Explanations regarding the application of the *Discretionary Individual Deduction Factor* by Remuneration Committee:

After review of the calculated bonus amounts and the aggregate bonus pool for the Management Board, the Remuneration Committee decided to make use of the discretionary deduction option and to cut the aggregate bonus amount by over one-third (34%) across the Management Board. This is driven by the regulator's repeated recommendation to take a cautious and prudent approach with respect to variable remuneration for the financial year 2023.

Additionally, although Total Shareholder Return (TSR) and BAWAG's share price are not set as financial targets, the underperformance of the share price development versus the two primary bank indexes (SX7E & SX7P) are also factored into the deduction. While the overall deduction amounts to 34% across the entire Management Board, the individual deductions vary in terms of percentage to appropriately consider the specifics of each individual Management Board Member:

- No deduction of the calculated bonus was applied to Guido Jestädt, as his total fixed compensation, due to his specialist function at the Management Board, lies outside of the salary band of the other members of the Management Board.
- A reduced deduction percentage of 20% was applied to the calculated bonus of Enver Sirucic, in light of the outstanding performance of the M&A team in 2023, which falls under his responsibility as well as his stellar leadership around community outreach, taking on greater operating responsibilities, and commercial outreach efforts.
- For the remaining Management Board members (Anas Abuzaakouk, Sat Shah, David O'Leary, Andrew Wise) a deduction factor of 40% with respect to the calculated individual bonus was applied.
- Finally, all bonuses post individual deduction were rounded up/down to the nearest € 25k mark.

CEO Annual Bonus – Application of Annual Bonus Formula

Translating the target achievement and the explanations into the annual bonus formula, the result of the formula leads to an annual bonus 2023 for the CEO in the amount of € 3,200,000.

€ 5,839,000 x 80% x 114% - 40%	(Annual Fixed Remuneration) (Overall Adjustment Factor) (Weighted Scorecard Results) (Deduction Factor – see discussion above)
€ 3,200,000	<i>(rounded up/down to next 25k mark)</i>

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**
- ▶ **ESG Committee**
- ▶ **Nomination Committee**
- ▶ **Remuneration Committee**
- ▶ **Risk and Credit Committee**

Deviation of the remuneration policy

In the financial year 2023 there was no deviation from the Remuneration Policy.

Membership in supervisory board committees (per year-end 2023)

	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 2023

	Supervisory Board 8 Meetings	(Nomination & Remuneration Committee 5 Meetings	Audit & Compliance Committee 5 Meetings	Risk & Credit Committee 4 Meetings	ESG Committee 3 Meeting
Egbert Fleischer	100%	100%	100%	no member	100%
Kim Fennebresque	88%	100%	-	100%	-
Frederick Haddad	100%	100%	100%	100%	-
Adam Rosmarin	100%	100%	100%	100%	-
Gerrit Schneider	100%	100%	100%	-	100%
Tamara Kapeller	100%	-	-	100%	100%
Verena Spitz	75%	100%	80%	75%	67%
Konstantin Latsunas	88%	100%	75%	-	-
Beatrix Pröll	100%	100%	-	100%	100%

In 2023 the vast majority of Supervisory Board Members attended all of the meetings of the supervisory board and its committees (attendance rate of 100%), with very limited cases in which members were excused. Outside of these formal meetings, the Management Board also regularly updated Supervisory Board members on ongoing topics.

Remuneration paid to Supervisory Board Members in 2023

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	95	284	379
Kim Fennebresque	71	212	283
Frederick Haddad	54	161	215
Adam Rosmarin	53	157	210
Gerrit Schneider	55	164	219
Tamara Kapeller	52	157	209
Total	380	1,135	1,515

Explanation of changes from 2022 to 2023

In March 2023, BAWAG split its Nomination & Remuneration Committee into two separate committees (i.e. Nomination Committee and Remuneration Committee) following feedback and guidance received from regulators. This resulted in changes to the composition of the respective committees as further described in BAWAG Group's Consolidated Corporate Governance Report 2023. These changes further led to certain members taking on further responsibilities in BAWAG's Supervisory Board committees and, thus, receiving additional remuneration by virtue of being committee members, in line with the remuneration principles as approved by BAWAG's AGM and summarized above.

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.